

INTEGRATED ANNUAL REPORT 2019

I M A G I N



E X T

WELCOME TO A WORLD THAT WHOLLY EMBRACES WHAT COMES NEXT.

Dedicating ourselves to next-level multitainment, e-commerce, eSports and animation via all your favourite devices.

Where local and global cultures, diverse perspectives, languages and the latest trends thrive and flourish, offering infinite possibilities.

Here, knowledge meets entertainment, art embraces science, sport fuses with technology, all coming together as one.

Ultimately, creating content not by human hunch, but driven by rich data. The goal? To bring the next big thing to our customers, to make their every experience bigger, bolder, better.

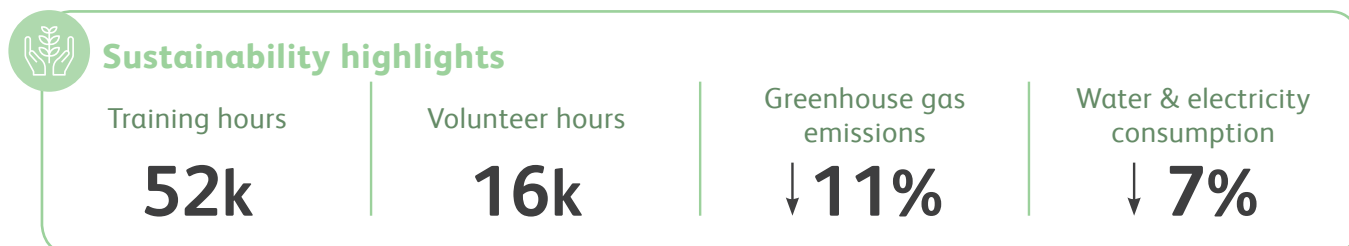
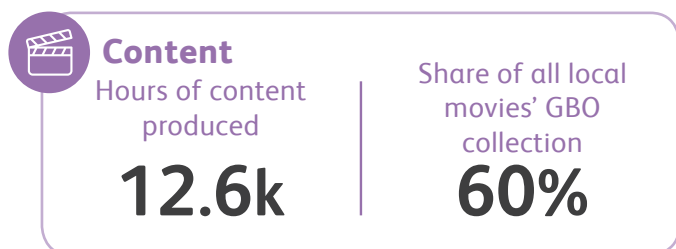
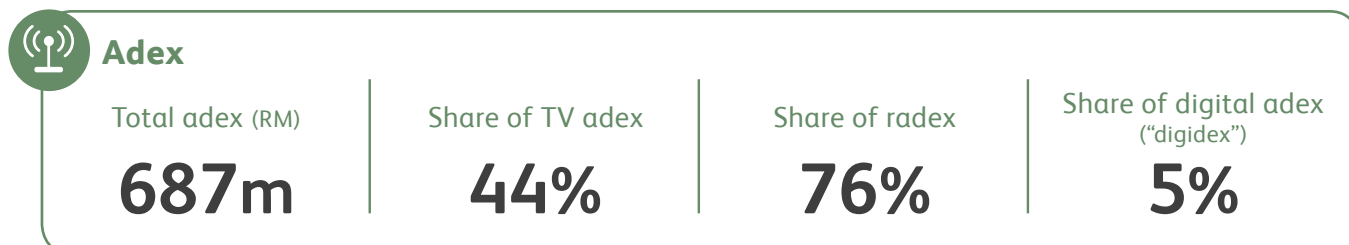
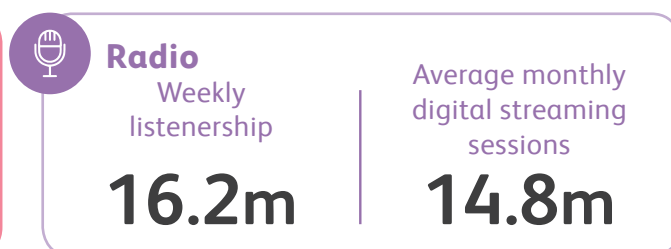
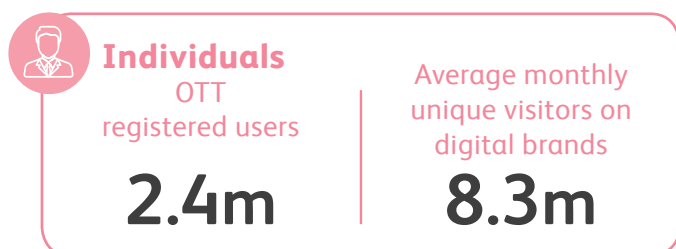
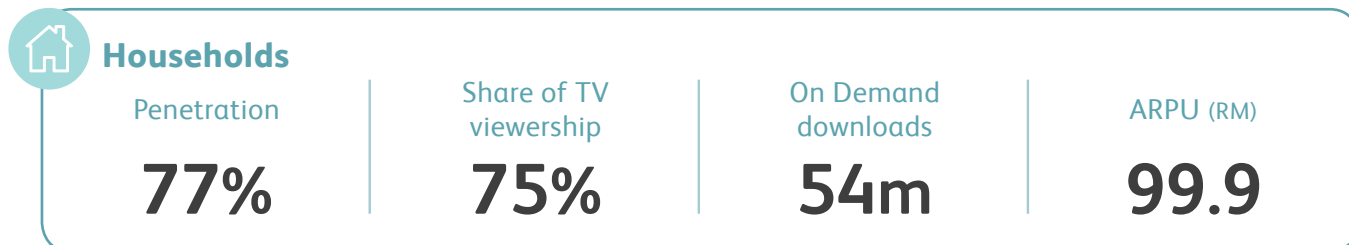
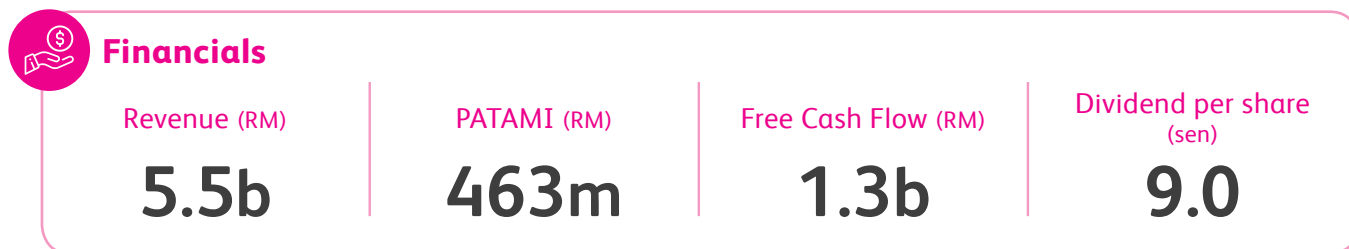
In this connected world, the dynamics have converged, allowing us to play, explore, discover and turn visions into ventures.

Delivering record-breaking blockbusters and signature vernacular Asian originals that are most-wanted, most-watched.

So our customers can immerse themselves in an ever-expanding ecosystem of game-changing multitainment.

IT'S THE FUTURE. AND IT COMES FROM WHAT WE IMAGINE NEXT.

QUICK FACTS FY19



Astro Malaysia Holdings Berhad is Malaysia's leading content and consumer company

in the TV, OTT, radio, digital and commerce space.

Astro Malaysia Holdings Berhad ("Astro") is Malaysia's leading content and consumer company in the TV, over-the-top ("OTT"), radio, digital and commerce space. The combined strength of our Pay-TV and NJOI, our subscription-free TV service, allows us to serve 23 million individuals in 5.7 million households, or 77% of Malaysian households.

Meanwhile, Astro Radio houses Malaysia's highest rated radio brands across all key languages, available on terrestrial with 16.2 million weekly listeners, and on digital with 14.8 million average monthly streaming sessions.

Astro's digital brands host 8.3 million average monthly unique visitors across multiple entertainment and lifestyle platforms. Our OTT, Astro GO and NJOI Now, cater to individuals' demand to access their preferred content anytime, anywhere, across multiple devices.

Go Shop, our commerce business extends across TV, online and mobile platforms with 1.8 million registered customers in Malaysia and Singapore, curating products to fulfil customers' lifestyle needs.

As the leading movie producer in Malaysia, Astro is committed to raising the standard of local films. Seven of its blockbusters, including *Hantu Kak Limah*, *Paskal* and *Polis Evo 2*, are among Malaysia's top 10 highest grossing local movies of all time.

Astro has won Gold in the Media Networks category at the Putra Brand Awards for nine consecutive years from 2010 to 2018, the Malaysian Marketer of the Year award in 2016, and accolades at the IDC Digital Transformation Awards for Malaysia in 2017 and 2018.

Our foundation, Yayasan Astro Kasih has created award-winning initiatives recognised for its innovative and life-changing impact on the community we serve.

Astro will continue touching lives and shaping the industry landscape through content, entertainment and edutainment.

CORPORATE STRUCTURE

Astro Malaysia Holdings Berhad

▷ TV & RADIO

MEASAT Broadcast Network Systems Sdn Bhd 100% Malaysia

- Astro Radio Sdn Bhd 100% Malaysia
 - » DVR Player.Com Sdn Bhd 100% Malaysia
- Perfect Excellence Waves Sdn Bhd 100% Malaysia
- MEASAT Digicast Sdn Bhd 100% Malaysia
- Maestra Broadcast Sdn Bhd 100% Malaysia
- MEASAT Radio Communications Sdn Bhd 100% Malaysia
- Radio Lebuhraya Sdn Bhd 100% Malaysia
- Capital FM Sdn Bhd 100% Malaysia
- Yayasan Astro Kasih* 100% Malaysia

Astro Productions Sdn Bhd 100% Malaysia

Astro Production Services Sdn Bhd 100% Malaysia

▷ DIGITAL MEDIA, PUBLICATIONS AND TALENT MANAGEMENT

Astro Digital Sdn Bhd 100% Malaysia

- Astro Digital 5 Sdn Bhd 100% Malaysia
- Rocketfuel Entertainment Sdn Bhd 100% Malaysia
- Nu Ideaktiv Sdn Bhd^ 34% Malaysia

Tribe Network Asia Pacific Limited# (formerly known as Tribe Asia Pacific Limited) 100% Hong Kong

▷ HOME SHOPPING AND RETAIL

Astro Retail Ventures Sdn Bhd 100% Malaysia

- Astro GS Shop Sdn Bhd 60% Malaysia
 - » Astro GS Shop Singapore Pte Ltd 60% Singapore

Nusantara Retail Sdn Bhd 100% Malaysia

▷ CONTENT & MEDIA SALES

Astro Entertainment Sdn Bhd 100% Malaysia

- Maestro Talent and Management Sdn Bhd 100% Malaysia
- Astro Arena Sdn Bhd 100% Malaysia
- Astro Sports Marketing Sdn Bhd 100% Malaysia
 - » Asia Sports Ventures Pte Ltd 100% Singapore
- Astro Awani Network Sdn Bhd 80% Malaysia
- Red Communications Sdn Bhd 29% Malaysia
- Turner Astro Limited 20% Hong Kong

Astro Shaw Sdn Bhd 100% Malaysia

- Tayangan Unggul Sdn Bhd 100% Malaysia

▷ MANAGEMENT SHARED SERVICES

Astro Group Services Sdn Bhd 100% Malaysia

Astro GTS Sdn Bhd (formerly known as MBNS Multimedia Technologies Sdn Bhd) 100% Malaysia

▷ OTHERS

Astro (Brunei) Sdn Bhd 100% Malaysia

- Kristal-Astro Sdn Bhd 49% Brunei

Karya Anggun Sdn Bhd 100% Malaysia

Notes:

This chart represents Astro's main operating subsidiaries and associated companies under the key business segments as at 16 April 2019

* MEASAT Broadcast Network Systems Sdn Bhd has de facto control over this company

Also registered as a foreign company in Malaysia

^ Astro Digital Sdn Bhd has control over this company based on 51% voting rights over its issued shares

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FTSE4Good

Constituent of FTSE4Good Bursa Malaysia index since December 2013

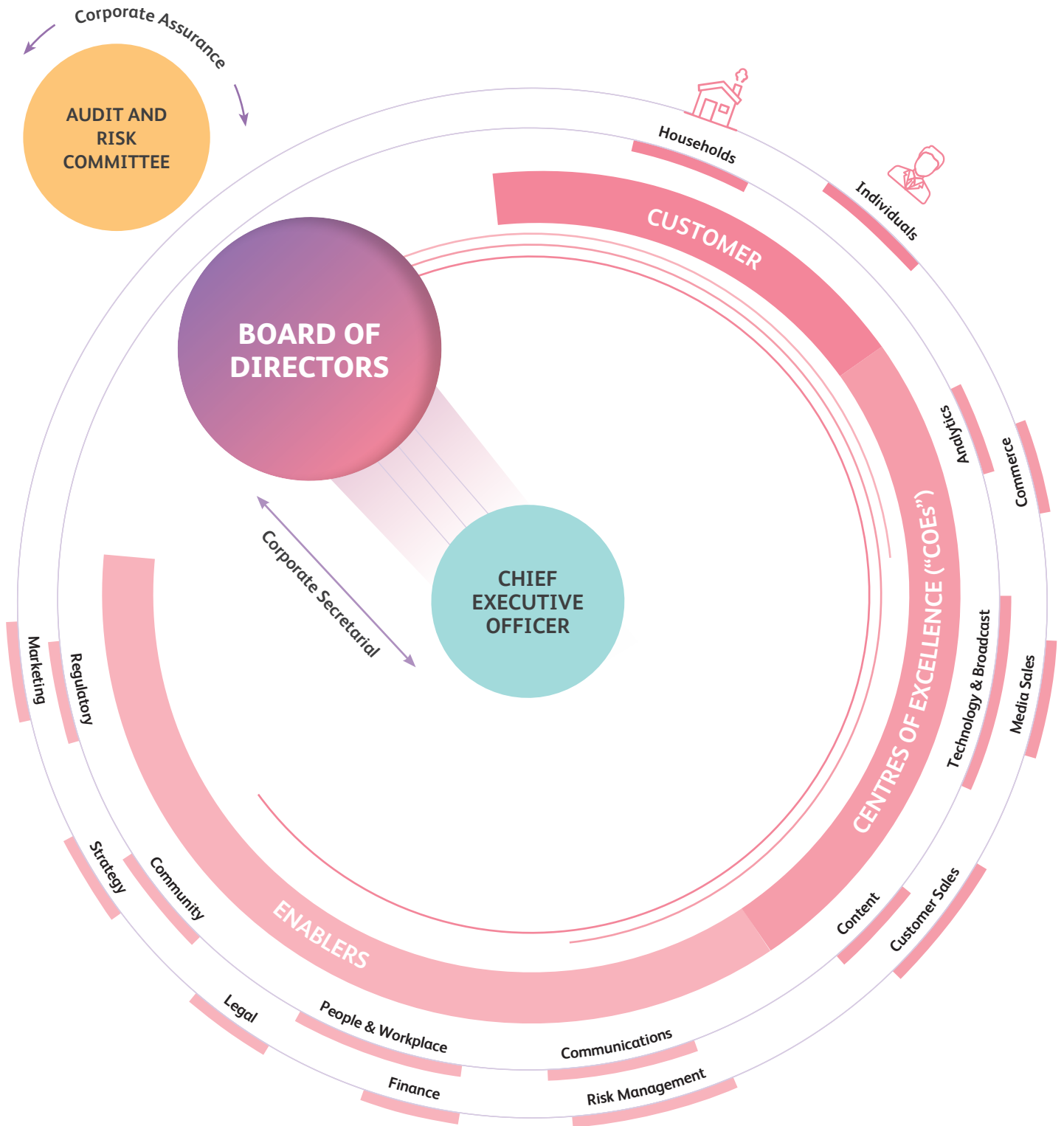
Forward-looking Statements

This report contains forward-looking statements which are based on current estimates and projections of Astro Malaysia Holdings Berhad's ("AMH") management and currently available information. These forward-looking statements relate to the plans, objectives, goals, strategies, future operations and performance of AMH and its subsidiaries. They are not guarantees of the future developments and results outlined as they are dependent on a number of factors which involve various risks, uncertainties and assumptions. Such factors include those laid out in the Key Risk Profile on pages 29 to 32 and the Statement on Risk Management and Internal Control on pages 95 to 99. As such, AMH provides no representation in respect of these statements and disclaims all liability whatsoever (whether in negligence or otherwise) for any loss, damage, costs or expenses however arising out of or in connection with these statements and this report. AMH does not assume any obligation to update the forward-looking statements contained in this report.

This Integrated Annual Report is prepared in line with the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)

Our Integrated Annual Report is accessible on corporate.astro.com.my/ar2019

ORGANISATIONAL STRUCTURE

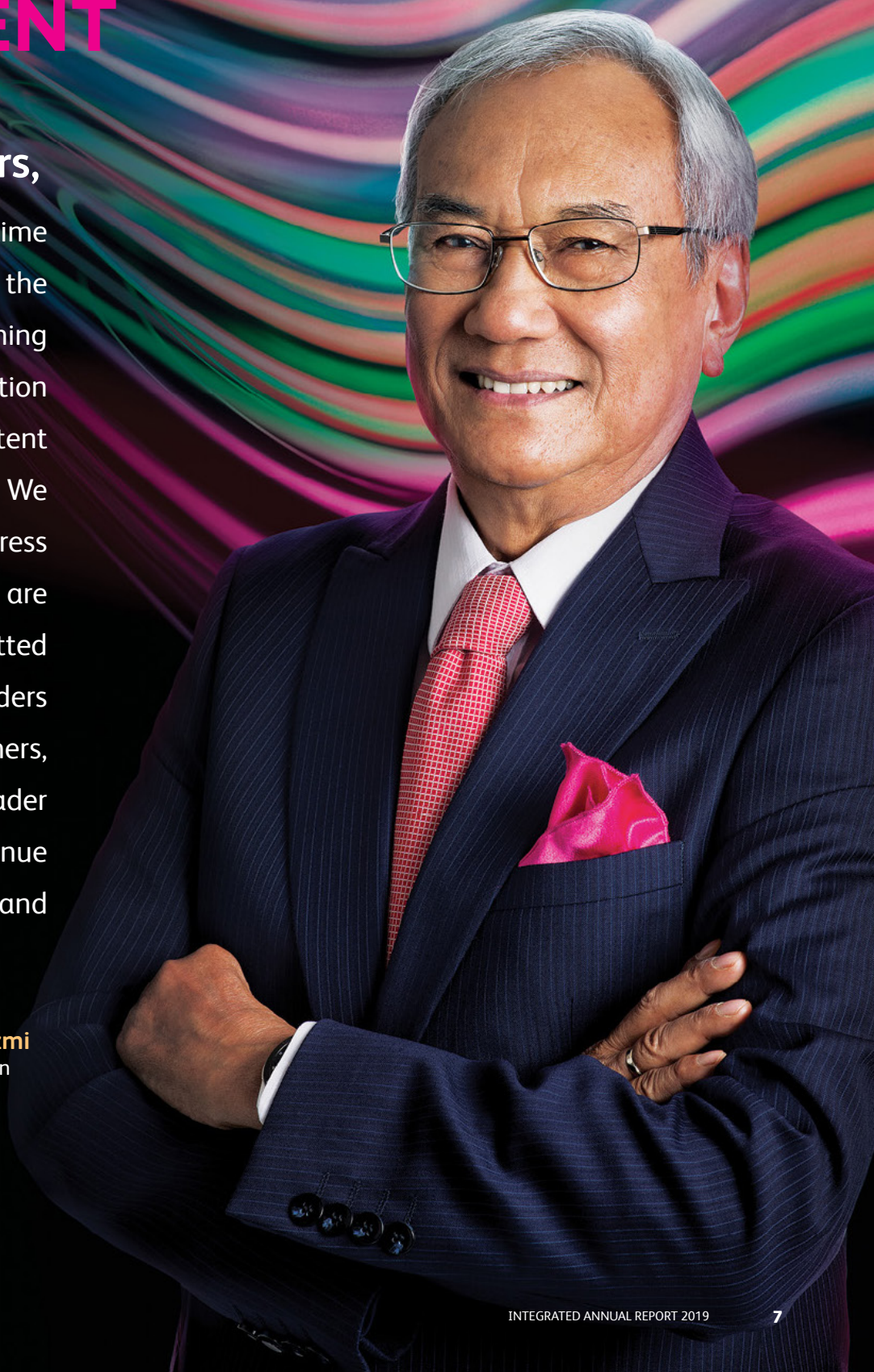


CHAIRMAN'S STATEMENT

Dear Shareholders,

Astro forges ahead at a time of significant shifts within the media industry, strengthening our core business position as Malaysia's No. 1 content and consumer company. We are pleased with the progress made in FY19 and are appreciative of the committed support from our stakeholders including our customers, shareholders and the broader community who continue to be loyally engaged and invested in our business.

Tun Dato' Seri Zaki bin Tun Azmi
Independent Non-Executive Chairman



CHAIRMAN'S STATEMENT

As the shift towards digital distribution accelerates, consumer content consumption patterns continue to evolve, obliging operators to adapt business models and formulate new strategies. To remain a deserving market leader, we continue to execute our strategy of offering premium content, products and services while venturing into innovative new opportunities for long-term sustainability. Backed by the invaluable trust of our customers developed over the last 23 years, our Board and Senior Leadership are embarking on a journey to reimagine our business in this era of revolution while fortifying our value proposition to customers by offering premium entertainment across multiple platforms with targeted personalised experiences drawing upon Astro's growing ecosystem. Our key priorities include reinforcing our presence in Malaysian households, deepening our reach in the individuals' space, and driving adex

and commerce growth, underpinned throughout by our leadership in vernacular content creation and leading multiplatform marketing capabilities.

Commitment to shareholder value

Sustainable long-term shareholder returns and value creation remain top of our priority list. Keeping to our dividend promise, we have once again declared and paid out at least 75% of consolidated profits to shareholders on the back of persistent operational efficiencies, supported by our strong cash generation capabilities. Despite FY19 being a big sporting year for us, our stable operational performance and prudent cost management efforts have enabled us to reward our shareholders with dividends totalling 9.0 sen per share, representing a payout of 101% of PATAMI. Since IPO, we have rewarded our shareholders with dividends totalling over RM3.6 billion.

We look forward to continuing to reward our loyal shareholders with an attractive dividend yield while also exercising financial prudence to enable us to reinvest into our business.

Championing the vibrant local media industry

We remain committed to supporting the development of Malaysia's homegrown media industry, a responsibility we undertake with utmost diligence and pride. Having established close relationships with our 5.7 million households, 16.2 million weekly radio listeners and millions more individuals through our digital offerings and on-ground live events, we are well-positioned to help steer the local content industry and talent development to greater heights.

Dividend per share

FY19	FY18
9.0 sen	12.5 sen

Dividend payout ratio

FY19	FY18
101%	85%

Total dividend declared since IPO

FY19	FY18
RM3.6b	RM3.1b

Direct contribution to GDP

FY19	FY18
RM1.9b	RM2.2b



Astro's blockbusters achieved commercial and critical success in FY19



Astro participated in the inaugural Kuala Lumpur Digital Content Anti-Piracy Summit organised by MCMC, Coalition Against Piracy and Asia Video Industry Association to address digital piracy

Through multiple collaborations with local and regional media players, as well as government bodies such as the Malaysian Communications and Multimedia Commission (“MCMC”) and the Ministry of Domestic Trade and Consumer Affairs (“KPDNHEP”), we fully support initiatives aimed at the advancement, innovation and growth of the domestic creative space, including combating content piracy.

In FY19, we commissioned more than RM80 million worth of programmes from local production houses, creating a nurturing environment for on-air and off-air talents to flourish. We are excited to be blazing new trails in the local film industry, having produced three of the top four Malaysian movies this year. 2018 was indeed ground-breaking, as for the first time ever, local movies at the box office grossed over RM100 million. We also collaborated with over 10,500 vendors, and provided creative advertising solutions to over 1,700 corporations and media houses. On a macro level, we contribute to the Malaysian economy both directly, in terms of employment and tax, as well as indirectly

through induced spending. It is estimated that our direct contribution towards Malaysia’s GDP amounted to RM1.9 billion in FY19. We are humbled that our Pay-TV entity MEASAT Broadcast Network Systems (“MBNS”) was awarded the Best Corporate Taxpayer Award 2018, among the 11 presented by the Inland Revenue Board of Malaysia (“LHDN”).

Content piracy remains widespread and is detrimental towards the growth of the local media industry. We continue to work with various stakeholders as well as our content partners to safeguard content IPs and the wellbeing of our talents through holistic anti-piracy initiatives, supported by the adoption of the latest technology. We work closely with the relevant ministries and authorities – including the Ministry of Communications and Multimedia Malaysia (“MCMC”), MCMC, KPDNHEP, Royal Malaysian Police and Royal Malaysian Customs – tirelessly advocating intellectual property (“IP”) protection and actively participating in industry coalitions against piracy at both the local and international level.

Commitment to sound corporate governance practices

Our Board recognises its fiduciary duty and responsibility towards our shareholders and is committed to high standards of corporate governance (“CG”) and international best practices in accordance with the Malaysian Code on Corporate Governance 2017 (“MCCG”) to ensure the long-term sustainability of our Group and protect the interests of all shareholders. Our Board works closely with Astro’s management to drive proactive risk management, governance and compliance strategies to instil accountability among our talents in carrying out the day-to-day operations of our business.

In recognition of our efforts in promoting good CG, I am pleased to report that Astro was named as among the Top 50 ASEAN Public Listed Companies at Minority Shareholder Watchdog Group’s (“MSWG”) 2nd ASEAN CG Award.

CHAIRMAN'S STATEMENT

Our Board views diversity as integral to the Group's culture, crucial for innovation, ideation and efficient problem solving, allowing us to draw upon varying skill sets and perspectives offered by Team Astro. The composition of our Board, comprising members of various backgrounds, competencies, gender and age, reflects our belief about the strategic value of diversity for the long-term growth of our Group. Details on our governance, risk management and compliance policies are provided in the CG Overview of this Integrated Annual Report.

Giving back to the community

The guiding principles of Yayasan Astro Kasih, encompassing Lifelong Learning, Community Development, Sports, and

Environment, remain close to our hearts. It is my pleasure to report that our talents contributed 16,369 hours for 175 initiatives in FY19 under our Astro Kasih employee volunteer programme in the belief that each individual in their own special way can enrich and inspire the community to create a better tomorrow.

As part of our effort to promote lifelong learning and equal opportunity for education, to date we have extended our Astro Kampus programme to over 10,000 schools in Malaysia, 75 paediatric and oncology wards, Schools in Hospitals and military hospitals, providing children with access to education regardless of their background and varying life circumstances. Through our partnership with the Ministry

of Education, our Astro Kasih Hostels located in the remote areas of Kota Marudu and Ranau in Sabah, and Kapit in Sarawak continue to benefit students from SK Magandai, SK Malinsau and SK Sg. Paku by providing lodging facilities proximate to their schools, saving precious travel time which is instead reallocated to studying. Consequently, we are delighted that SK Magandai and SK Sg. Paku have recorded an improvement in their overall passing rates, while for the first time ever, three students from SK Malinsau achieved a perfect score of 6As in the 2018 UPSR examination.

Regionally, we are pleased to continue our mentoring programme in partnership with WEDU to empower young women from



Chairman of Astro Tun Dato' Seri Zaki bin Tun Azmi and Chairman of Maxis Raja Tan Sri Arshad bin Raja Tun Uda presented a contribution to Tabung Bencana Gempa Bumi & Tsunami Sulawesi for the rebuilding of schools and communities to Prime Minister YAB Tun Dr. Mahathir bin Mohamad



We identify, train and develop young badminton talents under our Astro Kem Badminton programme

marginalised communities across Asia. During the six-month programme, eight participants from Cambodia, the Philippines and Vietnam were coached and mentored by our talents to help equip them with skill sets and guidance to pursue their life goals.

Sports is a universal language that promotes social inclusion, fosters cross-cultural integration and brings people together. In FY19, we progressed further with our annual Astro Kem Badminton and Astro Kem Bola programmes to identify, train and develop talented children who are passionate about badminton and football to achieve their dreams of becoming young national athletes. In partnership with the Badminton Association of Malaysia (“BAM”), our Kem Badminton has scaled from being a training-based programme to holding tournaments at national and

regional levels through the Astro Junior Championship. In FY19, 3,479 children turned up for selection camps nationwide with 29 outstanding participants ultimately selected for a two-week overseas training programme in Tokyo, supervised by Japan’s national junior coaches.

Football is the most popular sport among Malaysians, and Astro being the home of football for all Malaysians is privileged to shape and nurture the local football scene. Our Kem Bola programme has received tremendous support over the years from the community with over 17,000 sign-ups since 2012. In FY19, 2,222 children enrolled in the programme with 32 finalists successfully completing a 10-day training at FC Barcelona’s prestigious youth academy in Spain.

Kem Badminton total participants

FY18	FY19
2,787	3,479

Kem Bola total participants

FY18	FY19
2,065	2,222

CHAIRMAN'S STATEMENT



Astro Kem Bola participants during training at FC Barcelona's youth academy in Spain

Looking ahead

Success comes from creating and finding opportunities within seemingly complex problems. As we journey through today's highly fragmented business landscape, we will draw upon our customer base and reach while refreshing our value proposition to fortify our business through continuous innovation. We will refocus our resources into our growth drivers, guided always by our established governance and risk management framework to safeguard our assets and address the interests of all stakeholders.

In appreciation

On behalf of the Board, I would like to express my sincere appreciation to MCMM, MCMC and other government authorities including industry players for their shared vision and commitment in promoting and nurturing Malaysia's promising media

industry. We look forward to greater collaboration with all parties, especially in our battle against piracy which poses the single largest threat in the industry's goal of developing a vibrant export market for local production.

To our valued stakeholders – customers, shareholders, business partners and vendors, thank you for your resolute support throughout the years.

To my fellow Directors, thank you for your unwavering support and invaluable guidance. To our new Directors – Tunku Alizakri Raja Muhammad Alias, Mazita Mokty and Vernon Das, welcome on board. I look forward to us working together and leveraging each other's expertise towards greater success. I would especially like to extend our deepest gratitude to Dato' Rohana Rozhan for her tireless dedication

and inspiring leadership that has propelled Astro forward, most prominently in her role helming the Group over the last eight years, as well as to those who have opted for our employee separation scheme ("ESS") or who have left us over the last year to pursue other opportunities. Your contributions are greatly treasured, and I wish you all the best in your future endeavours.

Last but not least, thank you Team Astro for your dedication and commitment towards ensuring service excellence for our customers and stakeholders alike. Your sheer determination and tenacity in delivering your best underpins our resilience and strength in these exciting times.

Tun Dato' Seri Zaki bin Tun Azmi

On behalf of the Board of Directors

CEO'S STATEMENT

Dear Shareholders,

In a borderless and digital world, competition is increasingly relentless. In FY19, we initiated a strategic review of our business to reappraise our key imperatives, organisational structure and operations to remain efficient, agile and focused.

Henry Tan Poh Hock
Chief Executive Officer



CEO'S STATEMENT

Today, consumers live in an era of abundant choices. As a leading content and consumer company that serves a rich and diverse group of multiethnic, multicultural and multilingual customers, it is essential for us to have our finger on the pulse of each segment and trend. Only then can we maintain and grow our relevance among consumers.

Having entertained Malaysia for well over two decades, we have shared much laughter, and many a tear and cheer with the nation. Our strength remains our reach of 5.7 million Malaysian homes serving 23 million individuals, 16.2 million weekly listeners on radio, 8.3 million average monthly unique visitors on our digital brands, and over 1.8 million registered customers on Go Shop, our commerce platform. Our focus in FY20 is to strengthen our core Pay-TV and NJOI businesses with our key priorities being customers, content and customer experience. A differentiated content offering of our own vernacular IPs, Asian originals and live sports underpins Astro's ability to engage and persuade on

television, radio and digital platforms. In this new world, we recognise that customer experience is a key differentiator, which is why it remains a priority that will help us navigate the changing landscape more effectively.

Resilient financial results and prudent capital management

FY19 was a major sporting year featuring the 2018 FIFA World Cup, which resulted in higher content costs. Despite this and foreign exchange headwinds, our financials remained resilient. Revenue was RM5.5 billion, marginally down from the previous year, and PATAMI was RM463 million, down 40%. Our performance was underpinned by revenue diversification efforts alongside disciplined cost management initiatives across the entire business. Our business remains highly cash generative with free cash flow ("FCF") of RM1.3 billion, backed by sound capital management decisions.

We retain flexibility in funding options by constantly assessing market alternatives

to ensure an optimal capital structure. In FY19, we drew down on a new term loan facility of RM380 million to enhance our existing funding pool while simultaneously prepaying RM629 million of our existing term loan. In combination with FCF, these funding sources were used to fund capital expenditure ("Capex") and provide a return to shareholders. Capex amounted to RM386 million in FY19, invested mainly in the enhancement of technology stacks and deployment of connected Set-Top Boxes ("STBs") with On Demand ("OD") and Personal Video Recorder ("PVR") functionalities to deepen customer engagement. At the end of FY19, our cash position stood at RM632 million, with our net debt/EBITDA level steady at 1.8 times.

In line with our dividend policy of 75% payout of consolidated profits, in FY19 we rewarded shareholders with 9.0 sen of dividends per share, translating to 101% of profits and a yield of 5.4%. We remain committed to our dividend promise, even as we reinvest into our core and adjacent businesses.

astro & broadband



Enhancing our customer value proposition through content and broadband bundles

Our On Demand content library caters to the shift in consumer viewing habits towards non-linear and OTT platforms

Market landscape

Broadband scene in Malaysia

Through the new National Fiberisation and Connectivity Plan (“NFCP”), the government aims to achieve 98% broadband penetration of populated areas with an average speed of 30Mbps by 2023. The aspiration is to halve broadband prices and double the speed to benefit consumers. The mandatory standard access pricing (“MSAP”) under the NFCP unlocks opportunities for more players to be part of the broadband value chain and provides consumers more varied and affordable broadband options. Liberalisation of the broadband sector opens new avenues for Astro to leverage our differentiated content for a compelling bundling solution for customers.

Cheaper and faster broadband will accelerate the shift in how consumers discover, access and consume content. Today, the average Malaysian consumes around 24 hours of video streaming a week on mobile phones, tablets, laptops and desktops. With mobile broadband penetration at 110%, the smartphone

is the default medium for short-form media consumption on-the-go, while larger screens are mainly for longer-form content. Providing a seamless viewing experience across devices at home and on-the-go is increasingly a key differentiator. Astro’s upcoming technology platform upgrade aims to address this by providing content mobility and portability, unified recommendations and consistent look and feel across STBs and smaller screens.

Acceleration of broadband connectivity will further fuel borderless competition. Global technology giants act as utilities or aggregators, leveraging their extensive ecosystems and more recently, content, to lock consumers’ engagement across different touchpoints. Major media heavyweights are also starting to vie for eyeballs with their own direct-to-consumer OTT plays. To this end, Astro will continue to prioritise vernacular content creation to drive engagement; form partnerships and alliances with local, regional and global value-enhancing partners in the areas of content, broadband bundling and customer

rewards initiatives; and strengthen our customer value proposition amid the industry upheaval.

While we welcome healthy and legal competition, piracy remains the biggest scourge of the industry. Asia Pacific accounts for 44% of the worldwide Android STB market, the highest of any region in the world. Malaysia accounts for the second largest share of content piracy in Southeast Asia, after the Philippines. In 2017, the Malaysian economy lost an estimated RM2.3 billion in revenue and induced spending, RM330 million in tax and over 3,300 jobs as a result of piracy. We applaud MCMC for joining forces with the Asia Video Industry Association (AVIA) and Coalition Against Piracy (CAP) to raise awareness on the damaging impact of digital piracy. We understand that MCMC is now looking to set up an agency to streamline multiple government agencies and industry players to tackle content piracy more effectively. Astro supports these initiatives.

CEO'S STATEMENT

Malaysia's vibrant digital economy and opportunities ahead

As Malaysia becomes a digital nation, the Malaysia Digital Economy Corporation ("MDEC") projects the digital economy to contribute to 20% of the country's GDP by 2020, from 18.2% in 2016.

A key component of a digital economy is online video streaming. The Malaysian online video subscription and advertising market was valued at USD87.7 million in 2018, but is expected to grow by a CAGR of 21% over the next five years. Meanwhile, digital advertising, the fastest growing segment within the advertising market locally, is expected to account for 33% of total advertising revenues by 2023, up from 19% in 2018.

E-commerce is also an important segment within Malaysia's digital economy. With 98% of Malaysian online users owning a smartphone and spending an average of 3.6 hours daily on mobile devices, it is not surprising to find over half of them shopping online through their phones. It is estimated that 60% research their potential purchases on social media prior to buying, ramping up social commerce. E-commerce contribution to GDP has more than doubled to RM86 billion in 2017 from 2010, recording an impressive CAGR of 13%. Through the implementation of the National E-Commerce Strategic Plan, the government aims to increase this to RM211 billion by 2020.

Capitalising on the growth momentum, we are driving initiatives to expand our footprint in the OTT video, digital advertising and e-commerce spaces.

Investor sentiment

Worldwide, a value disconnect exists between media incumbents and disruptors, with capital markets applying differing valuation standards. Investors value stable cash-generating companies based on FCFs but yet, simultaneously, display little concern over the cash-generating capabilities of digital-first corporations.

In recent months we have seen markets being more sensible in valuing these digital-first companies, and their stock prices have since moderated. This may be attributed to cooling growth projections within the climate of slowing global growth, trade wars and political uncertainties; higher compliance costs arising from stricter scrutiny by regulators worldwide on anti-competitive behaviour and possible misuse of data; and increasing cost structures to comply with local regulations as governments contemplate taxes and other policies based on a digital, rather than physical, footprint. We see this as a potential catalyst to narrow the valuation disconnect. Meanwhile, we will seek to capture new value, predicated on our customer relationships, brand trust, and growing data and analytics capabilities by positioning ourselves as the leading

premium content creator and integrated marketing platform in Malaysia.

FY19 Key Highlights

In FY19, we continued to expand our reach across households, individuals, commerce and advertising spaces by enriching our content and customer experience.

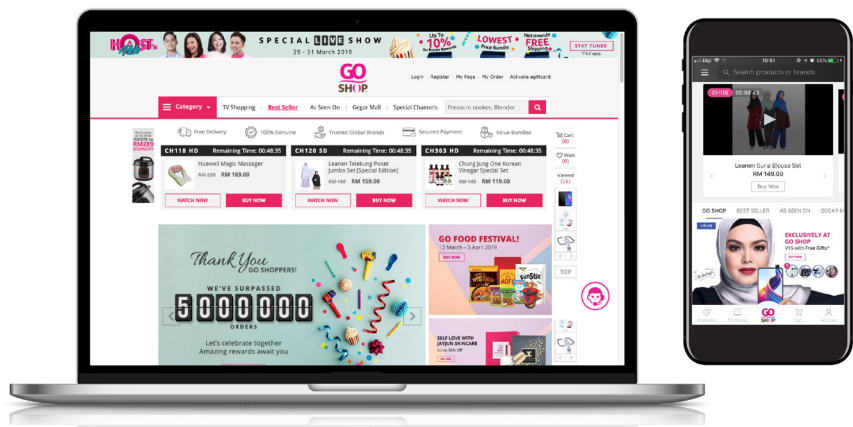
Customer and Experience

Winning over households and individuals

The strength of our combined Pay-TV and NJOI segments has allowed us to increase our household penetration rate to 77%. Our NJOI segment continues to grow, driven by higher prepaid buys across more purchase touchpoints. Our NJOI customers have free access to 30 TV channels, including free-to-air channels and three Go Shop channels, increasing both our commerce and advertising reach. Additionally, customers have the option to purchase skinny bundles, à la carte channel offerings and event passes on a prepaid mechanism, as we acclimatise customers to consume premium content and gear them towards an upsell pathway onto our Pay-TV platform.

In FY19, Pay-TV ARPU was stable at RM99.9 with new customers' incoming ARPU growing by 4% to RM70.6. We surpassed the 1 million mark in the number of Pay-TV connected boxes, showing a 25% year-on-year growth, and driving OD downloads up by 135% to 54 million videos in a year. By connecting to WiFi, our connected customers have access to over 25,000 hours of content within our OD library that includes curated titles, box sets and premium titles, with algorithms tailoring recommendations based on viewing habits.

Our OTT, Astro GO and NJOI Now, complement our current big screen offerings, championing Astro as a 'TV Everywhere' proposition. As we continued to entertain our customers with high quality live streaming and OD content, the customised recommendation engine propelled growth of our Astro GO registered user base by 32% to 2.2 million.



Go Shop offers a multiplatform shopping experience through its website and mobile app

A strategic business review conducted towards the end of 2018 highlighted how the appetite to pay for digital services in ASEAN remains small. As a result, we ceased operations of Tribe, our regional OTT, and Tamago, our live streaming service in favour of reinvesting in our core businesses.

Solidifying commerce penetration

Alongside our three dedicated 24-hour channels in Malay and Mandarin, in FY19 Go Shop introduced programming in English, Hokkien, Cantonese and Tamil, targeting promising new customer segments. Its multiplatform reach via TV, radio and digital that leveraged Astro's production capabilities and talents drove growth in revenue and registered customers of 29% to RM374 million, and 38% to 1.8 million respectively.

Pivoting adex for the digital age

Malaysians enjoyed a tax holiday window between June and August 2018 as the tax regime reverted to SST from GST. This resulted in a contraction of Malaysia's advertising industry by 2% in FY19 as advertisers held back on marketing spends, given the natural demand emerging from consumers during this period. As a major player in the advertising industry, we were affected, with our TV and radex declining by 5% and 10% respectively in FY19. Our digidex grew 43%, outperforming the industry average of 20% as we ramped up our adex push across our growing digital brands.

Entertaining and delighting our fans with great content across 11 leading radio brands has enabled us to retain our position as the No. 1 radio network in Malaysia across all major languages with a radex market share of 76%, up three percentage points. Our overall radio footprint has grown as 16.2 million people listen to us weekly on terrestrial radio alongside 14.8 million average monthly digital streams. While our strong terrestrial radio presence remains essential to our multiplatform advertising proposition, our radio brands are transitioning to establish meaningful

connections with younger digital natives through fan engagement sessions on video, web and social media platforms.

Content: Our key differentiator

In FY19 we commissioned and produced over 12,600 hours of content, bolstering our position as Malaysia's leading premium content creator with an emphasis on local vernacular IPs. We monetised our content through adex, commerce, on-ground events, merchandising and global licensing. Several Astro IPs were licensed worldwide on Netflix for the first time, including our movies *Hantu Kak Limah* and *Paskal*, as well as *Demon's Path*, our first Hong Kong original mini-series which was also licensed to Celestial.

Our signature local content underpins the growth in our overall viewership share across both linear and non-linear mediums of OD and OTT. TV viewership share remained resilient at 75%, even as non-linear viewing

among customers accelerated through OD downloads and the growing base of registered OTT users. With the growing popularity of local and regional content, we are rebalancing content investments into these areas while we continue to aggregate the best of sports, live and international content. Over the medium term, we envisage a more equal split between local/regional and international/sports content spend.

Based on our TV viewership share data, Astro customers watched twice as much vernacular content versus other content. This is also important to our adex proposition which is premised on steady viewership numbers and gives confidence to our clients to continue prioritising spends on Astro's multiplatform offering. Our signature local IPs and Astro-branded channels garnered consistently high viewership and they accounted for up to 70% of our TV adex.



Hantu Kak Limah sets a new GBO benchmark for local movies, beating Hollywood blockbusters

CEO'S STATEMENT

Local productions rivalling Hollywood's biggest franchises

Three of our movies broke local box office records, setting new benchmarks both for ourselves and the Malaysian film industry. Released in the second half of the year, *Hantu Kak Limah* and *Paskal* beat major Hollywood blockbusters and grossed in excess of RM30 million each in the local box office. *Polis Evo 2*, our action movie in collaboration with Emtek, Indonesia's top FTA, likewise garnered over RM20 million. Collectively, our six releases led local movies' GBO collection with over RM100 million, capturing over 60% market share.

Local is the new premium

Our signature local offerings span genres from live shows, such as *Maharaja Lawak Mega 2018*, *Gegar Vaganza (Season 5)* and *Astro Classic Golden Melody*, to news programmes on Astro AWANI and *Evening Edition*, and highly anticipated dramas such as *Rahsia Hati Perempuan* and *Tak Ada*

Cinta Sepertimu, which have captured the hearts of many customers over the years. On the regional front, our local Hokkien entertainment offering *Hua Hee Champion* is exported to Singapore and Taiwan while *Evening Edition* continues to be the No. 1 Mandarin news programme locally for the fourth consecutive year.

We deepened capabilities to serve vernacular online offerings to digital natives. Our short-form content garnered over 1.9 billion minutes watched on our digital brands including Gempak, Ulagam and Xuan. Meanwhile, Astro AWANI was named the 'Most Trusted Malaysian News Source' in the Reuters Institute Digital News Report 2018.

Addressing the young

Our signature kids animation IP, *Didi & Friends* set new records this year, logging more than 1.4 billion YouTube views online. It also became our first kids IP to reach 100,000 YouTube subscribers in Indonesia, and was dubbed into multiple languages,

catering to a global fan base. *Didi & Friends* joins our other key kids animation IPs such as *Cam & Leon*, a comedy series, and *Omar & Hana*, a faith-inspired singalong, which are popular locally and overseas.

To further enrich our kids animation IPs, we entered into a partnership with Les' Copaque to market and distribute *Upin & Ipin*, and with SmartStudy to bring popular characters *Pinkfong* and *Baby Shark* to Malaysia.

Major sporting year

2018 was our biggest sporting year yet with live coverage of the 2018 FIFA World Cup, Winter Olympics, Commonwealth Games and Asian Games. As the home of sports, we brought all 64 World Cup matches live in HD to all sports fans. The World Cup saw 11.6 million and 1.0 million unique viewers on TV and OTT respectively, with 120,000 World Cup passes sold. For the first time ever, we extended our sports proposition to all Malaysians, enabling them to stream



Our signature vernacular content continues to resonate with audiences on all platforms



The Kuala Lumpur Major, an eSports tournament co-organised by eGG Network attracted thousands of Dota 2 fans

by purchasing a World Cup pass via our NJOI Now OTT. Football fans also rejoiced to hear we secured exclusive rights to the Premier League up to the end of the 2021/22 season.

The rise of eSports

Astro has championed eSports since 2016 as a means of engaging gaming millennials. eGG Network, our dedicated eSports channel, is now present in eight countries, the latest being Indonesia. We chalked up another first this year as we co-hosted the inaugural *Dota 2* tournament in Malaysia, The Kuala Lumpur Major. Featuring over 100 professional gamers from around the world, the event was a huge success, with over 7,500 tickets sold and was the seventh most watched eSports tournament globally in 2018.

Looking ahead: FY20

Amid the revolution happening within the content and connectivity spaces, we see

attractive opportunities emerging. FY20 will see us refocusing on our core business and leveraging our key assets, strengths and differentiators to solidify our position as Malaysia's leading content and consumer company.

We will adopt a two-pronged approach, with our Astro branded Pay-TV serving a compelling bouquet of premium content for customers while NJOI will be positioned as a recruitment brand for us to expand our reach across the remaining households in Malaysia. We will continue to protect the premium Pay-TV segment while we grow and monetise NJOI by featuring a freemium proposition with à la carte, skinny bundles, sachets and event passes, with NJOI acting as a gateway for customers to full-fledged Pay-TV offerings. Our valuable customer reach, alongside key enablers of data and talent, facilitates revenue diversification efforts by allowing us to expand beyond content to broadband, commerce, and adex.

Redefining our premium Pay-TV proposition

Enhancing customer experience

As customer experience becomes an increasingly important differentiator, we will continue to adopt emerging technologies to push for better customer experience. We intend to deploy cloud technology to deliver seamless viewing experiences to individuals across TV, OD and Astro GO, while also refreshing our user interface and experience ("UI and UX") across the board. Initially slated for FY19, the launch of this new platform was deferred to FY20 as a result of extended negotiations for better commercial terms with technology providers.

Also planned is the commercial launch of 4K-Ultra High Definition ("UHD") service, following the introduction of the first 4K-UHD broadcast of Premier League matches at selected commercial establishments in FY19.

CEO'S STATEMENT

Elevating customer service

We are undertaking multiple initiatives to holistically enhance customer care and satisfaction, with a focus on improving service levels and ensuring a seamless and hassle-free customer journey throughout their engagement with Astro. This initiative will encapsulate all customer touchpoints across physical, voice and digital engagements, allowing us to sharpen our competitive edge through better service.

A key initiative in FY20 is the introduction of our Astro Rewards loyalty programme. Through Astro Rewards, our Pay-TV customers will enjoy a host of exclusive

privileges, ranging from special discounts, access to lifestyle engagements, off-screen experiences and other benefits negotiated exclusively for them in mind. Our ability to reach, persuade and promote puts us in a unique position to take on an intermediary role between our partners and customers to achieve a win-win proposition, providing partners access in return for preferential value and benefits for our customers. Key for us is to find a winning model that works for our business and customer base, one that is differentiated versus other reward programmes in the market.

Refreshing content

We will continue to create, curate and deliver a rich variety of compelling content formats to serve all segments in a very diverse Malaysia across multiple genres, including sports, movies, news and documentaries. This will be driven increasingly by Astro's own vernacular offerings, where we will place a special focus on Malay content to serve the largest and fastest growing demographic segment in Malaysia, and Nusantara content to address the regional Malay-speaking diaspora. Efforts to export our content verticals, especially kids, Islamic, eSports, and horror will also accelerate.

Building on the success of our theatrical and original IPs in FY19, we intend to further enrich our content offering through partnerships with regional and global OTT players. On digital, we will strengthen our vernacular proposition, supported by our strong content library, reaching younger audiences through savvy use of social media and digital brands to amplify awareness of our content IPs among fans.

Seizing the broadband opportunity

The liberalisation of the broadband sector arising from the change in government regulations and policies provides an opportunity for Astro to leverage our nationwide reach to integrate with the connectivity space. As a content provider, we are platform agnostic and open to partnering with any telco, whether through fixed or mobile broadband to deliver our content and services to customers. Broadband allows us to accelerate the rollout of our connected boxes into households to drive the non-linear, OD consumption that we champion. Indeed, the bundling of content with broadband has proven to be a successful strategy within developed markets, given how the two complement each other.

Short-form content on Gempak is well-received by digital natives



4K UHD

The beautiful game,
now Ultra beautiful.



We brought the first 4K-UHD broadcast of Premier League matches for sports fans in Malaysia

To date, we have established a new partnership with a subsidiary of Tenaga Nasional Berhad (“TNB”), alongside our existing IPTV relationships with Maxis and TIME. While we continue to pursue value-adding partnerships to expand our footprint as a broadband reseller, we are also exploring a more comprehensive long-term plan to strategically venture into the broadband space.

Growing commerce

In FY20, we will continue to grow Go Shop through a multiplatform and multilingual approach by thoughtfully curating products for the needs of our diverse clientele. In line with the diversification of our product portfolios, we will experiment with new content formats via multiple touchpoints and pursue collaborative partnerships to strengthen Go Shop’s brand proposition. Underpinning our positive commerce trajectory is Astro’s expanding ecosystem, growing capabilities in data and analytics, and core strength in on-screen talent and content production.

Reshaping advertising through a data driven marketing network

On one hand, digital media allows companies access to rich pools of monetisable data and analytics for better decision-making in both the business and marketing spheres. Our digitalisation efforts over the past few years have given us better understanding of our online audience, enabling our push into the digidex space.

On the other hand, there is no denying that TV is still the most powerful medium to persuade. However, the way it is researched, measured and reported leaves much to be desired. We are exploring how to infuse the ‘intelligence’ of digital analytics with TV’s unparalleled ‘emotional’ persuasive power. Combining these two powerful levers would enable us to create a truly impactful multiplatform advertising experience that moves beyond airtime sales and provides comprehensive solution-oriented offerings to clients.

Our market share across the TV, radio, digital and OTT spaces leaves us well-positioned to be the most efficient and effective marketing platform in the country, enabling our adex partners to tap into niche markets and yield positive conversions.

Leveraging our upcoming technology upgrade, we are looking to introduce a new addressable advertising solution in the second half of FY20, which will allow different advertisements to be simultaneously served to segmentally distinct individuals watching the same type of content.

Nurturing talent

We are proud that Team Astro is as diverse as our nation, underpinning our ability to serve all communities. I would like to thank Team Astro for their commitment and dedication in serving Malaysians.

CEO'S STATEMENT



Serving communities through our key pillars of Lifelong Learning, Community Development, Sports, and Environment

Arising from the need for a leaner organisational structure to enable fast decision-making and nimble execution, we initiated an ESS exercise towards the end of FY19. Around 10% of our talents took up the ESS, trimming our talent base to over 4,600 upon completion of the ESS in February 2019.

As we streamline our workforce for agility and efficiency, we are simultaneously deploying strategic hires to new focus areas including broadband, data analytics, digital and cloud computing. Internal transfers are highly encouraged, and we provide learning, upskilling and reskilling opportunities to cultivate a diverse and fit-for-purpose talent base ready to execute our FY20 strategies.

Emphasis on sustainability

The sustainability of our business hinges on our ability to coexist with, complement and contribute to the community at large, anchored by the four identified key pillars of Lifelong Learning, Community

Development, Sports, and Environment. As we continue to champion impactful programmes including the Astro Kasih Hostels, Kampus Astro and Astro Kem Badminton, I am proud that Team Astro remains committed, and contributed to such initiatives. Meanwhile, our environmental initiatives include the installation of solar panels on the rooftop of our headquarters to promote the use of renewable energy.

On the content front, our Astro Tutor TV channels air content tailored to mirror the current school syllabus. We provide this service to students across Malaysia through our Pay-TV, NJOI and OTT platforms for free. Given our focus on vernacular content creation, we emphasise sourcing of local talent, providing opportunities for them to develop and flourish. On the commerce front, through Go Shop, we feature and promote local products sourced from SMEs to boost demand for domestic goods and spark a positive multiplier effect throughout the local value chain.

In Closing

By activating our substantial customer base and sustaining our leadership in vernacular content, we aspire to be the preferred provider for entertainment, commerce and connectivity. We are committed to elevating customer experience and service, enabled by technology, analytics and our talents. Partnerships will be key as we look for more efficient, mutually beneficial means of collaboration.

On behalf of Team Astro, I would like to record my appreciation to Dato' Rohana Rozhan for her leadership over the last eight years. Thank you to all of Astro's stakeholders – our shareholders and regulators, our business partners, suppliers and community, and foremost to our customers for your continuing support and belief in us. It is you who motivate us to reimagine the possibilities.

Henry Tan

On behalf of Team Astro

SUSTAINABILITY

At Astro, we embrace our role to deliver long-term value creation for shareholders, care for the well-being of our talent, empower local communities, minimise environmental impact through conscientious use of resources, and address the interests of our stakeholders at large towards achieving business sustainability.

Scope


The scope of our sustainability disclosures, which remains unchanged compared to the previous year, encompasses all business entities under the control of our Group. Unless otherwise stated, these disclosures cover the reporting period consistent with our financial year from 1 February 2018 to 31 January 2019. The sustainability-related information is disclosed in accordance with the Main Market Listing Requirements (“MMLR”). Where possible, we report on indicators according to the Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines, Bursa Malaysia’s Sustainability Reporting Guide and Task Force on Climate-related Financial Disclosures (“TCFD”), guided by the United Nations Sustainable Development Goals (“SDGs”).

Process


In an ongoing effort to manage our economic, environmental and social (“EES”) impact, we actively engage with our stakeholders throughout the year to identify matters that are important to our business and stakeholders. This has allowed us to prioritise and reaffirm our material matters, enabling us to better manage our EES risks and opportunities.

Governance and Management

Our Board is the highest governing body of our sustainability journey, overseeing our sustainability agenda. Our key material matters are addressed through the seven Strategic Pillars of Astro comprising Content, Customer, Experience, Digitalisation, Talent, Community, and Environment.

 Refer to pages 33 to 37, *Our Value Creation*

Established policies and systems are underpinned by our strong governance framework.

 Refer to pages 71 to 83, *Corporate Governance Overview*

Senior Leadership aligns business approaches through these Strategic Pillars, communicating them across to individual business units and talents who are empowered to execute the strategies in a collaborative manner.

 Refer to pages 100 to 145, *Strategic Pillars*



FTSE4Good

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STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is essential in ensuring that Astro remains sustainable into the future within the EES landscape. We engage with key internal and external stakeholders on an ongoing basis to obtain feedback as to how we can better align our business practices to address key stakeholders' areas of interest.

Stakeholders	Engagement	Areas of Interest	Addressed by Material Matters
 <p>Customers</p> <p>Refer to pages 110 to 117, <i>Customer</i></p>	<ul style="list-style-type: none"> Websites and digital platforms Customer service and contact centres On-ground engagement and events Rewards and privileges programme Customer satisfaction index Return path data from connected STBs Data aggregated from multiple touchpoints across our OTT, commerce and digital brands 	<ul style="list-style-type: none"> Product offerings and service quality Price competitiveness of offerings Customer service 	<div style="display: flex; gap: 5px;"> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM1</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM2</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM3</div> </div>
 <p>Talents</p> <p>Refer to pages 130 to 135, <i>Talent</i></p>	<ul style="list-style-type: none"> Sustainable engagement index On-boarding programmes Company intranet Employee engagement initiatives Townhalls Surveys and feedback Continuous learning, education and training programmes 	<ul style="list-style-type: none"> Remuneration structure Employee benefits and welfare Learning and development Health and safety procedures at work Opportunity to contribute via community engagements and sustainability programmes 	<div style="display: flex; gap: 5px;"> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM3</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM6</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM7</div> </div>
 <p>Shareholders & the investment community</p> <p>Refer to pages 54 to 55, <i>Investor Relations</i></p>	<ul style="list-style-type: none"> Annual General Meeting (“AGM”) Annual Report Investor and Analyst Day Quarterly earnings calls Financial results Conferences and roadshows Regular meetings and teleconference calls Corporate website 	<ul style="list-style-type: none"> Sustainability of business amid disruption in the media landscape and threat of piracy Returns to shareholders Sustainable business practices paying heed to Talent, Community, and Environment 	<div style="display: flex; gap: 5px;"> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM4</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM5</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM7</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM8</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM9</div> </div>
 <p>Regulators & government authorities</p>	<ul style="list-style-type: none"> Policies Regulatory compliance training Regular dialogue 	<ul style="list-style-type: none"> Direct and indirect contribution to the local economy Nurturing growth of the local media industry Job opportunities for the local community Labour rights and welfare Compliance to laws, rules and regulations 	<div style="display: flex; gap: 5px;"> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM1</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM5</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM6</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM7</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM8</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM9</div> </div>
 <p>Suppliers & business partners</p>	<ul style="list-style-type: none"> Vendor registration process Vendor selection process Vendor assessment 	<ul style="list-style-type: none"> Ethical business practices Transparent tender process Prompt payments 	<div style="display: flex; gap: 5px;"> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM1</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM3</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM5</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM9</div> </div>
 <p>Community</p> <p>Refer to pages 138 to 141, <i>Community</i></p>	<ul style="list-style-type: none"> Astro Kem Badminton & Astro Junior Championship Astro Kem Bola Astro Scholarship Awards Astro-WEDU Mentoring Programme Astro Kasih Kampus Astro Astro Kasih Hostels 	<ul style="list-style-type: none"> Sustainable business practices paying heed to Talent, Community, and Environment Direct and indirect contribution to the local economy 	<div style="display: flex; gap: 5px;"> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM6</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM7</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM8</div> </div>
 <p>Media</p>	<ul style="list-style-type: none"> Press releases & conferences Media interviews Thought leadership talks Online and offline media campaigns 	<ul style="list-style-type: none"> Product offerings Business performance Direct and indirect contribution to the local economy Sustainable business practices paying heed to Talent, Community, and Environment 	<div style="display: flex; gap: 5px;"> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM1</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM2</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM4</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM5</div> <div style="background-color: #8e44ad; color: white; padding: 2px 5px; font-size: 8px;">MM7</div> </div>

MATERIAL MATTERS



Step 1: Identify

- Stakeholder engagement
- Review of market landscape
- Peer benchmarking
- Feedback from daily business operations
- Survey of consumer preferences



Step 2: Prioritise

- Assess the importance, likelihood and impact to internal and external stakeholders
- Senior Leadership meetings
- Reaffirm EES material matters



Step 3: Monitor and report

- Align material matters with our Group Key Risk Profile to facilitate regular assessment, monitoring and reporting of key business risks and mitigation strategies
- Embed material matters into our Strategic Pillars to drive value creation













Material matters identified	Why is it important to us?	FY19 Goals and Report Card	Goals in FY20	Key Risk Profile	Strategic Pillars
Content (creation, aggregation, distribution, monetisation) MM1	Content is our key differentiator. Our focus is on being a responsible content provider with a comprehensive content slate that addresses the demands of our customers	Invest in original IPs for Malaysia and the region <ul style="list-style-type: none"> • Produced 12,600 hours of content, up by 5% year-on-year • 45 content achieved over 1 million TV viewership • Licensed 15 channels and distributed thousands of content hours overseas • Our six movie releases achieved over 60% share of local movies' GBO collection, grossing over RM100 million • Broadcast key sporting events including 2018 FIFA World Cup with record viewership • eGG Network, our eSports platform co-organised the 2018 KL Major, the first large-scale Dota 2 tournament in Malaysia • AWANI was named the 'Most Trusted Malaysian News Source' in the Reuters Institute Digital News Report 2018 	<ul style="list-style-type: none"> • Sustain leadership as No. 1 premium content creator in Malaysia • Invest in original IPs for Malaysia and the region • Grow comprehensive content slate with focus on vernacular, live sports and regional offerings • Develop partnerships with OTT players • Extend 360° content experience 	R1 R2 R3 R6	
Customer reach & experience MM2	Our customers come first, and we seek to entertain, engage and empower them to lead the lifestyle they aspire to live	Sustain market leadership as Malaysia's leading content and consumer brand by expanding our reach across households and individuals <ul style="list-style-type: none"> • Grew TV household penetration to 77%, sustained TV viewership share at 75% and maintained ARPU at RM99.9 • Increased number of connected STBs by 25% to 1.0 million and OD downloads by 135% to 53.7 million • Extended individual reach through Astro GO as registered users increased 32% to 2.2 million, and digital brands as average monthly unique visitors rose 20% to 8.3 million • Overall radio audience increased – while terrestrial listenership dropped 2% to 16.2 million weekly listenership, our digital footprint increased by 53% to 14.8 million average monthly digital streaming sessions • 2018 FIFA World Cup saw 11.6 million unique viewers on TV and 1.7 million unique viewers on OTT, with 120,000 World Cup Passes sold, up 18% compared to 2014 • Ceased operations of Tribe and Tamago as part of our strategic business review 	<ul style="list-style-type: none"> • Sustain market leadership as Malaysia's leading content and consumer brand by expanding reach across households and individuals • Push premium user experience through technological upgrades for seamless experience across devices • Increase OD downloads on STBs and OTT • Improve customer service across all touchpoints • Offer exclusive rewards and privileges to our customers through Astro Rewards 	R1 R2 R4	

Refer to pages 102 to 107, Content

Refer to pages 110 to 121, Customer and Experience

MATERIAL MATTERS

Strategic Pillars

Material matters identified	Why is it important to us?	FY19 Goals and Report Card	Goals in FY20	Key Risk Profile	Strategic Pillars
Digitalisation & innovation MM3	As the pace of technological change quickens, digitalisation is key to ensure our continued relevance	<p>Continue to digitalise and optimise our core business for agility and cost efficiency while investing in new disruptive technologies and talents to enable further agility and expansion of other growth drivers</p> <ul style="list-style-type: none"> Completed the second year of our three-year digital transformation journey with Amazon Web Services (“AWS”) Trained more than 550 Certified Technology Professional (“CTP”) and Certified Innovation Programme (“CIP”) skill sets in-house Organised the ANT Workshop series to help management teams across Astro business units reimagine our business through innovation Further adopted emerging technologies to enhance customer insights and business efficiencies 	<ul style="list-style-type: none"> Enhance premium viewing experience with the introduction of a new UI and UX supported by Video-on-Demand (“VOD”), cloud PVR, restart TV technology Deepen investment into data analytics for better customer insights and conversion through addressable advertising and customer profiling Continue digitalising our business to promote agility and cost efficiency Combat piracy across all platforms through various anti-piracy initiatives 	R1 R3 R5	 
 Refer to pages 122 to 127, Digitalisation					
Diversification of revenues MM4	In an era of disruption, scaling up new growth drivers and diversifying revenue streams are essential for business sustainability	<p>Continue diversifying revenues through the identification of new growth drivers and synergistic businesses</p> <ul style="list-style-type: none"> Grew commerce and digidex revenues by 29% and 43% to RM374 million and RM50 million respectively Astro total adex dropped by 5% due to the adverse impact of the mid-year tax holiday and adex industry contraction TV adex and radex shares remained strong at 44% and 76% respectively, while digidex share stood at 5%, as we focused on 360° monetisation of our own content IPs Introduced new broadband-content bundle to customers 	<ul style="list-style-type: none"> Continue diversifying revenues through the identification of new growth drivers and synergistic businesses Established partnerships to expand our broadband footprint Grow commerce by expanding customer base and widening product offerings Accelerate digidex to drive advertising 	R1 R2 R4	 
 Refer to pages 13 to 22, CEO's Statement					
Financial performance MM5	Shareholder value is underpinned by consistent financial performance	<p>Continue to grow shareholder value, while investing for the future to drive long-term returns</p> <ul style="list-style-type: none"> Revenue resilient at RM5.5 billion, marginally down by 0.9% EBITDA decreased by 12% year-on-year to RM1.6 billion while PATAMI dropped by 40% year-on-year to RM463 million due to higher sports content spend and unfavourable foreign exchange climate Strong FCF of RM1.3 billion Declared dividend totalling 9.0 sen per share for FY19, representing a dividend payout ratio of 101% 	<ul style="list-style-type: none"> Sustain shareholder value, while reinvesting into core and adjacent businesses to drive long-term returns 	R1 R2 R4 R7	    
 Refer to pages 38 to 39, Group Financial Review					



Material matters identified	Why is it important to us?	FY19 Goals and Report Card	Goals in FY20	Key Risk Profile	Strategic Pillars
Talent acquisition, development & engagement MM6	Attracting, developing and retaining the best on and off-air talents is crucial to our continued success	<p>Attract, develop and retain the best fit-for-purpose talents through tailored programmes, a robust talent pipeline and readily available learning & development initiatives</p> <ul style="list-style-type: none"> Invested in talents to bolster digital capabilities through initiatives such as the CTP and CIP programmes Conducted 51,820 hours of development programmes to upskill and reskill talent Enhanced employee engagement through forums, surveys and townhalls Continued with Astro Scholarship Awards to groom future talent Grew Rocketfuel talent pool by 44% to 147 talents Offered ESS as part of strategic business review to streamline operations, with support provided to our talents who opted to pursue other opportunities 	<ul style="list-style-type: none"> Attract, develop and retain the best fit-for-purpose talents through tailored programmes, a robust talent pipeline and readily available learning & development initiatives Upskill and reskill talents to cater for an increasingly digital market Streamline organisational structure to drive productivity and innovation 	R1 R2 R3 R5 R6 R8	
Community development MM7	We seek to empower our community and create a positive and lasting societal impact	<p>Continue to drive existing programmes, while pursuing new opportunities to make a difference in communities within the region</p> <ul style="list-style-type: none"> Our talents contributed a total of over 16,000 hours for 175 Astro Kasih programmes in FY19, up 15% year-on-year Organised the Astro Kem Badminton and Kem Bola programmes regionally in collaboration with partners, drawing over 5,600 participants Organised the inaugural national and regional level Astro Junior Championship, the first ever Under 15 mixed-team badminton tournament in Asia Continued partnership with WEDU to empower women from marginalised communities through coaching and mentoring of individuals from Cambodia, Vietnam and the Philippines Extended Astro Kampus to 10,507 schools in Malaysia, improving access to education for underprivileged children Collected more than 16,000 books for underprivileged children at a book drive in partnership with Big Bad Wolf Books at their annual book sale 	<ul style="list-style-type: none"> Continue to drive existing programmes, while pursuing new opportunities to make a difference in communities within the region 	R1 R8	

Refer to pages 122 to 127, Digitalisation and pages 130 to 135, Talent

Refer to pages 138 to 141, Community

MATERIAL MATTERS

Strategic Pillars



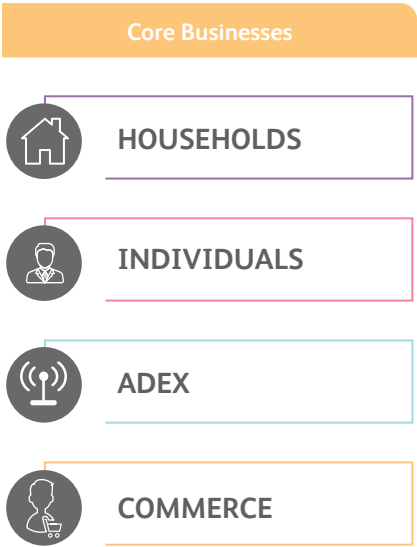
Material matters identified	Why is it important to us?	FY19 Goals and Report Card	Goals in FY20	Key Risk Profile	Strategic Pillars
Environmental stewardship MM8	We are mindful of our environmental footprint and endeavour to be a responsible corporate citizen by mitigating our environmental impact	<p>To enhance our environmental initiatives, reflecting our commitment towards a sustainable future</p> <ul style="list-style-type: none"> Reduced our annual greenhouse gas (“GHG”) emission by 11% to 34,000 tCO₂e in 2018 Reduced our water and electricity consumption each by 7% to 143,000 m³ and 35.6 million kWh respectively in 2018 Installed 4,780 solar panels at All Asia Broadcast Centre (“AABC”) with the ability to generate 1.8 million kWh of electricity per annum Installed electric vehicle charging stations at AABC to promote the usage of energy efficient vehicles <p> Refer to pages 142 to 145, Environment</p>	<ul style="list-style-type: none"> Continue to drive the reduction of our environmental footprint through more sustainable environmental practices 	<p>R1</p> <p>R3</p> <p>R6</p>	
Risk management MM9	We are committed to operating within a robust risk management system to enable the achievement of business objectives in a sustainable manner	<p>To enhance the Group Risk Management Framework (“GRMF”) to improve the self-assessment process and risk policy with continued focus on embedding a risk management processes, practices and culture throughout Astro</p> <ul style="list-style-type: none"> Reassessed and updated the key risk profile affecting our Group Implemented new control measures with close monitoring of the risk profile to increase business agility and resilience Reassessed and determined the Group risk appetite and risk tolerance <p> Refer to pages 29 to 32, Key Risk Profile and pages 95 to 99, SORMIC</p>	<ul style="list-style-type: none"> Continue to identify and assess the emerging risks affecting the Group Enhance the risk management and internal control environment ensuring operational agility to maintain relevance in a challenging landscape 	<p>R1</p> <p>R2</p> <p>R3</p> <p>R4</p> <p>R5</p> <p>R6</p> <p>R7</p> <p>R8</p>	

KEY RISK PROFILE

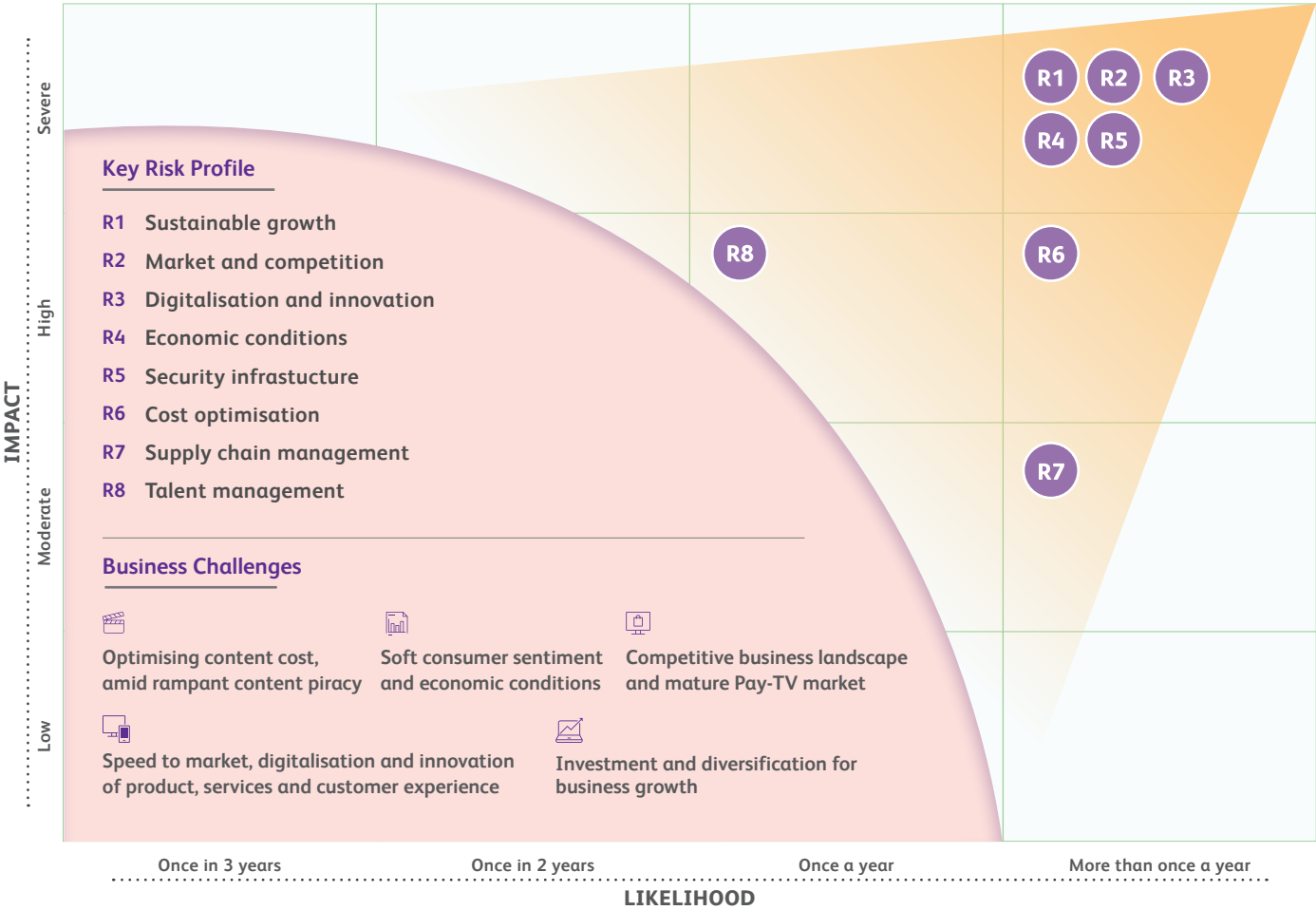
Our risk management principles are embedded within our Group’s strategic planning, operational processes and project management initiatives. Emerging opportunities and threats, both internal and external, are identified, assessed and effectively managed to ensure achievement of our Group’s strategic imperatives.

In FY19, we identified eight key business risks arising from the changing business environment and overall market outlook. These risks are plotted in the Group Risk Map below, against the likelihood of occurrence and potential business impact. These risks should not be viewed in isolation as they may be interrelated whereby improvements in one may impact another directly or indirectly.

Together, they encompass the material matters identified in pages 25 to 28, Material Matters













Group Risk Map















KEY RISK PROFILE

Strategic Pillars

Description of Risk	Mitigation Strategies	Risk Indicators	Strategic Pillars
<p>Sustainable growth</p> <p>The challenging market outlook increases pressure on our Group to ensure consistent revenue performance and optimised operating costs to maintain a sustainable business model</p>	<p>Our Group continues to focus on improving the core business to deliver positive financial and community impact. This includes:</p> <ul style="list-style-type: none"> • Introducing the bundling of content with broadband and pursuing value-adding partnerships to reinforce our footprint • Curating and delivering a rich variety of content to serve all customer segments across genres • Leveraging our production capabilities to produce vernacular content IPs and engaging in strategic partnerships with other content owners to distribute and monetise content IPs • Continuing with technology upgrades to deliver better UI and UX to consumers across all devices • Launching 4K-UHD service to customers providing an immersive viewing experience • Enhancing customer loyalty initiatives through Astro Rewards • Capitalising on our multiplatform advertising beyond airtime sales to promote comprehensive solutions-oriented offerings to clients • Introducing addressable advertising solutions to enable different adverts to serve different individuals simultaneously based on better segmentation • Continuing to grow commerce through a multiplatform and multilingual approach, focusing on curating products to the needs of our diverse customer base • Continuing to champion impactful community initiatives (e.g. Astro Kasih Hostels, Kem Badminton and Astro-WEDU mentoring programme) while remaining committed to contributing to the community at large 	<ul style="list-style-type: none"> • Financial and business performance indicators 	    
<p>Market and competition</p> <p>The increasingly crowded media landscape underpinned by legal and illegal competition increases pressure on the Group's share of viewership, listenership, commerce and growth</p>	<p>Our Group closely monitors the market landscape to realign its strategies to meet consumer needs. This includes:</p> <ul style="list-style-type: none"> • Delivering multilanguage content across all platforms catering to diverse customer segments within and beyond Malaysia • Investing in original IPs and offering curated titles, box sets and premium titles as well as personalised content recommendations based on customer viewing habits across households and individuals • Leveraging digital competencies and opportunities in online video streaming, digital advertising and e-commerce • Collaborating with regulators and industry players to combat content piracy across digital platforms via anti-piracy initiatives 	<ul style="list-style-type: none"> • Market share • Speed to market – product and services • Number of legal and illegal competitors • New collaborations 	    















Description of Risk	Mitigation Strategies	Risk Indicators	Strategic Pillars
<p>Digitalisation and innovation</p> <p>Rapid digitalisation of the consumer landscape and product innovation has made customer experience a key differentiator in attracting and retaining customers</p>	<p>Our Group continues to innovate and digitalise our platforms to boost operational efficiency and agility, allowing for better speed to market while enriching customer experience. Our innovation strategies include:</p> <ul style="list-style-type: none"> Continuously enhancing UI and UX and functionalities of existing products, self-service capabilities and data analytics for personalised recommendations across all platforms to enable better customer experience and content discovery Simplifying and automating workplace processes to enhance operational efficiency and speed to market Adopting cloud technology to enable agility, cost efficiency and to drive system enhancement and development while improving our environmental footprint Periodic monitoring of business innovation initiatives progress to ensure speed to market 	<ul style="list-style-type: none"> Customer satisfaction index Periodic project progress reports 	    
<p>Economic conditions</p> <p>Our Group's performance is impacted by soft economic conditions, subdued consumer sentiment and foreign exchange fluctuations</p>	<p>Our Group actively reviews and aligns its strategies in tandem with economic conditions and consumer sentiment. This includes:</p> <ul style="list-style-type: none"> Enhancing our value proposition to customers including broadband bundling and introduction of Astro Rewards Prudent cost, treasury, hedging and investment management including prioritisation of transformation initiatives to ensure profitability and sustainability amid the challenging economic outlook Partnering regional players to collaborate on content and other business initiatives to ensure sustainable growth 	<ul style="list-style-type: none"> Financial and business performance indicators Consumer sentiment index Foreign exchange rate 	  
<p>Security infrastructure</p> <p>The safeguarding of our Group's assets, content IPs and customer data is subject to the adequacy and resilience of security infrastructure over physical and logical access to business systems, networks and facilities</p>	<p>Our Group has established the AMH Security Council to provide strategic supervision of our Group's physical and cyber security management practices to ensure emerging security threats and learnings from global incidences and audits are effectively addressed. The AMH Security Council ensures effectiveness via:</p> <ul style="list-style-type: none"> Establishing online monitoring taskforce and enhancing cloud infrastructure to better protect our content and key signature IPs against IP theft Monitoring and reporting of security non-compliances, incidences and progress updates of critical security patch implementation Continuous enhancements to current logical and physical security infrastructure and practices Engagement of external security subject matter experts to benchmark and enhance security controls Raising security awareness among employees through educational short videos, articles and awareness roadshows 	<ul style="list-style-type: none"> Cyber attack incidences Security breaches 	   

KEY RISK PROFILE

Strategic Pillars



Description of Risk	Mitigation Strategies	Risk Indicators	Strategic Pillars
<p>Cost optimisation</p> <p>Effectiveness in managing cost to ensure optimal operations for sustainability</p>	<p>Our Group continuously undertakes cost rationalisation initiatives to ensure sustainability while being mindful of our environmental footprint. This includes:</p> <ul style="list-style-type: none"> • Periodic strategic and financial reviews of business performance to optimise expenses and reprioritise spending • Review and renegotiation of existing content and technology commitments and redeployment of cost savings to key business opportunities • Collaborating with content players in relation to content creation, monetisation opportunities, content exclusivity and corresponding rights across multiple platforms while optimising content cost • Optimising Capex including development of software and platforms, and asset acquisitions • Investment into energy-saving initiatives to better manage electricity and water resources and reduce our environmental footprint 	<ul style="list-style-type: none"> • Content spends • Foreign exchange rate fluctuation • Environmental impact 	   
<p>Supply chain management</p> <p>Our Group's performance is reliant on effective supply chain management, sound procurement, strategic partnerships, contingency arrangements and recovery processes to protect the best interests of our Group and our ability to meet customer demands and service expectations</p>	<p>Our Group has established supply chain management and recovery process in ensuring our ability to meet customer demands and service expectations. This includes:</p> <ul style="list-style-type: none"> • Ensuring all strategic acquisitions in accordance with Procurement Manual to uphold fair business practices • Monitoring acquisition process through the Procurement team and/or Tender Committees to ensure the best rates are secured through competitive bidding, tender, and industry benchmarking • Regular review of our system and operational infrastructure redundancies • Identifying alternate working sites to minimise business disruptions and financials losses, while ensuring adequate insurance coverage for business interruptions 	<ul style="list-style-type: none"> • Dependency on key suppliers • Service level performance • Service and broadcast outages 	  
<p>Talent management</p> <p>Our Group's ability to attract, develop and retain a committed and right-skilled talent base is crucial in executing business strategies and ensuring consistent business performance</p>	<p>Our Group has established talent management strategies to execute key business priorities and ensure consistent performance. This includes:</p> <ul style="list-style-type: none"> • Inculcating an innovative and agile culture including upskilling and reskilling of existing workforce to drive innovation initiatives • Establishing a right-fit talent remuneration structure in line with industry best practices to attract and retain talent • Strategically reviewing the business and organisational structure which includes workforce optimisation • Identifying and grooming emerging leaders through talent development programmes promoting effective succession planning • Deploying strategic hires to key focus areas including broadband, data analytics, digital and cloud computing 	<ul style="list-style-type: none"> • Talent turnover • Succession planning for key personnel 	    

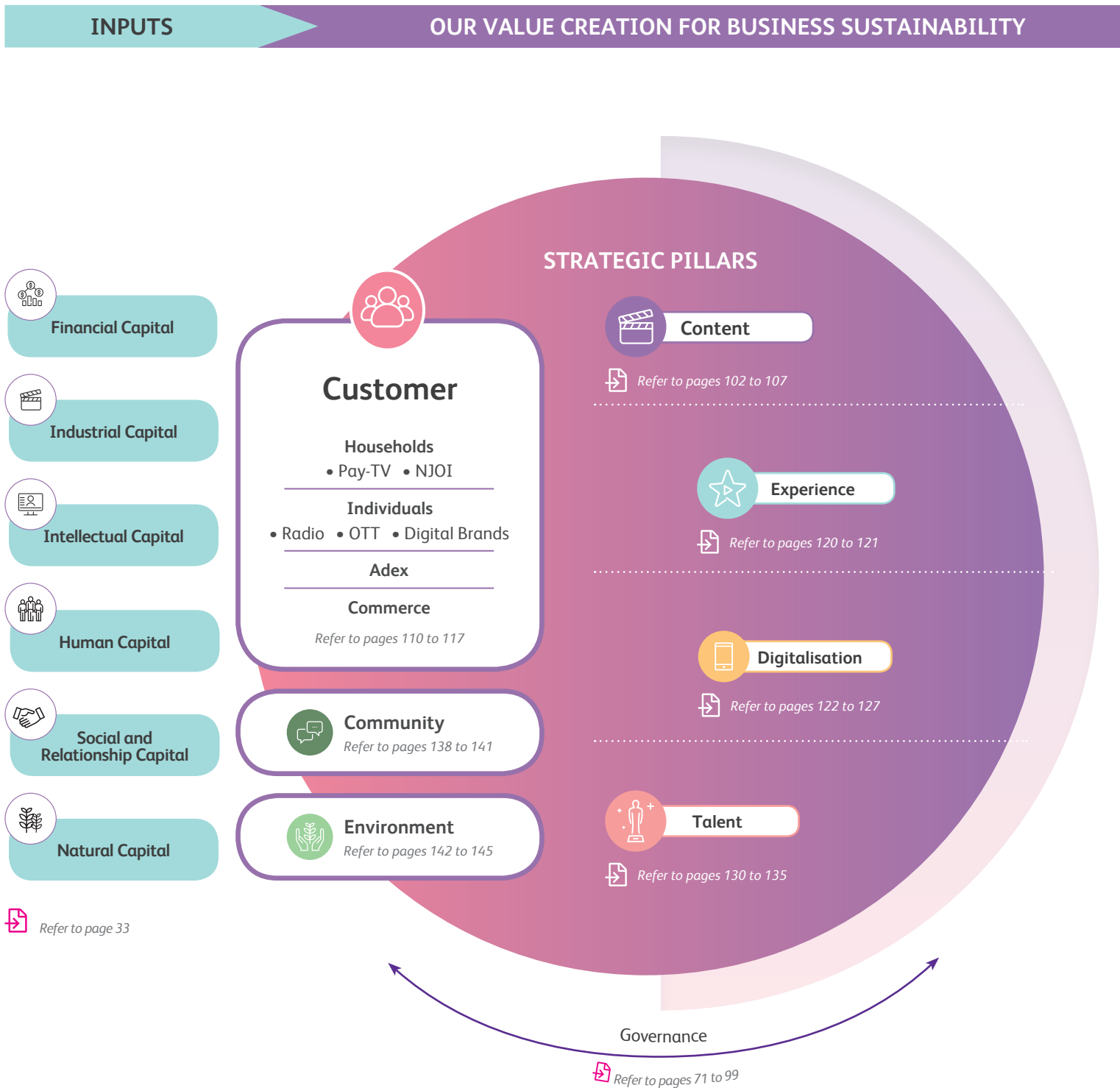
OUR VALUE CREATION

FY19 marks the fourth year into Astro's integrated reporting journey to provide relevant information that goes beyond our financial performance, allowing our stakeholders to better understand our business and make informed decisions. We adopt a holistic approach to strategic planning by utilising our six capitals as inputs into our value creation process.



OUR VALUE CREATION

We are reaffirming our capabilities around our core household business while enhancing capabilities in the individuals' space and adjacencies of commerce, adex and talent. Utilising our capitals, we create value through our seven Strategic Pillars for long-term sustainability.



OUTPUTS

Enhancing shareholder value

We are focused on growing our business and rewarding shareholders through dividends distributions



Financials



Refer to pages 38 to 39, Group Financial Review

RM5.5b

Revenue

RM469m

Dividend declared for FY19

RM463m

PATAMI

Growing our ecosystem

We aim to grow our business in a sustainable manner within a rapidly evolving industry



Market Reach



Refer to pages 38 to 39, Group Financial Review

77%

Household penetration

2.4m

Registered OTT users

5.7m

Households



Content

12,600 hours

Local content produced

RM1.8b

Total content spend

Supporting the economy

We contribute directly and indirectly to the economy, driving sustainability of the economy at large via multiplier effects



Talent

RM702m

Staff costs

51,820

Training hours



Government & Industry

RM190m

Tax

RM2.9b

Payment to vendors

Responsible corporate citizen

We run our business with integrity and aspire to leave a lasting and positive impact on our community via initiatives throughout Malaysia and beyond



Community

RM10m

Investment in community projects



Environment

4,780




Solar panels installed

1.8m

kWh electricity generating capability per annum

OUR VALUE CREATION

Astro leverages our seven Strategic Pillars to empower our customers and community to watch, listen, shop, learn and engage throughout our ecosystem, guided by the United Nations SDGs.

 CONTENT	 CUSTOMER	 EXPERIENCE
<p>Description</p> <p>Offering a holistic content proposition by creating, aggregating, distributing and monetising content across all genres</p>	<p>Catering to diverse customer needs in terms of content preference, spending propensities and mediums of consumption through various offerings within our ecosystem</p>	<p>Delivering better customer experience through intuitive interfaces, convenient customer care options and backed by data analytics to provide personalised recommendations across our ecosystem</p>
<p>Market Landscape</p> <ul style="list-style-type: none"> • Priority on owning content IPs to differentiate offering, drive customer acquisition and retention, and enable 360° monetisation • Increase in consumption of vernacular content observed locally and regionally • Increasing competition in the content space, both legal or otherwise 	<ul style="list-style-type: none"> • Increase in OTT and direct-to-customer offerings which creates a highly fragmented market landscape with an abundance of choice • Growth in the digital economy in proportion to increasing affluence, higher internet penetration rates and improved ancillary infrastructure • Rise of triple and quad-plays which focus on diversification of business offerings leveraging technological convergence 	<ul style="list-style-type: none"> • Growth in connectivity fuelled by the increasing use of technology and personal devices, particularly mobile phones • Customers expect mobility, portability, flexibility, simplicity and user-centricity • Shift towards non-linear and OTT platforms as consumers increasingly prefer an on-demand viewing experience
<p>Our strategy</p> <ul style="list-style-type: none"> • Local content leadership by producing premium vernacular content IPs and movies • Curate a comprehensive content slate encompassing vernacular, regional, international and live sports content which underpins penetration and viewership • Invest in key content verticals such as Nusantara, Kids, eSports and Horror with promising export potential in collaboration with like-minded content partners • Leverage monetisation opportunities across licensing, merchandising and on-ground events based on the popularity of content IPs, amplified through astute use of digital media • Advocate responsible content consumption and support anti-piracy regulatory measures 	<ul style="list-style-type: none"> • Households: Redefine our Pay-TV value proposition through broadband bundling and Astro Rewards while deepening penetration via NJOI • Individuals: Extend our household reach into the individuals' space through OTT, digital brands and radio • Adex: Provide 360° marketing solutions to advertisers by marrying our multiplatform media reach, signature content, on-air talent, ground activation and analytics • Commerce: Position Go Shop as a leading commerce brand offering a premium multiplatform shopping experience 	<ul style="list-style-type: none"> • Diversify our offerings to allow customers to consume content in their preferred manner – be it device, time or location – which is increasingly digital in nature • Enhance customer journey by leveraging technology while retaining human touch in customer engagement

Guided by the United Nations SDGs



DIGITALISATION

Leveraging digitalisation as an enabler to drive efficiency, cost optimisation and enhance customer experience

- Increasing focus on digitalisation to underpin sustainable growth in an increasingly disruptive landscape
- Shifts in skill sets and strategies are vital to address the changing business context

- Cultivate digital culture of our talents through agile methodologies and innovative frameworks, driving customer centricity while boosting speed-to-market
- Digitally enable end-to-end value chain including sales and distribution, operations and customer care
- Continue to build capabilities around data analytics and data sciences for better marketing and business decisions

TALENT

Nurturing the best on-air, off-air and digital talents to thrive within a culture of diversity, agility and innovation

- Growing demand for talents with strategic digital capabilities
- Increasing focus on upskilling and reskilling talents to remain relevant in the digital world
- Low barriers of entry fuelling growth of digital talents and social influencers

- Upskill and reskill workforce through organisation-wide training programmes
- Revamp our organisational structure to support a digital culture of agility and innovation
- Grow and groom our on-air talent pool
- Build a strong talent pipeline via different talent programmes and other effective recruitment strategies

COMMUNITY & ENVIRONMENT

Being responsible towards our community and mindful of our business' impact on the environment in achieving long-term business sustainability

- Growing emphasis on sustainability practices in response to global environmental issues such as climate change and resources consumption as well as social issues such as gender equality in the workplace
- Improving governance framework for sustainability reporting including SDGs

- Understand and address the concerns of our stakeholders
- Grow the local media industry and contribute positively to the economy
- Empower our community through various projects and programmes
- Mitigate our environmental impact through sustainable business solutions



GROUP FINANCIAL REVIEW

FY19 has been a challenging and crucial year, one where we embarked on a journey to meet evolving customer demands by reassessing our Group's strategic imperatives and reimagining our customer value proposition to continue delivering better customer experience.

Amid a volatile macroeconomic backdrop stemming from changes in the government and indirect tax regime, we grew our household penetration rate from 75% to 77% and recorded

commendable growth in commerce, digidex and prepaid subscription revenue of 29%, 43% and 20% respectively. Malaysia's GDP growth dipped from 5.9% to 4.7% in 2018 and the Consumer Sentiment Index soared to 133 points, a two-decade high, right after the May elections before ending the year in bearish territory at 97 points. Inflation rate was down 3.3 percentage points year-on-year to 0.2% as higher costs relating to housing, utilities, food and education offset moderating prices of transportation, communications and clothing.

Earnings

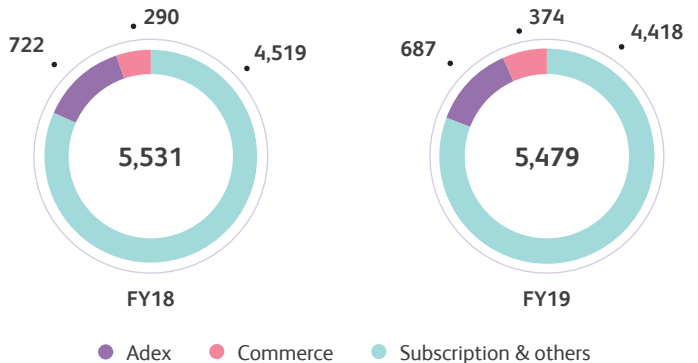
Revenue

Revenue remained resilient at RM5.48 billion as compared to RM5.53 billion in FY18 as we progressed with revenue diversification initiatives predicated on our strong multiplatform reach across TV, radio, digital, talent and on-ground. Strong growth in commerce, theatrical, licensing, digidex and prepaid subscription revenue cushioned the impact of a 4.7% decline in subscription revenue as a result of fierce competition from content providers, both legal and otherwise. Meanwhile, ARPU was stable at RM99.9 underpinned by an array of packages and offerings catering to our diverse customer base.

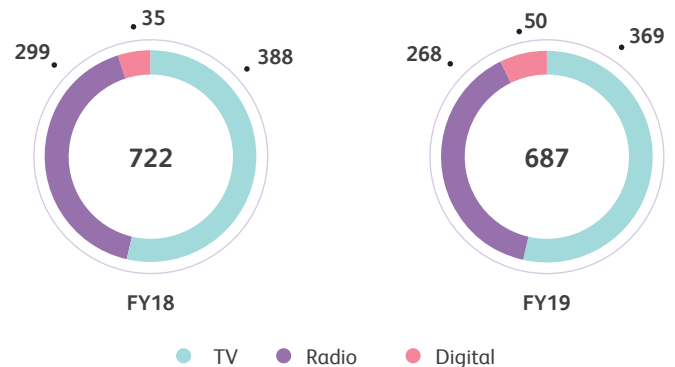
Our commerce business, Go Shop continues to register sterling performance with revenue growth of 29% year-on-year to RM374 million, boosted by new content formats, astute use of digital channels as well as expansion in product breadth and depth. In FY19, theatrical and third-party licensing revenue grew by 97% to RM130 million, as we set new milestones for local movies' GBO collection and paced up on collaborations with partners for production, marketing and distribution of content abroad. Our prepaid subscription revenue registered a 20% growth to RM62 million as we increased the number of physical and digital purchase touchpoints.

A switch in the indirect tax regime from GST to SST in FY19 resulted in a contraction in Malaysia's overall advertising industry during the three-month tax holiday window starting June 2018. This impacted our adex performance in the first half of the year, contributing to a 4.8% drop in adex in FY19 to RM687 million amid a decline in the Malaysian advertising industry by around 2.2% to RM4.44 billion. We introduced disclosure of our digidex segment this year, and this increased by 43% to RM50 million leveraging our expanding digital reach as the average monthly unique viewers of our digital brands grew by 20% to 8.3 million.

Revenue (RM m)



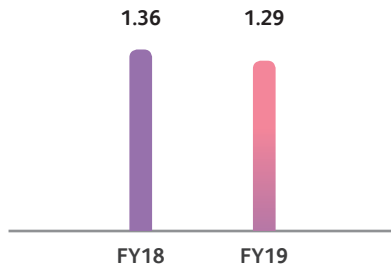
Adex (RM m)



EBITDA

With FY19 being a major sporting year, EBITDA declined 12% to RM1.61 billion mainly due to higher content spend of RM1.80 billion, an increase of 12% compared to FY18 arising from the broadcast of the 2018 FIFA World Cup and other key sporting events, as well as a one-off provision for the ESS which was completed in February 2019. This is offset by ongoing cost optimisation and digitalisation initiatives across content, cost to serve, and broadcast and operations. Through disciplined cost rationalisation efforts, our FCF held up well at RM1.29 billion compared to RM1.36 billion in FY18.

FCF (RM b)

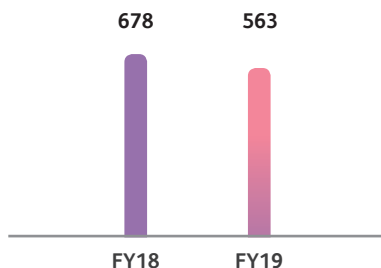


PATAMI

PATAMI decreased by 40% to RM463 million, driven by lower EBITDA and higher finance costs. Net finance costs surged by 329% to RM279 million primarily due to unrealised forex losses on transponder-related finance lease liabilities as the Malaysian Ringgit depreciated by 5% against the USD in 2019. Resultingly, earnings per share moderated by 40% to 8.9 sen per share.

Normalised PATAMI, which excludes the impact of the above mentioned unrealised forex and one-off ESS declined by 17% to RM563 million.

Normalised PATAMI (RM m)



Financial Position

Assets

Total assets decreased by 9% to RM6.26 billion mainly as a result of the prepayments of RM term loan amounting to RM629 million and a decrease of RM168 million in property, plant and equipment as a result of lower asset capitalisation in FY19. Meanwhile, net assets recorded an increase of 3.9% to RM679 million.

Liabilities

Total liabilities decreased by 10% to RM5.58 billion with a decrease in total current liabilities and total non-current liabilities of 18% and 5% to RM1.98 billion and RM3.60 billion respectively. This is primarily due to a decrease of RM395 million in borrowings, and RM164 million in payables and contract liabilities.

Overall borrowings declined by 10% to RM3.57 billion attributable mainly to the abovementioned prepayments, alongside scheduled principal repayments of loans and finance lease liabilities totalling RM571 million. This is offset by a drawdown of the second tranche of the Synthetic Foreign Currency Loan Facility ("SFCL") amounting to RM306.4 million in February 2018, the drawdown of a new RM380 million RM term loan from Sumitomo Mitsui Banking Corporation Malaysia Berhad in August 2018 and an increase in the book value of USD-based finance lease liabilities arising from the delivery of six new transponders in June 2018 as well as unrealised forex loss recorded due to the weakening of the Malaysian Ringgit against the USD. A slight increase in net debt/EBITDA ratio was recorded from 1.7 times to 1.8 times.

Capex

Total Capex registered a decrease of 12% to RM386 million. Infrastructure Capex was lower by 7% at RM220 million through conscientious investing as we endeavoured to simplify the customer experience through digitalisation. STB Capex investments also decreased by 17% to RM166 million as a result of ongoing efforts to optimise STB functionality and production cost, even as we continued to migrate customers onto our connected STBs to deepen their content experience. In FY19, connected STBs breached the 1 million milestone, growing 25%.

Prospects

The coming year will continue to be challenging amid structural changes in the global content and media industry and the present threat of piracy. We are focused on revenue diversification efforts, deeper cost optimisation initiatives and a stronger anti-piracy push. We will activate our biggest asset – our customers and leverage on our key differentiator – our content to amplify our customer value proposition through endeavours including new broadband bundles, enhanced membership privileges and rewards, introduction of a new technology platform to better address individuals within households, and elevating customer service.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

	FY15	FY16	FY17	FY18	FY19
Operational Results					
TV households ('000)	4,429	4,818	5,121	5,489	5,713
TV household penetration	64%	67%	71%	75%	77%
ARPU (RM)	99.0	99.3	100.4	99.9	99.9
Share of TV viewership ⁽¹⁾	49%	76%	77%	77%	75%
Connected boxes ('000)	-	313	507	804	1,003
Weekly radio listenership (m)	12.9	12.8	15.6	16.5	16.2
Average monthly unique visitors (m)	-	4.1	5.5	6.9	8.3
Adex (RM m)	589	640	705	722	687
Go Shop registered customers (m)	0.1	0.6	1.0	1.3	1.8
Go Shop revenue (RM m)	25	189	261	290	374
Financial Results (RM m)					
Revenue	5,231	5,475	5,613	5,531	5,479
EBITDA	1,808	1,941	1,817	1,820	1,605
EBIT	920	1,115	1,095	1,140	932
PBT	721	829	846	1,073	651
PAT	514	608	617	764	461
PATAMI	519	615	624	771	463
FCF	1,325	1,276	1,317	1,364	1,291
Financial Ratios					
Return on invested capital ⁽²⁾	23%	24%	24%	22%	19%
Net debt/EBITDA (times)	1.2	1.5	1.5	1.7	1.8
Revenue growth	9%	5%	2%	(1%)	(1%)
EBITDA margin	35%	35%	32%	33%	29%
PATAMI margin	10%	11%	11%	14%	8%
Earnings per share (sen)	10.0	11.8	12.0	14.8	8.9
Dividend per share (sen) ⁽³⁾	11.0	12.0	12.5	12.5	9.0
Financial Position (RM m)					
Equity attributable to equity holders of the Company	694	601	623	654	585
Total assets	6,731	6,901	6,266	6,848	6,260
Total borrowings	3,503	3,805	3,406	3,965	3,571
Net debt	2,150	2,826	2,759	3,003	2,939

Notes:

⁽¹⁾ Viewership share is based on Dynamic Television Audience Measurement ("DTAM") deployed by Kantar Media since FY17, FY16 comparative has been restated accordingly

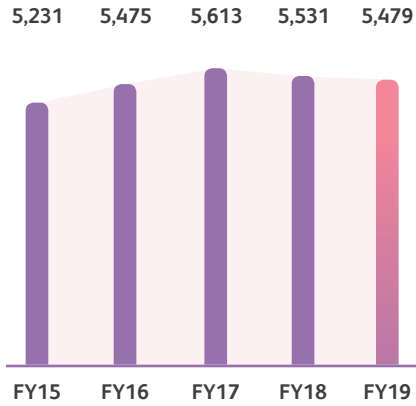
⁽²⁾ Formula based on EBIT metric, prior years' comparatives have been restated accordingly

⁽³⁾ Dividend per share consists of interim and final dividends declared and proposed post-IPO in respect of the designated financial years

OPERATIONAL AND FINANCIAL HIGHLIGHTS

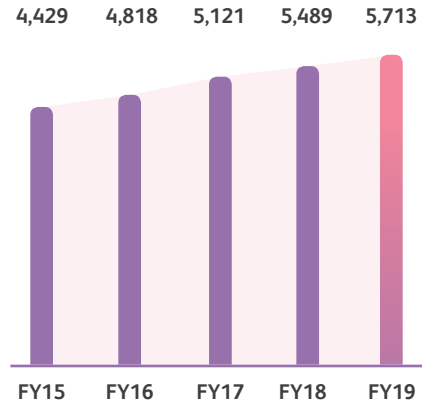
Revenue

Financial Year Ended 31 January (RM m)



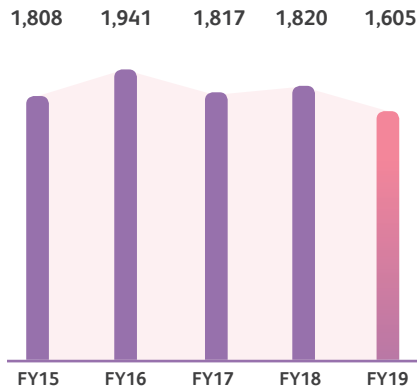
TV Households

Financial Year Ended 31 January ('000)



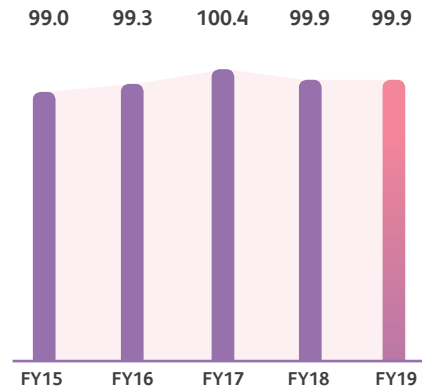
EBITDA

Financial Year Ended 31 January (RM m)



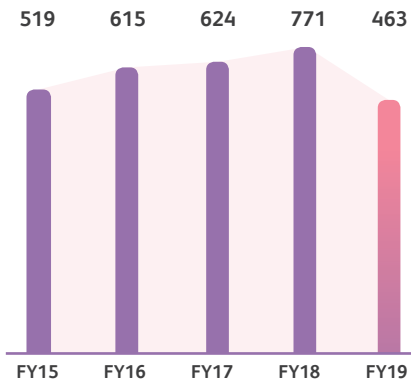
ARPU

Financial Year Ended 31 January (RM)



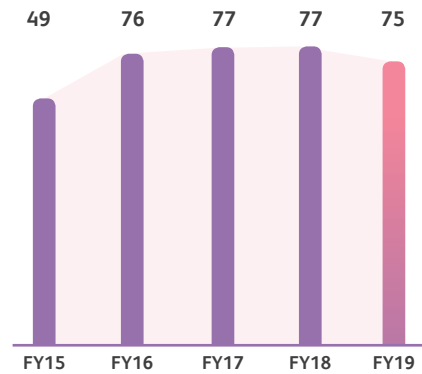
PATAMI

Financial Year Ended 31 January (RM m)



Share of TV Viewership⁽¹⁾

Financial Year Ended 31 January (%)



Note:

⁽¹⁾ Viewership share is based on DTAM deployed by Kantar Media since FY17, FY16 comparative has been restated accordingly

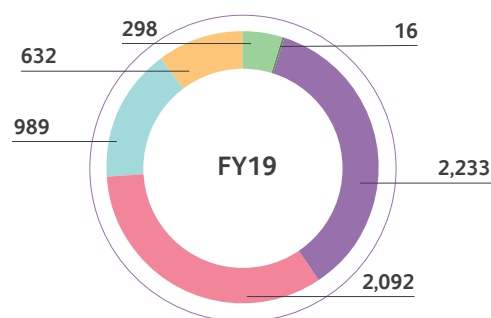
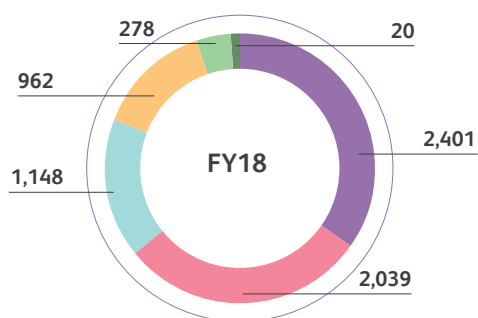
SEGMENTAL ANALYSIS AND QUARTERLY FINANCIAL PERFORMANCE

	FY18		FY19	
	RM m	%	RM m	%
Revenue				
Television	4,916	89	4,811	88
Radio	323	6	293	5
Go Shop	290	5	374	7
Others	2	0	1	0
	5,531	100	5,479	100
PBT				
Television	941	88	539	83
Radio	175	16	157	24
Go Shop	(15)	(1)	(7)	(1)
Others	(28)	(3)	(38)	(6)
	1,073	100	651	100

(RM m)	Q1	Q2	Q3	Q4	FY19
Revenue	1,311	1,416	1,384	1,368	5,479
EBITDA	461	289	473	382	1,605
EBIT	296	125	308	203	932
PBT	235	29	216	171	651
PAT	174	15	153	119	461
PATAMI	175	17	153	118	463
FCF	338	352	422	179	1,291

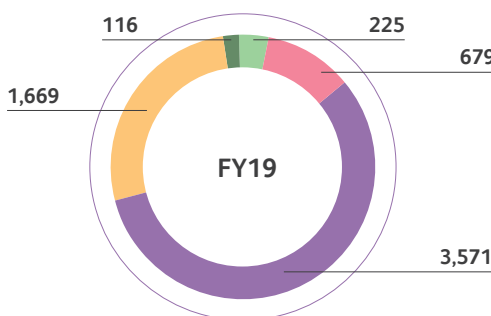
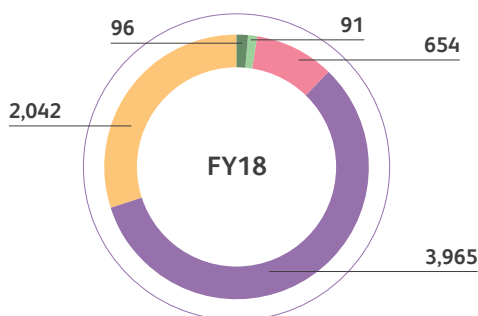
SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

	FY18 RM m	FY19 RM m
Assets		
Property, plant & equipment	2,401	2,233
Intangible assets	2,039	2,092
Inventories	20	16
Receivables, deposits & prepayments	1,148	989
Deposits, cash & bank balances & unit trusts	962	632
Others	278	298
	6,848	6,260
Equity & Liabilities		
Share capital	6,727	6,728
Reserves & non-controlling interests	(6,073)	(6,049)
Equity	654	679
Payables & accruals	2,042	1,669
Borrowings	3,965	3,571
Taxation & deferred tax liabilities	96	116
Others	91	225
	6,848	6,260



Assets (RM m)

- Property, plant & equipment
- Intangible assets
- Inventories
- Receivables, deposits & prepayments
- Deposits, cash & bank balances & unit trusts
- Others



Equity & Liabilities (RM m)

- Equity
- Payables & accruals
- Borrowings
- Taxation & deferred tax liabilities
- Others

STATEMENT OF VALUE ADDED

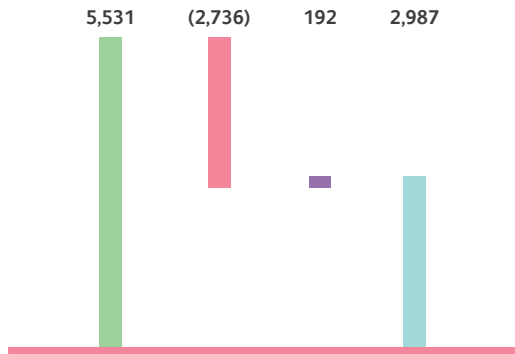
	FY18 RM m	FY19 RM m
Value Added		
Revenue	5,531	5,479
Operating expenses	(2,736)	(2,838)
Other operating income	192	48
Total Value Added by our Group	2,987	2,689
Reconciliation:		
PAT	764	461
Add: Depreciation, impairment and amortisation	1,081	1,063
Interest expense	210	240
Government	335	221
Non-controlling interest	7	2
Staff costs	590	702
Total Value Added by our Group (Available for Distribution)	2,987	2,689
Value Distributed		
Employees		
Staff costs	590	702
Government		
Tax	309	190
Regulatory	26	31
Providers of capital		
Dividends	651	574
Interest expense	210	240
Non-controlling interest	7	2
Reinvestment and future growth		
Depreciation, impairment and amortisation	1,081	1,063
Retained earnings	113	(113)
Total Distributed	2,987	2,689

STATEMENT OF VALUE ADDED

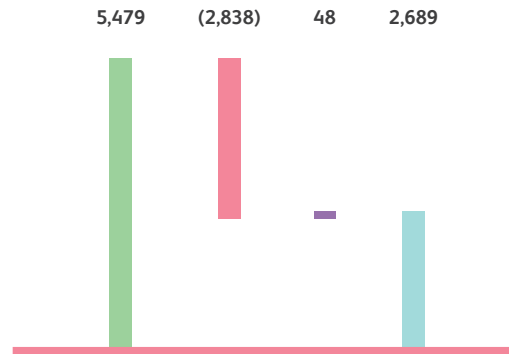
Value Added

Financial Year Ended 31 January (RM m)

FY18



FY19

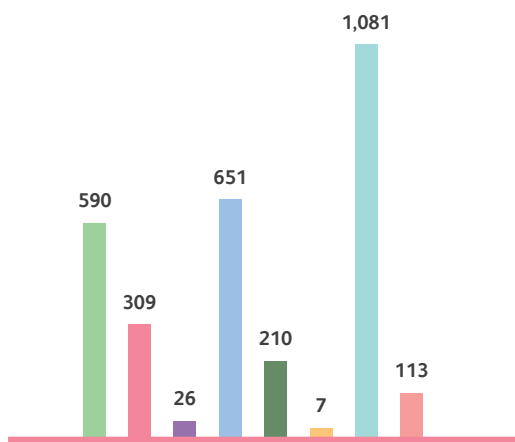


- Revenue
- Operating expenses
- Other operating income
- Total value added

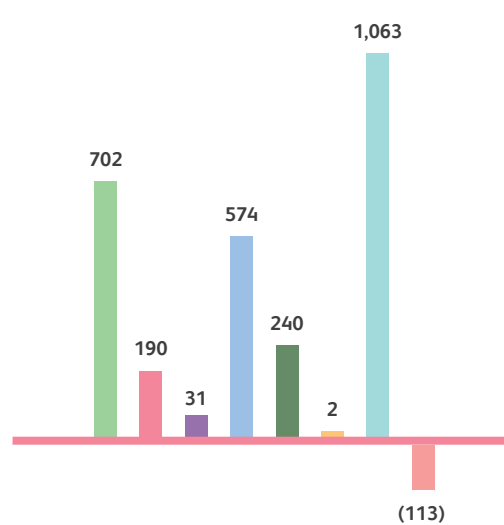
Value Distributed

Financial Year Ended 31 January (RM m)

FY18



FY19



- Staff costs
- Tax
- Regulatory
- Dividends
- Interest expense
- Non-controlling interest
- Depreciation, impairment and amortisation
- Retained earnings

KEY MILESTONES

Commenced digital
Direct-to-Home (“DTH”)
satellite Pay-TV services with
22 TV and five radio stations

1996

Launched Astro First, a
Pay-Per-View (“PPV”) movie
service with near cinema
window offerings

2011

1996

- Introduced format radio programming in Malaysia

1997

- MBNS was granted a renewable 25-year broadcasting license for the provision of broadcasting services in Malaysia, with exclusivity of DTH satellite TV services until 2017 and non-exclusivity until 2022

2012

- Launched NJOI, the first freemium DTH satellite TV in Malaysia
- Launched Astro GO, our OTT service
- Listed on the Main Market of Bursa Securities

2015

Ventured into commerce with Go Shop, which offers shopping on TV, online and mobile

2017

Embarked on a digital and business transformation by partnering Amazon Web Services (“AWS”) to accelerate innovation toward enhancing customer experience

2015

- Launched OD, enabling customers to watch their favourite shows instantly

2016

- Launched Go Shop in Singapore
- Launched eGG Network, a regional eSports channel
- Introduced Boo, an Asian horror movie channel

2017

- Introduced NJOI Now, our freemium OTT service offering free channels, OD content and prepaid options
- Set up Blaze Digital, our digital marketing agency
- Launched ZAYAN and GOXUAN, our digitally-led radio brands for millennials
- Launched Rocketfuel Entertainment, our influencer marketing and talent management agency
- Received the Gold Award in the Media Networks category at the Putra Brand Awards for the eighth consecutive year

EVENT HIGHLIGHTS



As the official broadcaster of the 2018 FIFA World Cup Russia™, we offered all 64 live matches in HD on all screens

MARCH 2018

- Collaborated with Digital Durian to present the first animation concert on local silver screens, *Konsert Hora Horey Didi & Friends*, grossing RM2.7 million in Malaysia cinemas

MAY 2018

- Formed joint venture (“JV”) company, Nu Ideaktiv with Grup Majalah Karangkraf (“GMK”) to create content for the Malay-speaking audience

JUNE 2018

- As the official broadcaster of the 2018 FIFA World Cup Russia™, we offered all 64 live matches in HD on all screens, and collaborated with Twitter to provide match clips and tournament content on @stadiumastro to amplify sports conversations among Malaysians

JULY 2018

- Formed partnership with SmartStudy on merchandising, character licensing and signature events of animated characters including *Pinkfong* and *Baby Shark* in Malaysia, Singapore and Brunei

AUGUST 2018

- Kicked off a new season of Premier League with the first live 4K-UHD broadcast in Malaysia, offering a premium viewing experience to football fans
- Introduced new variety channel, Hello, featuring the best of local, regional and international programmes for the entire family, available to all customers on TV and OTT

SEPTEMBER 2018

- eGG Network launched Alliance of Campus eSports to boost eSports competency among local university students by partnering industry experts, universities and the National Sports Council of Malaysia
- Secured the Premier League broadcast rights in Malaysia for the 2019/20 to 2021/22 seasons to provide unrivalled coverage of the world’s biggest and most exciting football league
- Astro and Digital Durian presented *Karnival 1 Bilion Didi & Friends* in conjunction with the animation IP’s milestone of reaching 1 billion YouTube views
- Brought *Pinkfong* and *Baby Shark* live musical to Malaysia, a ticketed event featuring the original Korean cast and crew
- GEGAR, the No. 1 radio brand in the East Coast launched GEGAR Mall, offering a unique Go Shop experience for its listeners



We partnered with Les' Copaque Production on content sharing, distribution and marketing of their animation content, including *Upin & Ipin*

- Launched brand new Muslim contemporary lifestyle channel, Naura offering local and international Islamic content to all customers on TV and OTT
- *Hantu Kak Limah* set a new box office record in Malaysia by grossing RM38 million

OCTOBER 2018

- Astro and Maxis jointly contributed to Tabung Bencana Gempa Bumi & Tsunami Sulawesi in aid of earthquake and tsunami victims in Central Sulawesi
- *Vedigundu Pasangge*, a co-production by Astro Vaanavil and Veedu Production set a new Malaysia Book of Records for the highest GBO collection by a local Tamil film
- Partnered beIN Asia Pacific to bring live coverage of the UEFA Champions League and UEFA Europa League for the 2018/19 to 2020/21 seasons
- Partnered with Les' Copaque Production on content sharing, distribution and marketing of their animation content, including *Upin & Ipin*

NOVEMBER 2018

- Astro Kasih organised Astro Junior Championship, the first ever Under 15 regional mixed-team badminton tournament as part of Astro's commitment in developing young shuttlers
- eGG Network co-organised The Kuala Lumpur Major, the first Major status tournament for the Dota Pro Circuit 2018/2019 season with PGL and Imba TV
- Astro Xiao Tai Yang presented its first original kids musical, *The Five Elves: A Magical Journey Live Musical*, captivating thousands of kids and adults

DECEMBER 2018

- Netflix acquired worldwide rights (ex-China) for Astro's first Hong Kong original drama series, *Demon's Path*
- Astro, Digi and Media Prima collaborated to introduce JomStudi, a digital learning platform granting students easy access to quality educational content

JANUARY 2019

- Introduced high-speed broadband bundle to residents of Jasin, Melaka in collaboration with a subsidiary of TNB
- Collaborated with Indonesian wireless network provider, Telkomsel to produce an original horror drama, *Nawangsih* for its video streaming app, MAXstream

AWARDS



Astro was recognised for achieving the 'Highest Growth in Profit After Tax over Three Years' in the Telecommunications and Media sector at the The Edge Billion Ringgit Club 2018

APIES MALAYSIA 2018

- Gold in Consumer Services category
 - » Astro - Turn NIVEA into a K-Drama Star for Nivea
- Best Presenter
 - » Kazmal Kamal

ANUGERAH MAJLIS PENKRITIK FILEM KUALA LUMPUR 2018

- Best Actress
 - » Datin Seri Umie Aida – *Dukun*
- Best Supporting Actor
 - » Faizal Hussein – *Dukun*

ANUGERAH SKRIN 2018

- Best Film
 - » *Dukun* – Astro Shaw Sdn Bhd
- Best Director (Film)
 - » Dain Said – *Dukun*
- Best Screenplay
 - » Huzir Sulaiman – *Dukun*
- Best Actress in a Leading Role
 - » Datin Seri Umie Aida – *Dukun*
- Best Actor in a Supporting Role
 - » Namron – *Dukun*

ASIAN ACADEMY CREATIVE AWARDS 2018

National Wins

- Best Promo or Trailer
 - » *Vallavar 2017* – Astro Production
- Best Theme Song
 - » *Symphony of Love* – Astro
- Best Short-Form Content
 - » *May I Love You* – MEASAT Broadcast Network Systems for Xuan
- Best Lifestyle Programme
 - » *Hadith Open Mic S2* – Astro
- Best News or Current Affairs Presenter
 - » Kamarul Bahrin Haron, *Malaysia Memilih* – Astro AWANI
- Best Single News Story/Report
 - » *Penang Flood*, MEASAT Broadcast Network Systems for Hotspot
- Best News Programme
 - » *Malaysia Memilih (9 & 10 May)* – Astro AWANI
- Best Documentary Series
 - » *Pray For: The Black and White Deity* – Astro AEC
- Best Documentary Programme (One-Off/Special)
 - » *The Black Hawk Down: Wira Keamanan* – Astro Prima
- Best Original Screenplay
 - » Anwar Idris, *Luar Biasa* – Astro Citra
- Best Editing
 - » Andhy Pulung, *Do[s]a* – Astro
- Best Cinematography
 - » Yadi Sugandi, *Do[s]a* – Astro
- Best Actress in a Supporting Role
 - » Yoke Chen, *Where Got Money?* – Astro AEC

- Best Actor in a Supporting Role
 - » Remy Ishak, *Do[s]ja* – Astro
- Best General Entertainment Programme
 - » *Meja Bulat Sepahtu* – Astro Prima
- Best Entertainment Presenter/Host
 - » Nabil Ahmad, *Gegar Vaganza 4* – Astro Ria
- Best Comedy Performance
 - » Estee Tan Hsiao-Ling, *Hua Hee Seko-lah S4* – Astro Hua Hee Dai
- Best Comedy Programme
 - » *Hua Hee Seko-lah S4* – Astro Hua Hee Dai
- Best Music or Dance Programme
 - » *Hua Hee Champion 2017 Grand Final* – Astro Hua Hee Dai
- Best Game or Quiz Programme
 - » *Smart Wheel* – Astro Production
- Best Entertainment (One-Off/Annual)
 - » *CNY Countdown Show 2018* – Astro
- Best Actress in a Leading Role
 - » Lisa Surihani, *Kotena Ana* – Astro Citra
- Best Actor in a Leading Role
 - » Idan Aedan, *Luar Biasa* – Astro Citra
- Best Direction (Fiction)
 - » Tunku Mona Riza, *Luar Biasa* – Astro Citra
- Best Single Drama or Telemovie
 - » *Luar Biasa* – Astro Citra
- Best Drama Series
 - » *Do[s]ja* – Astro

Regional Wins

- Best Short-Form Content
 - » *May I Love U*
- Best Theme Song
 - » *Symphony of Love*

ASIAN DIGITAL MEDIA AWARDS 2018

- Silver Award in Social Media Engagement
 - » #MalaysiaMemilih (Malaysia's 14th General Election) – Astro AWANI

IDC DIGITAL TRANSFORMATION AWARDS (IDC DX AWARDS) 2018

- Talent Accelerator Award

NEW YORK FESTIVALS TELEVISION & FILM AWARDS 2018

- Gold World Medal
 - » Promotion/Open & IDs, Station/Image Promotion, *Football Forever* campaign – Astro Supersport
- Bronze World Medal
 - » Promotion/Open & IDs – Art Direction, *Sepahtu Reunion: Princess* – Astro Warna

PUTRA BRAND AWARDS 2018

- Gold Award in the Media Networks category

SPARKS AWARDS 2018

- Gold in the Best Media Solution – Radio
 - » Astro Radio (HITZ) - *Jumanji VR* for Sony Pictures
- Gold in the Best Media Solution (TV/Online Video)
 - » Astro – *Turn NIVEA into a K-Drama Star, My Coffee Prince* Integration for Nivea



Astro AWANI won the Silver Award in Social Media Engagement at the Asian Digital Media Awards 2018

AWARDS

SPARKS AWARDS 2018

- Gold in the Best Media Solution (Experiential)
 - » Astro – *McD Ayam Goreng Sepahtu Reunion* for McDonald's Malaysia
- Gold in the Best Launch/Relaunch by a Media Owner
 - » Astro – *Raya Campaign, Kosong-Kosong Dari Hati* for Astro
- Silver in the Best Content Team
 - » Astro – Branded Content
- Silver in the Best Campaign by a Media Owner
 - » Astro – *Sehalus Venus* for Procter & Gamble
- Silver in the Best App/Portal/Website by a Media Owner
 - » Astro – ZAYAN Mobile App
- Silver in the Best Media Solution (Radio)
 - » Astro Radio – ERA & HITZ, *Wonda Sales Superstar* for Etika
- Silver in the Best Media Solution (Digital)
 - » Astro – *Hi Mummy Jihan* for Annum Materna
- Bronze in the Best Media Solution (Radio)
 - » Astro Radio – *Be MY Star 2.0* for MOMAwater
- Bronze in the Best Media Solution (TV/Online Video)
 - » Astro Radio – *Lost without you* for Spritzer – Bon Rica
- Bronze in the Best Media Solution – Content Amplification
 - » Astro – *We Are More Campaign* for Anlene
- Bronze in the Most Improved Offering by a Media Owner
 - » Astro Radio – ZAYAN and GOXUAN
- Bronze in the Best Event by a Media Owner
 - » Astro Radio – *Raya Proton* for PROTON
- Bronze in the Best Collaboration between Media Owner and Agency
 - » Astro and OMD Malaysia

THE EDGE BILLION RINGGIT CLUB 2018

- Highest Growth in Profit After Tax over Three Years – Telecommunications & Media

MALAYSIA'S 100 LEADING GRADUATE EMPLOYERS AWARDS 2018

- Most Popular Graduate Employer – Broadcasting/Media

2ND ASEAN CORPORATE GOVERNANCE AWARDS BY MSWG 2018

- Top 50 ASEAN Public Listed Companies (PLCs)

5TH ANNUAL TEA (THOMAS EDISON ADVERTISEMENT AWARDS) 2018

- The Stepping Ladder Award
 - » *Mayil Paalam* (Telemovie) – Astro Vaanavil
- Best Horror Series
 - » *Thigil* – Astro Vinmeen
- Best Game Show
 - » *Smart Wheel* – Astro Vinmeen
- Best Kids Animation Movie
 - » *Super Star Raja* – Astro Vaanavil



Astro won the Gold Award in the Media Networks category for the ninth consecutive year at the Putra Brand Awards 2018

2018

6 June

- Announcement of the unaudited results for the first quarter ended 30 April 2018 and the first interim single-tier dividend of 2.5 sen per ordinary share

6 July

- Payment date for the first interim single-tier dividend of 2.5 sen per ordinary share

26 September

- Announcement of the unaudited results for the second quarter ended 31 July 2018 and the second interim single-tier dividend of 2.5 sen per ordinary share

26 October

- Payment date for the second interim single-tier dividend of 2.5 sen per ordinary share

5 December

- Announcement of the unaudited results for the third quarter ended 31 October 2018 and the third interim single-tier dividend of 2.5 sen per ordinary share

2019

4 January

- Payment date for the third interim single-tier dividend of 2.5 sen per ordinary share

26 March

- Announcement of the unaudited results for the fourth quarter ended 31 January 2019 and the fourth interim single-tier dividend of 1.5 sen per ordinary share

25 April

- Payment date for the fourth interim single-tier dividend of 1.5 sen per ordinary share

15 May

- Notice of Seventh AGM and the issuance of Integrated Annual Report and Circular to Shareholders

27 June

- Seventh AGM

INVESTOR RELATIONS

As we review our business and forge new strategies to strengthen our position as Malaysia's leading content and consumer company, Astro remains committed to delivering long-term shareholder value. Since listing in October 2012, we have consistently declared quarterly interim dividends surpassing our dividend policy of paying out at least 75% of consolidated profits. Astro maintains high standards of corporate disclosures resulting in timely informational flows to the investment community in line with global best practices.

Dividends

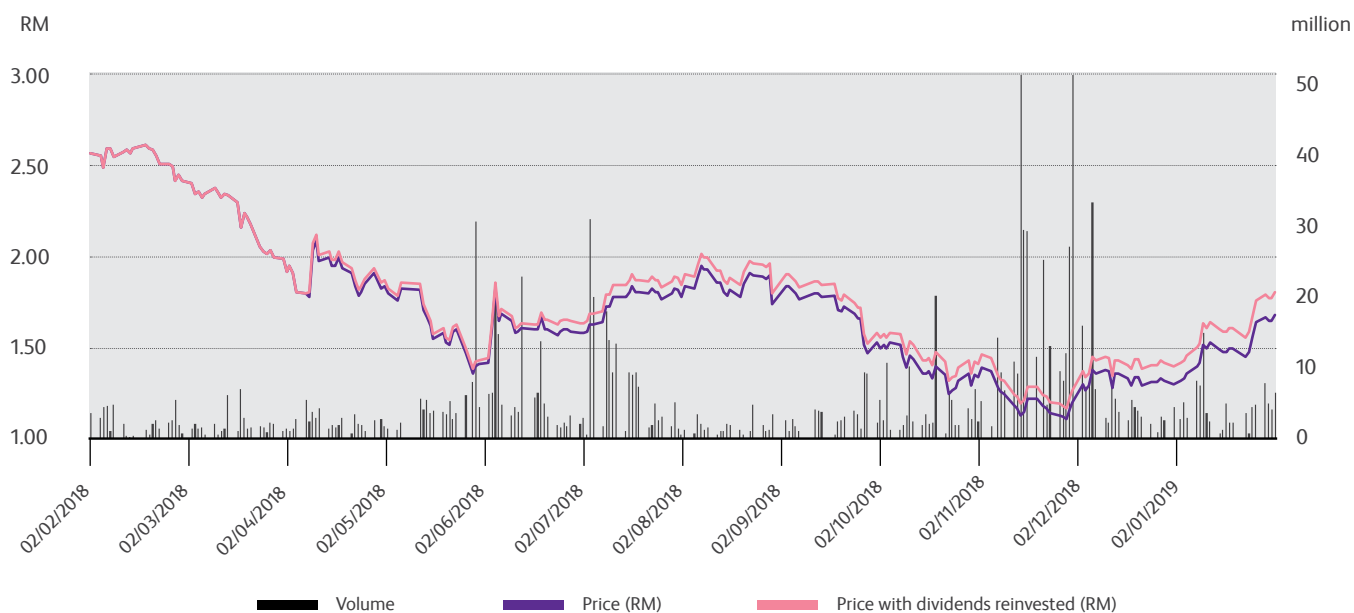
Amid macroeconomic uncertainties and subdued consumer sentiments, and despite FY19 being a heavy sporting year resulting in elevated content costs, we declared total dividends of 9.0 sen per share with a dividend yield of 5.4%. Astro's highly cash generative business, with FCF being 279% of PATAMI, has enabled us to once again exceed our dividend policy with a payout of 101% of PATAMI and a FCF yield of 14.4%.

	FY17	FY18	FY19
Total dividend declared per share (sen)	12.5	12.5	9.0
Dividend payout as % of PATAMI	104%	85%	101%

Dividends are paid within 30 days from the date of declaration for interim dividends, and from the date of shareholders' approval in the case of final dividends.

Dividend Period	Amount (sen)	Declaration Date	Entitlement Date	Payment Date
Final FY18	0.5	7 May 2018	25 June 2018	6 July 2018
Q1 FY19	2.5	6 June 2018	25 June 2018	6 July 2018
Q2 FY19	2.5	26 September 2018	11 October 2018	26 October 2018
Q3 FY19	2.5	5 December 2018	20 December 2018	4 January 2019
Q4 FY19	1.5	26 March 2019	10 April 2019	25 April 2019

Share price performance



In FY19, our share price with dividends reinvested declined by 29.8%. Meanwhile, our media industry peers recorded an average drop of 44.6% while the FBMKLCI index declined by 7.2%. Equities overall exhibited lacklustre performance, driven by slowing global growth concerns and unrelenting trade war rhetoric. Policy uncertainties stemming from the first change in government in Malaysia's 60-year history also weighed on investor sentiments.

Substantial shareholders

Pursuant to the Companies Act 2016 and Bursa Malaysia's MMLR, substantial shareholders are defined as those with 5% or more holdings in the company. Please refer to page 300 for our register of substantial shareholders.

Engaging the investment community

We proactively engage with the investment community throughout the year to share our strategy, investment thesis and business performance. Our stock is actively covered by 19 research houses, and our diverse investor base includes reputable local and international institutional funds. As at the end of FY19, our foreign shareholding stands at 33% of our free float, down 19 percentage points from FY18.

In FY19, our Investor Relations ("IR") team conducted over 200 one-on-one and group meetings, and teleconference calls with investors and analysts. Senior Leadership participated in various investment conferences regionally including Hong Leong's Media Day in April 2018, Citibank's ASEAN C-Suite Investor Conference in June 2018 and CIMB's 11th Annual Malaysian Corporate Day in January 2019.

We host quarterly earnings calls to present our results, chaired by our CEO or CFO and involving Senior Leadership. Our Communications team engage with the media and public in a multiplatform manner including via press releases, press conferences, and through social media.

In navigating through the fluid media landscape, we are firmly committed to maintaining open and accessible channels of communication with the investment community at large. At the Malaysia IR Awards 2018 organised annually by the Malaysian IR Association (MIRA), we placed fifth in the 'Most Improved Service from an IR Team' category. We also emerged third in the 'Best IR Website' category and eighth in the 'Best Company for IR' among Malaysian large caps. Separately at the National Annual Corporate Report Awards (NACRA) 2018, we were awarded a Certificate of Merit for our Annual Report 2018.



Our Investor Relations website corporate.astro.com.my is regularly updated with the latest corporate, financial and stock information, and includes links to our quarterly results and annual reports.

Our Investor Relations team welcomes queries and feedback from the investment community and can be contacted directly at ir@astromalaysia.com.my

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tun Dato' Seri Zaki bin Tun Azmi

Independent Non-Executive Chairman

Datuk Yvonne Chia

Senior Independent Non-Executive Director

Renzo Christopher Viegas

Independent Non-Executive Director

Richard John Freudenstein

Independent Non-Executive Director

Lim Ghee Keong

Non-Independent Non-Executive Director

Simon Cathcart

Non-Independent Non-Executive Director

Shahin Farouque bin Jammal Ahmad

Non-Independent Non-Executive Director

Tunku Alizakri bin Raja Muhammad Alias

Non-Independent Non-Executive Director

Mazita binti Mokty

Non-Independent Non-Executive Director

Vernon Das

Alternate Director to Lim Ghee Keong

COMPANY SECRETARY

Liew Wei Yee Sharon

(LS0007908)

REGISTERED OFFICE

3rd Floor, Administration Building

All Asia Broadcast Centre

Technology Park Malaysia

Lebuhraya Puchong-Sungai Besi

Bukit Jalil

57000 Kuala Lumpur

Tel No. : +603 9543 6688

Fax No. : +603 9543 3007

Website : corporate.astro.com.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd)

Level 6, Symphony House

Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya

Selangor

Helpdesk No. : +603 7849 0777

Fax No. : +603 7841 8151

: +603 7841 8152

: +603 7841 8100

Email Address : BSR.Helpdesk@boardroomlimited.com

AUDITORS AND REPORTING ACCOUNTANTS

PricewaterhouseCoopers PLT

Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur

Tel No. : +603 2173 1188
Fax No. : +603 2173 1288

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Listed since 19 October 2012

Stock Code : 6399
Sector : Telecommunications & Media

PRINCIPAL BANKERS

CIMB Bank Berhad

20th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur

Tel No. : +603 2261 8888

Citibank Berhad

Level 45, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur

Tel No. : +603 2383 8585

Malayan Banking Berhad

32nd Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

Tel No. : +603 2070 8833

RHB Bank Berhad

Level 7, Tower Three
RHB Centre
Jalan Tun Razak
50450 Kuala Lumpur

Tel No. : +603 9287 8888

BOARD OF DIRECTORS



From left to right:

Tun Dato' Seri Zaki bin Tun Azmi *Independent Non-Executive Chairman*

Richard John Freudenstein *Independent Non-Executive Director*

Datuk Yvonne Chia *Senior Independent Non-Executive Director*

Tunku Alizakri bin Raja Muhammad Alias *Non-Independent Non-Executive Director*



From left to right:

Renzo Christopher Viegas *Independent Non-Executive Director*

Simon Cathcart *Non-Independent Non-Executive Director*

Mazita binti Mokty *Non-Independent Non-Executive Director*

Shahin Farouque bin Jammal Ahmad *Non-Independent Non-Executive Director*

Lim Ghee Keong *Non-Independent Non-Executive Director*

BOARD OF DIRECTORS' PROFILES

Tun Dato' Seri Zaki bin Tun Azmi

Malaysian • 73 • Male

Independent Non-Executive Chairman

- ▶ First appointment as Independent Non-Executive Chairman 15 August 2012
- ▶ Chairman of Nomination and Corporate Governance Committee

Tun Zaki holds a Barrister-at-Law qualification from the Lincoln's Inn, UK.

He joined the Malaysian Judicial and Legal Services as a Magistrate and was later transferred to the Attorney General's Chambers where he held several positions for 15 years before going into private legal practice. He was appointed as a Judge of the Federal Court of Malaysia in 2007 and shortly thereafter, became the President of Court of Appeal of Malaysia, the second highest judicial office in the country.

In October 2008, he was appointed as the 12th Chief Justice of Malaysia. He also holds the distinction of being appointed as the first chairman of the Judicial Appointment Commission until his retirement as Chief Justice in September 2011. He was also appointed as Chief Justice of Dubai International Financial Centre Courts in November 2018.

He is the Chancellor of Multimedia University and MAHSA University and Pro-Chancellor of University Science Islam Malaysia.

Datuk Yvonne Chia

Malaysian • 66 • Female

Senior Independent Non-Executive Director

- ▶ First appointment as Independent Non-Executive Director 1 January 2014
- ▶ Resignation as Senior Independent Non-Executive Director 6 December 2017
- ▶ Chairman of Remuneration Committee
- ▶ Member of Audit and Risk Committee
- ▶ Member of Nomination and Corporate Governance Committee
- ▶ Member of Strategy and Business Transformation Committee

Datuk Yvonne Chia is a Fellow Chartered Banker and holds a Bachelor of Economics (Honours) from University of Malaya.

She has more than 40 years' experience in the financial services industry, having held leading positions in both foreign and local institutions. She started her career in Bank of America and held various roles in Asia. She was the former Group Managing Director and Chief Executive of RHB Bank Berhad (1996-2002) and Hong Leong Bank Berhad (2003-2013).

She is the Independent Non-Executive Chairman of Standard Chartered Bank Malaysia Berhad and Standard Chartered Saadiq Berhad and is also an Independent Non-Executive Director of Silverlake Axis Limited (listed on the Singapore Exchange Ltd).

She is a Council Member of Asian Institute of Chartered Bankers, a member of the Board of Trustee for Teach For Malaysia Foundation, and an Honorary Professor of University of Nottingham School of Economics.

Renzo Christopher Viegas

Indian • 57 • Male

Independent Non-Executive Director

- ▶ First appointment as Independent Non-Executive Director
1 December 2017
- ▶ Chairman of Audit and Risk Committee
- ▶ Chairman of Strategy and Business Transformation Committee

Renzo Christopher Viegas holds a Bachelor of Commerce from the University of Mumbai, India. He is a Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India.

He has extensive experience in the banking industry and started his working career with Citibank in 1985 where he progressively held senior positions in various Asia Pacific countries including regional responsibilities until 2008.

In 2008, he joined RHB Bank Berhad as Director, Retail Banking where he managed the consumer, insurance, hire purchase and SME businesses. In 2011, he was appointed as Principal Officer to oversee RHB Bank Berhad's operations overall. Prior to joining CIMB Group in 2012, he last held the position of Deputy Chief Executive Officer, Retail & International of RHB Bank Berhad.

Renzo was Deputy Chief Executive Officer of CIMB Group in April 2012, Executive Director of CIMB Bank from 2012 to 2015 and Chief Executive Officer of Group Consumer Banking from 2015 to 2016. He also served as Adviser to the Group Chief Executive Officer of CIMB Bank, responsible for the development of overall business strategies till March 2019.

Renzo also held the positions of Executive Director at CIMB Bank Berhad and Non-Executive Director of Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad.

He currently is a Director of CIMB Bank PLC, Cambodia and CIMB Bank (Vietnam) Limited.

Richard John Freudenstein

Australian • 54 • Male

Independent Non-Executive Director

- ▶ First appointment as Independent Non-Executive Director
30 September 2016
- ▶ Member of Audit and Risk Committee
- ▶ Member of Remuneration Committee

Richard Freudenstein holds a Bachelor of Economics and a Bachelor of Laws (Honours) from University of Sydney.

He is a media executive with extensive experience in the Australian and international markets. He was the Chief Executive Officer of Foxtel (2011-2016) and prior to that, he was the Chief Executive Officer of News Digital Media (the digital division of News Limited) and The Australian newspaper. He returned to Australia in August 2006 after seven years

at British Sky Broadcasting Limited, the last six as Chief Operating Officer.

He is a Non-Executive Director of REA Group Ltd and Coles Group Limited (listed on the Australian Securities Exchange Ltd) and was formerly a Director of Ten Network Holdings Ltd, one of the Australia's leading television companies.

Richard is the Deputy Chancellor and a Fellow of the Senate at the University of Sydney.

BOARD OF DIRECTORS' PROFILES

Lim Ghee Keong

Malaysian • 51 • Male

Non-Independent Non-Executive Director

- ▶ First appointment as Non-Independent Non-Executive Director
30 September 2016
- ▶ Member of Remuneration Committee
- ▶ Member of Strategy and Business Transformation Committee

Lim Ghee Keong holds a Bachelor of Business Administration degree, majoring in Finance, from the University of Hawaii at Manoa, USA.

He has about 30 years' experience in finance, treasury and credit management. Prior to joining the UTBSB Group in 1995, he was attached to General Electric Capital Corporation in the USA and Ban Hin Lee Bank in Malaysia.

He is a Director and Chief Operating Officer of UTBSB, and serves on the boards of several other companies in which the UTBSB Group has interests such as Maxis (listed on Bursa Securities) and Bond Pricing Agency Malaysia Sdn Bhd, a bond pricing agency registered with the Securities Commission Malaysia. He is also a Director of Paxys Inc. (listed on the Philippines Stock Exchange) and Yu Cai Foundation.

Simon Cathcart

Australian • 46 • Male

Non-Independent Non-Executive Director

- ▶ First appointment as Non-Independent Non-Executive Director
15 June 2017
- ▶ Member of Strategy and Business Transformation Committee

Simon Cathcart holds a Bachelor of Engineering (Electronic) (Honours) degree from the University of South Australia. He also holds a Master of Business Administration (Honours) from the University of Chicago Booth School of Business.

He is a media executive with more than 20 years' experience in satellite, broadcasting and telecommunications. He is a co-founder and Executive Director of

FetchTV, Australia's second largest Pay-TV operator that provides a turnkey wholesale IPTV platform to the majority of Australia's leading telecommunication companies.

He is currently a Director and Chief Executive Officer of MSS and Director of MGB, the holding company of MSS. He formerly held various engineering roles at global satellite provider, PanAmSat and Telstra Corporation.

Shahin Farouque bin Jammal Ahmad

Malaysian • 45 • Male

Non-Independent Non-Executive Director

- ▶ First appointment as Non-Independent Non-Executive Director
1 December 2017
- ▶ Member of Nomination and Corporate Governance Committee
- ▶ Member of Strategy and Business Transformation Committee

Shahin Farouque holds a Bachelor of Science in Economics (Accounting & Finance) from the London School of Economics and Political Science, University of London. He has over 20 years' investment banking experience.

Prior to joining Khazanah in 2016, he worked with various commercial and investment banks in both domestic and regional roles.

He is currently a Director in the Investment Division of Khazanah. He also sits on the boards of various creative and media companies within the Khazanah portfolio companies.

Tunku Alizakri bin Raja Muhammad Alias

Malaysian • 49 • Male

Non-Independent Non-Executive Director

- First appointment as Non-Independent Non-Executive Director
15 February 2019

Tunku Alizakri holds a Master of Business Administration (MBA) from Cornell University and a Bachelor of Laws (LLB) from King's College, University of London. He has practised as an advocate and solicitor in the courts of Malaysia and is qualified as a Barrister (Lincoln's Inn) in the courts of England and Wales.

Tunku Alizakri was appointed as Chief Executive Officer of Employees Provident Funds ("EPF") on 20 August 2018. He was previously the Deputy Chief Executive Officer (Strategy). He has broad experience in policy development, strategic planning, communications, human resources and marketing.

Prior to joining EPF, he was the Chief Marketing Officer and Chief Operating Officer of the Iclif Leadership and Governance Centre. He has also held the positions of Director of Strategic Management at Bank Negara Malaysia, Director and Head of Strategy and Corporate Affairs at DiGi Telecommunications, and Vice-President and Head of Group Strategic Planning at Malayan Banking Berhad.

He is currently on the board of Kwasa Land Berhad, Kwasa Utama Berhad, Dialog Group Berhad and Battersea Power Station Development Company Limited, in addition to his capacity as Vice-Chairperson of the Technical Commission on Organisation, Management and Innovation for International Social Security Association.

Mazita binti Mokty

Malaysian • 46 • Female

Non-Independent Non-Executive Director

- First appointment as Non-Independent Non-Executive Director
15 February 2019

Mazita Mokty holds a Bachelor of Law (Honours) from the University of Hertfordshire, UK and is qualified as a Barrister-at-Law of the Honourable Society of Lincoln's Inn, UK. She was admitted to the Bar of England and Wales, and the High Court of Malaya.

Mazita Mokty has more than 20 years' legal and regulatory experience, primarily in corporate, commercial and banking matters, trusts and investments, and equity/capital markets. She is currently the General Counsel of UTSB, a Malaysian

based investment holding company which has significant interests in companies operating across diverse industries such as telecommunications, media and entertainment, and real estate.

She serves on the board of several companies in which UTSB Group has significant interest, such as AHSB and Tanjong Capital Sdn Bhd Prior to joining UTSB, she was attached to an established law firm in Kuala Lumpur and worked with the Securities Commission Malaysia.

Vernon Das

Malaysian • 40 • Male

Alternate Director to Lim Ghee Keong

- First appointment as Alternate Director to Lim Ghee Keong, a Non-Independent Non-Executive Director
15 February 2019

Vernon Das holds a First Class Bachelor of Engineering (Chemical Engineering) from the University of Sheffield, UK.

He has 20 years' of corporate finance and investment experience. Prior to joining UTSB Group in 2007, he worked with Accenture in its financial institution group, and a regional private equity firm.

He is currently the Chief Executive Officer of Pexco N.V., an upstream oil and gas independent, and is also a Director on the Boards of AHSB, Media Innovations Pte Ltd (holding company of FetchTV, an Australian Pay-TV operator), and Celestial Pictures Limited and Celestial Tiger Entertainment, regional content platforms.

Notes:

- 1) None of the Directors have any conflict of interest with the Company
- 2) None of the Directors have any convictions for offences within the past five years
- 3) None of the Directors have any public sanctions and/or penalties imposed on them by the relevant regulatory bodies during FY19
- 4) None of the Directors have any family relationship with any Directors and/or Major Shareholders of the Company

SENIOR LEADERSHIP



From left to right:

Tammy Toh Seok Kheng *Director, Communications*

Shafiq Abdul Jabbar *Chief Financial Officer*

Chong Teck Hiong *Director, Media Sales*

Liew Wei Yee Sharon *Company Secretary*

Gavin Baxter *Director, People & Workplace*

Henry Tan Poh Hock *Chief Executive Officer*

Christinne Lim Yen Wah *Director, Marketing*

SENIOR LEADERSHIP



From left to right:

Alison Lau Director, Customer Sales

Mazhairul Jamaludin Director, Pay-TV

Dr. Grace Lee Hwee Ling Chief Executive Officer, Go Shop

Phuah Aik Chong Director, Technology

Datuk Jake Abdullah Chief Executive Officer, Astro Radio

Agnes Rozario Director, Content

Laila Saat Director, Regulatory

SENIOR LEADERSHIP PROFILES

Henry Tan Poh Hock

Malaysian • 55 • Male

Chief Executive Officer

Henry joined our Group on 2 May 2008 as Chief Operating Officer and was redesignated as Group Chief Content & Consumer Officer on 1 November 2017. He has also been serving as Chairman of Go Shop, Astro's home shopping platform, since 28 April 2014. On 1 February 2019 Henry was appointed as Chief Executive Officer.

Henry was key in introducing Malaysians to high definition ("HD") TV viewing with Astro Beyond, and launching the first free satellite multichannel service, NJOI. He raised the bar on storytelling and championed vernacular and Asian originals, from film to TV to digital, to ensure consumer relevance, reach and engagement.

His many firsts include Tutor TV, Malaysia's first free learning channels; Astro First, a cinema in your home service; eGG Network, the first regional eSports channel; Boo, the first Asian horror channel; local Hua Hee

Hokkien entertainment and the hugely popular Malay 'Lawak' comedy brands. He is focused on creating digital content experiences via Astro digital brands such as Gempak, Xuan, Ulagam, ZAYAN, AWANI and Stadium Astro.

Henry believes in the potential of Malaysian movies and was instrumental in the success of seven of Malaysia's top 10 films: *The Journey*, *Polis Evo* and *Polis Evo 2*, *OlaBola*, *Abang Long Fadil 2*, *Hantu Kak Limah*, and *Paskal*.

Henry was previously the Chief Executive Officer of Mindshare Malaysia and GroupM (Malaysia and Singapore). Prior to that, he held the position of Media Director, Ogilvy & Mather and General Manager, HVD Entertainment. He holds degrees in Business (Marketing) and Arts (Communications) from Chisholm Institute of Technology Australia (now known as Monash University).

Shafiq Abdul Jabbar

Malaysian • 41 • Male

Chief Financial Officer

Shafiq joined our Group on 9 January 2017 as Chief Financial Officer.

He oversees the finance and risk management functions across our Group encompassing financial control, process risk assurance, treasury, business partner advisory, investor relations, corporate finance, and tax. More recently his role has expanded to oversee legal, procurement, strategic contracts and regulatory relations as well.

Prior to joining Astro, he was the Group Financial Controller and Chief Financial

Officer (Malaysia) of CIMB Bank Berhad. Before joining CIMB, he was Executive Director at PricewaterhouseCoopers, a role he held having advanced from managerial positions in its Kuala Lumpur and London offices, where he provided assurance and advisory services to key clients listed on Bursa Malaysia and FTSE 100.

He holds a Bachelor of Commerce, majoring in Accounting and Finance from the University of Melbourne, Australia and was formerly the Malaysian Chair of Chartered Accountants Australia and New Zealand.

Phuah Aik Chong

Malaysian • 47 • Male

Director, Technology

A pioneer member of Astro, Aik Chong has served our Group across different technology roles. In his current role, he is responsible for overseeing all aspects of Technology & Broadcast functions in our Group. This includes technical strategy, development, delivery and the continuous uninterrupted operations of technology and broadcast platforms.

He spearheads the design, development and delivery of products and services for homes and individuals. He leads our Group's technology-related functions, enabling the

delivery of Astro services through satellite, broadband and mobile platforms. He also leads data and analytics, software engineering, cloud platform, broadcast platform, enterprise IT, cyber security and project management office.

He received a Master in Business Administration from the University of Chicago – Booth School of Business, and holds a Bachelor in Electronic and Computer Engineering (Honours) from Universiti Putra Malaysia.

Dr. Grace Lee Hwee Ling

Malaysian • 43 • Female

Chief Executive Officer, Go Shop

Grace joined our Group's Corporate Assurance Division on 2 January 2001 and has held several other roles within the Group including Head of Process Improvement, Group Financial Controller and Chief Risk Officer prior to her appointment as Chief Executive Officer of Go Shop on 1 October 2016. She was also recently appointed as a board member of Malaysian Global Innovation and Creative Centre (MaGIC).

She is responsible for driving Go Shop's growth, doubling Go Shop's customer base and growing cumulative top line revenue to RM1 billion since joining Go Shop in October 2016. This was achieved through her strategic focus on continuous improvement of customer experience, content production, formats and distribution, analytics-driven sales and marketing initiatives, supply

chain management and technology. Prior to joining Astro, she worked for PricewaterhouseCoopers' Assurance and Advisory Division.

Grace earned her Doctorate in Business Administration from ELM-Graduate School, HELP University and was awarded the Distinguished 2018 Alumni Award for her outstanding performance. She received a degree in Accounting and Finance from Curtin University and a Master in Business Administration with Distinction from Charles Sturt University, both in Australia. She is an Australian Fellow of Certified Practising Accountant (FCPA Aust.), Information Systems Auditor (CISA, US) and is Certified in the Governance of Enterprise IT (CGEIT, US).

Datuk Jake Abdullah

Malaysian • 53 • Male

Chief Executive Officer, Astro Radio

Jake joined our Group on 1 April 1996 and was appointed as Chief Executive Officer of Astro Radio on 19 December 2013.

He is responsible for overseeing Astro Radio's strategic direction, particularly for brands and talent, as well as driving radex growth. Jake is also the Chief Executive Officer of Rocketfuel Entertainment which

spearheads talent-driven digital content across our Group's platforms.

Jake also led the setup of four Astro-affiliated radio stations overseas, namely Aamar FM and Power FM in India; and Gen FM and Jak FM in Jakarta. He holds an MBA from the University of Liverpool, UK.

Gavin Baxter

British • 44 • Male

Director, People & Workplace

Gavin joined our Group on 3 September 2018. He leads our human capital division, which aims to provide an amazing people experience for everyone at Astro through a culture of creativity, diversity and collaboration. He also heads our property and services division.

As a senior HR professional with over 15 years of experience in both Australia and the UK, Gavin spent the last six years in the technology and media sector as the Group Head of Talent Performance at Sky Plc in the UK where he developed and delivered the group's talent strategy. Prior to that he was the Head of Organisational Capability

at Optus Business in Australia. In both roles, he was involved in the ongoing digital transformation of the organisations.

He has also held senior roles in professional services firms including Deloitte Australia and BDO Australia. Gavin started his career in the insurance industry with Royal Sun Alliance and QBE where he advanced into management positions in the UK and Australia.

Gavin studied at the University of East Anglia, UK where he pursued technical insurance qualifications with the Chartered Insurance Institute.

SENIOR LEADERSHIP PROFILES

Mazhairul Jamaludin (MJ)

Malaysian • 49 • Male

Director, Pay-TV

MJ serves as Director, Pay-TV at Astro on 16 January 2019. He was previously Financial Controller and Senior Vice President, Commercial Services Multichannel TV at Astro until 2010.

He is responsible for driving Astro's Pay-TV business, ensuring its continued and sustainable growth. He currently oversees product management, customer experience and service operations.

MJ has diverse experiences in media, assurance, advisory, telco and private equity. Prior to joining Astro, he was Senior Director, Investment/Outsourcing of Ekuinas. Other positions he held at Ekuinas include Chief Financial Officer, Senior Director of Ekuinas' education portfolio and Head of Ekuinas'

Outsourced Programme. He also had a stint at Celcom as Vice President of Financial Accounting and Management Reporting, and served at both Arthur Andersen and Ernst & Young where he provided assurance and advisory services.

He holds a Bachelor's degree in Accounting and Finance from Lancaster University, UK, and is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) UK. He has also been accorded Chartered Accountant Malaysia as well as ASEAN Chartered Professional Accountant. He is currently a member of the Professional Accounts in Business (PAIB) Committee of the Malaysian Institute of Accountants and sits on the board of Cradle Fund Sdn Bhd and AXA AFFIN Life Insurance Berhad.

Chong Teck Hiong (TH)

Malaysian • 56 • Male

Director, Media Sales

TH joined our Group on 16 April 2007 as Group General Manager of Sales, Astro Radio and was instrumental in driving Astro's Radio Adex revenue from RM180 million to RM340 million in FY2016.

In 2016, TH was appointed as Director, Media Sales, leading the team in media sales and services across all Astro media assets, including TV, Radio and Digital. He is responsible for spearheading the growth of group media sales Adex revenue and driving integrated media solutions across all Astro's media properties and Intellectual Properties.

His key achievements include centralising Blaze Digital advertising sales and sales operations system, extending advertising

sales beyond pure commercial airtime to include event, activation capabilities, formulating media sales strategy and operation efficiency, as well as trade marketing communication.

With 30 years of experience in advertising and brand management, TH has held various senior positions in MNCs including Ford Malaysia, Guinness Berhad and M&C Saatchi, where he was part of the management team responsible in establishing an international creative advertising agency in Malaysia.

TH received his Business Administration degree, majoring in Marketing from University of Arkansas, USA.

Alison Lau

Malaysian • 53 • Female

Director, Customer Sales

Alison joined our Group on 8 September 1996 and was appointed as Director, Customer Sales on 1 February 2019.

She is responsible for providing leadership and strategic direction on customer sales, business development, customer operations and supply chain. She spearheaded and managed Astro regional sales channels and operations in achieving targets and operational efficiency in her previous role as Head of National Sales. She was instrumental in contributing to the growth

of Astro's penetration in East Malaysia from 34% in 2008 to 83% in 2018 through market and business intelligence. She has extensive experience in customer service and retention via key customer strategies and sustainable, market-driven initiatives.

She graduated from the Singapore Hotel and Tourism Education Centre (SHATEC) and holds a certificate of Specialisation from the American Hotel and Motel Association (AHMA).

Agnes Rozario

Malaysian • 51 • Female

Director, Content

A pioneer member of Astro, Agnes was appointed as Director, Content on 1 February 2019.

She leads the Group's content team, covering Malay, Nusantara, Chinese, Indian, International, Korean, Hollywood, Kids, Sports, News and Film businesses. She was instrumental in driving the success of Astro On Demand services, bringing the Astro First cinema experience into customers' homes, and introducing Astro Best which

allows early access to global blockbuster movies. Being a passionate advocate of regional content, she has championed numerous Asian and Southeast Asian initiatives, which include introducing horror channel Boo and bringing the Korean wave to Astro's offerings.

Agnes holds degrees in Law and Economics from Monash University, Australia and completed Harvard Business School's General Management Programme.

Christinne Lim Yen Wah

Malaysian • 43 • Female

Director, Marketing

Christinne joined our Group on 18 April 2005 and was appointed as Director, Marketing on 1 February 2019.

She is responsible for providing leadership in marketing strategies and promotion of Astro's products, services and content IPs ranging from on-air, online to on-ground. She also oversees the Group's strategic imperatives and business development activities, delivering strong value proposition to Astro customers.

Prior to this, Christinne led different portfolios within the Group including regional content, content strategy and marketing, premium business and corporate finance. Before joining Astro, she was Corporate Finance Manager at PricewaterhouseCoopers Advisory Services, Malaysia.

She holds a Bachelor of Commerce with First Class Honours from Lincoln University, New Zealand.

Tammy Toh Seok Kheng

Malaysian • 51 • Female

Director, Communications

Tammy joined our Group on 3 September 2007 as Vice President, Communications. In her current role, she is responsible for reinforcing our Group's market leadership via 360° communications.

She spearheads external and internal communications for the Company's financial reporting, crisis management, digital and social media, product launches, corporate events, foundation and community sponsorship programs, employee relations, as well as diversity and inclusion.

On 1 March 2019 she took on the corporate responsibility and stakeholder management

portfolio, including Astro Kasih which promotes education, community advancement, sports development and environmental awareness, particularly in underserved communities across Malaysia.

Prior to joining Astro, Tammy served in senior positions in various industries including Royal Selangor Pewter, Maybank, Gamuda Berhad, Alliance Financial Group and Tesco.

She holds a Bachelor of Arts (Honours) from University of Malaya, and is a member of the International Association of Business Communicators (IABC).

SENIOR LEADERSHIP PROFILES

Laila Saat

Malaysian • 50 • Female

Director, Regulatory

Laila joined our Group on 3 May 2005 and was appointed as Vice President, Regulatory, Intellectual Property Protection & Industry Affairs on 1 April 2009.

In her current role, she is responsible for providing specialist advice on the Malaysian regulatory framework and facilitating a conducive regulatory environment for the execution of our Group's strategic imperatives. Working alongside the relevant authorities and stakeholders, she is instrumental in spearheading anti-piracy initiatives in the industry besides leading our Group's intellectual property protection efforts.

She has 25 years of working experience both in local and international markets. Prior to joining our Group, she worked in the communications and property industries, including UEM Holdings Bhd.

She received a Master of Science in Corporate Communications from University Putra Malaysia and holds a Bachelor of Education in Teaching English as a Second Language (TESL) from University of Malaya.

Liew Wei Yee Sharon

Malaysian • 47 • Female

Company Secretary

Sharon joined our Group on 1 March 2002 and was appointed as the Company Secretary of Astro Malaysia Holdings Berhad since its incorporation on 14 February 2012. Prior to that, she was the Company Secretary of Astro All Asia Networks Plc, a position she has held since January 2008.

She is responsible for the overall corporate secretarial and governance functions of our Group. Her responsibilities include advising our Board on its role and responsibilities, managing our Board and shareholders' meetings, as well as providing efficient administration to our Group entities with

regards to compliance with statutory and regulatory requirements. She also acts as the focal point for shareholders' communication and is a conduit between our Board members and Senior Leadership to ensure proper communication.

She has over 20 years of working experience in the corporate secretarial field and is a licensed secretary approved by the Companies Commission of Malaysia. She holds a Bachelor of Law (Honours) from the University of London and was issued the Certificate of Legal Practice by the Legal Profession Qualifying Board, Malaysia.

Notes:

- 1) None of the members of Senior Leadership have any conflict of interest with the Company
- 2) None of the members of Senior Leadership have any convictions for offences within the past five years
- 3) None of the members of Senior Leadership have any public sanctions and/or penalties imposed on them by the relevant regulatory bodies during FY19
- 4) None of the members of Senior Leadership have any family relationship with any Directors and/or Major Shareholders of the Company

CORPORATE GOVERNANCE OVERVIEW

Our Board is pleased to present an overview of the CG framework and practices within our Group in FY19. This statement is to be read in conjunction with the CG Report which can be downloaded from our corporate website. The CG Report provides detailed explanations of how our Group has applied the recommended principles and practices under the MCCG taking into consideration the specific circumstances affecting our Group, including any alternative measures in place to achieve the intended outcomes, where applicable.

Our Board is pleased to provide an update on the material developments to our CG practices in FY19 as our Group recasts itself as a leading content and consumer company.

Our Governance Framework

CG remains as one of our key pillars amid the constant changes in our operating environment. As our businesses continue to undergo transformation, a strong CG culture provides assurance to our stakeholders that ethical principles are not forsaken in the pursuit of our corporate goals. In addition to ensuring minimum compliance with the legal and regulatory framework that are applicable to our Group such as the Act and MMLR, our CG framework supports our Group's role as a responsible corporate citizen. Our key CG achievement last year was the recognition at the 2nd ASEAN CG Awards, where we were placed among the top 20 companies in the Top 50 ASEAN PLCs award category. The ASEAN CG Awards recognises outstanding PLCs from each participating country in terms of CG practices based on the ASEAN CG Scorecard.

Our Group aspires to improve the way we conduct business, not only in better serving our customers' media, entertainment and lifestyle needs, but also through enhancements to our CG practices. As such, we regularly review and benchmark our governance structures and processes, to ensure that they are applied in the best interests of our Group.

Promoting Sustainability

Astro was introduced to Malaysians in 1996. As we celebrate our 23rd anniversary this year, sustainability is a key business priority to manage our EES impact, allowing us to address the long-term interest of our stakeholders.

Arising from continuous engagements with key internal and external stakeholders and through a prioritisation process, our Group has reaffirmed nine material matters covering content; customer reach & experience; digitalisation & innovation; diversification of revenues; financial performance; talent acquisition, development &

engagement; community development; environmental stewardship; and risk management. These material matters have been mapped into our Group Key Risk Profile and embedded within our Strategic Pillars. The Sustainability section presented on pages 23 to 37 details our Group's strategy and performance in respect of each Strategic Pillar.

Our Board's Responsibilities

Our Board has adopted six principal responsibilities as set out in the Board Charter. Setting the overall strategic direction of the business is our Board's key principal responsibility and their involvement begins early in the strategy development phase. This places our Board in a better position to refine and if necessary, pivot our strategies and provide swift responses to changes in our operating environment. Our Board is involved in all strategic aspects from strategy formulation, strategic framework, to critically analysing and assessing strategic options, and finalising our Group strategy. In FY19, the entire process kickstarted with an offsite two-day planning session to reassess our Group's overall strategic priorities and business plans over the next three years from FY20 to FY22.

Agility is a crucial determinant in a rapidly changing business environment. Recognising this, our Board and Senior Leadership embarked on a shorter three-year planning cycle embedded with more frequent progress reviews, versus a five-year planning cycle previously, thus facilitating a more focused and iterative response to dynamic external forces.

Our Group's three-year strategic plan for FY20 to FY22 ("Strategic Plan") was approved in principle by our Board prior to the commencement of the new financial year. In tandem with the strategic planning and budgeting cycle, the annual operating budget for FY20 ("Budget") was tabled and adopted.

CORPORATE GOVERNANCE OVERVIEW

The material developments during FY19 and our Group's key focus and strategies over the next three years are summarised as follows:

1 Strategic planning

Our key strategies for the next three years are focused on redefining and strengthening our core TV business, through Pay-TV and NJOI, by evolving our products and services to meet the needs of diverse customer segments in Malaysia. Our content strategy continues to be driven by our customers' strong demand for local vernacular IPs, digital content and sports, among others. We have adopted a differentiated content strategy to satisfy the needs of our diverse market, providing customers with better optionality and choice. Astro is committed to rejuvenating the local film industry, having produced seven of Malaysia's top 10 highest grossing local movies to date, with rights successfully sold to regional and international territories. We are evolving our technology roadmap and look forward to introducing Malaysians to a brand new and superior viewing experience through the launch of 4K-UHD broadcast in the coming months.

We will continue to accelerate commerce growth via our Go Shop home shopping platform, thus providing a rich ecosystem for Astro customers to fulfil all their entertainment, knowledge and lifestyle needs. Leveraging the reach and scale of our Pay-TV, NJOI, Go Shop and radio businesses, Astro will focus on driving advertising revenue by championing the development of a data-driven marketing network to optimise integrated advertising solutions to advertisers as a key initiative over the next three years.

In January 2019, Astro collaborated with a subsidiary of TNB on a pilot project in Jasin to offer broadband bundled with Astro content in support of the government's NFCP. Our Group is further exploring opportunities to grow and expand our business in tandem with the implementation of NFCP by 2023.

Our Board and Management view piracy overall as a serious challenge and we will continue to combat piracy through technological enhancements on our STBs, as well as collaborating with regulatory authorities to block pirated sites and applications. We are supportive of our Minister and MCMC's plans to curb digital content piracy in Malaysia and together with other Malaysian media organisations, Astro participated in the Kuala Lumpur Digital Content Anti-Piracy Summit on 14 February 2019. Regulators, law enforcement agencies and industry players converged to discuss efforts to safeguard Malaysia's creative content industry against digital piracy.

As previously reported, our Group has and will continue to monitor and rationalise our operating costs through various initiatives including hedging forex exposures, renegotiating content costs and content mix, reducing customer acquisition costs and business process re-engineering. In addition to these measures, our Board implemented an ESS towards the end of FY19 to resize our workforce with the objectives of simplifying our organisation, streamlining costs and ensuring that our organisation is fit-for-purpose to meet the challenges of the new digital economy. The ESS led to a reduction in headcount of around 10%.

2 Business and financial performance oversight

Our Board is responsible for the monitoring of performance to ensure our Group's strategic objectives are achieved. Monthly operating and financial reports are furnished to our Directors, keeping them abreast of our Group's business performance. On a quarterly basis and if required more regularly, Board meetings are held to review strategic, operational and financial performance against the approved Strategic Plan and Budget.

Senior Leadership's performance is evaluated at the end of each financial year based on the KPIs set out in the company scorecard that is approved by our Board based on the recommendation of our Remuneration Committee ("RC") ("Company Scorecard"). The FY19 Company Scorecard contained KPIs in respect of financial performance, growth and sustainability as well as talent, all of which are necessary for the achievement of our short-term objectives and are the building blocks for long-term value creation.

3 Risk management

Our Board is responsible and accountable for the adequacy and effectiveness of our Group's risk management and internal control system through continuous identification of key business risks and management of emerging risk impacting our Group. Our Board, with the assistance of our Audit and Risk Committee ("ARC"), adopted our Group risk appetite and risk tolerance thresholds for more effective decision-making. Our ARC also reviewed, on a quarterly basis, our Group Key Risk Profile and mitigation strategies for each key business area. Please refer to pages 95 to 99 for more details on our Group's risk management activities.

4 Succession planning and remuneration framework

Our Board announced in June 2018 that DRR, our then GCEO had given her notice of resignation effective 31 January 2019 and in line with our succession plans, appointed HT as the successor. Under the leadership of our new CEO, we are realigning our organisation with our ambition and strategies, ensuring a right fit for jobs, and also that roles, responsibilities and accountabilities are clearly understood and embraced by Team Astro. Our Board reviewed the new organisational structure, to ensure it will propel the execution of our Group's strategies and delivery of our corporate goals.

An emergency cover plan for critical leadership roles is in place at all times, as well as an adequate talent pipeline for succession.

5 Stakeholders' communication

Our Board is committed to ensuring that our shareholders and other stakeholders such as regulators and employees are kept informed of material updates and progress relating to our Group. The Investor Relations, Communications and Regulatory teams are responsible for engaging our investors and stakeholders on an ongoing basis throughout the year.

6 Internal control and compliance

Our Board is assisted by our ARC in matters relating to internal controls and risk management. Our ARC Chairman tables a quarterly summary and key highlights relating to financials and audit, internal controls and risk management matters to our Board. Our ARC's detailed report is on pages 87 to 94.

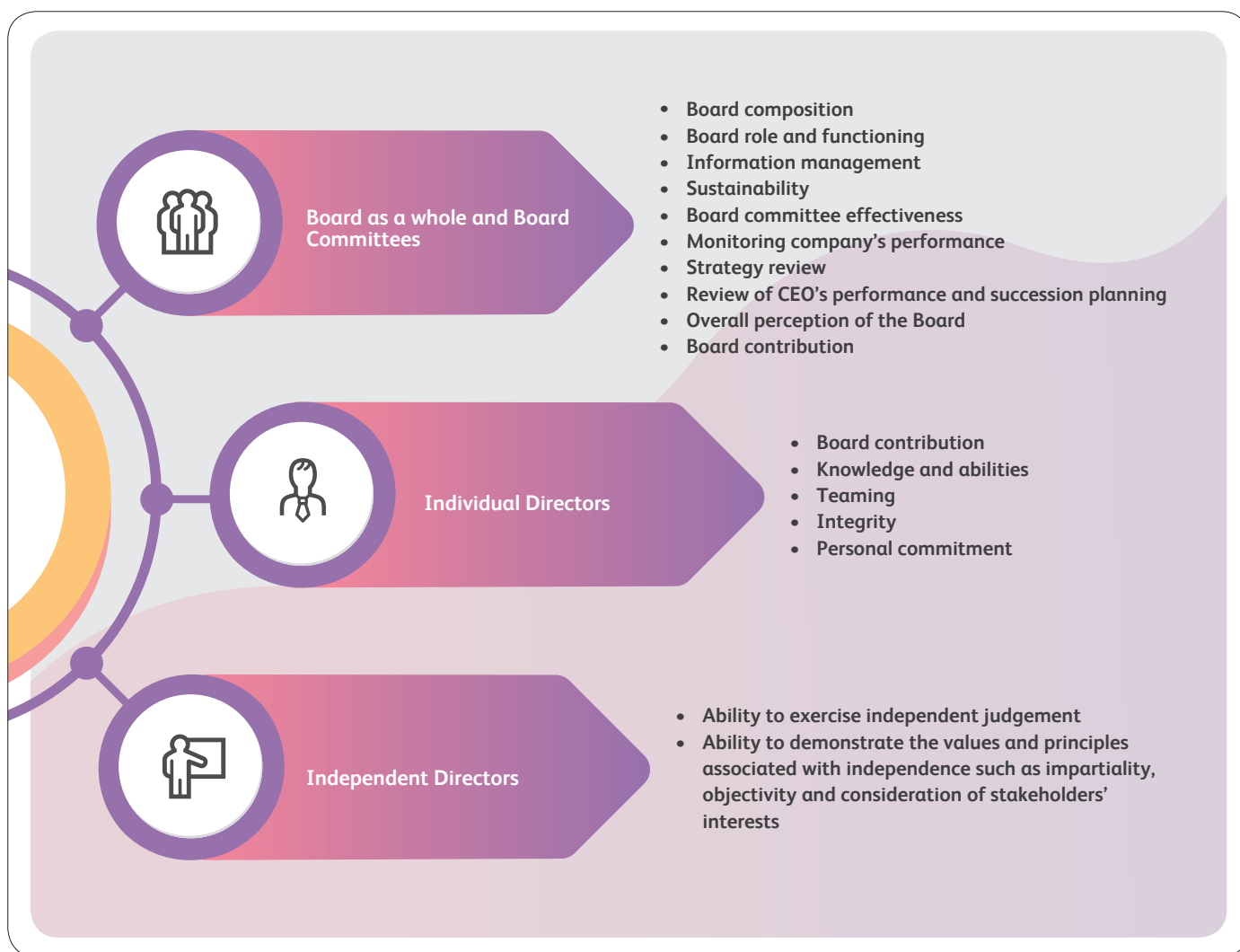
CORPORATE GOVERNANCE OVERVIEW

Annual Board Effectiveness Evaluation (“BEE”) for FY19

Our Board undergoes an annual assessment to review its performance. Apart from being an assessment of past performance, the BEE is used as a tool to identify the strengths and weaknesses of our Board, Board Committees and individual Directors to enable them to raise the bar on Board performance, which is a key trait of a progressive Board.

Similar to the previous year, the BEE for FY19 was conducted by our Nomination and Corporate Governance Committee (“NCGC”) and supported by our Company Secretary. The last evaluation that was carried out by an independent consultant was in respect of FY17. BEE FY19 was a 360° evaluation process with feedback from our individual Directors and Senior Leadership. The results did not indicate any significant weaknesses and found that our Board, Board Committees and each individual Director have continued to perform their duties satisfactorily and the level of independence shown by INEDs is high. Based on the findings, our Board has recommended the re-election of several Directors who will be retiring at the forthcoming Seventh AGM in June 2019 and will consider increasing the level of independent representation on our Board to bring it in line with the MCCG’s recommendation. In respect of Board responsibilities, enhancing board oversight over the execution of strategies and transformation plans is a key focus in FY20.

The scope of the BEE for FY19 covered the following areas:



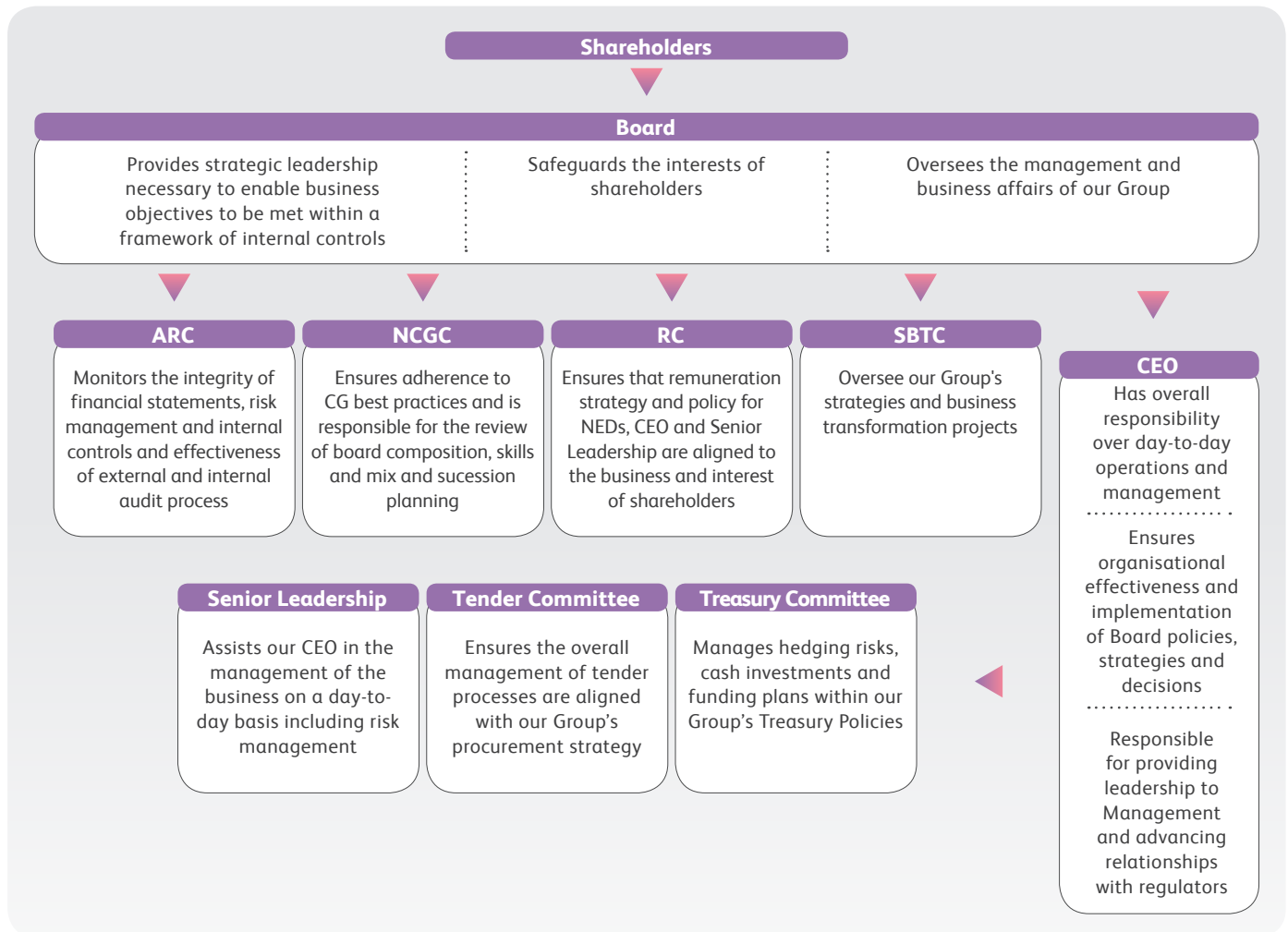
CORPORATE GOVERNANCE OVERVIEW

Application of MCCG

In accordance with Practice Note 9 of the MMLR, a summary of our CG practices during the financial year with reference to the three Principles of the MCCG is laid down below and should be read in conjunction with the CG Report.

Principle A: Board Leadership and Effectiveness

Our Governance Structure



Our Board is responsible for overseeing the management and business affairs of our Group, including making major policy decisions. It is supported by four Board Committees, namely the ARC, NCGC, RC and SBTC within the scope of responsibilities set out in their respective TORs. Our SBTC was established in March 2019 to assist our Board to oversee our Group's strategies and business transformation projects for profitable growth. Our Board has delegated the day-to-day management of the business to our CEO within the approved LOA, a document outlining the decision-making authority of our CEO and Senior Leadership.

Please refer to our corporate website for the Board Charter and Board Committee TORs, and description of the roles and responsibilities of our Board Chairman, individual Directors and CEO. The division of responsibilities between our Board Chairman and CEO ensures a balance of power and authority that is fundamental to governance. A list of Board reserved matters is also part of the Board Charter which is reviewed periodically by our NCGC and Board.

Board powers are governed by our Company's Constitution which is available on our corporate website. Our Constitution has, among others, laid down the decision-making processes of our Board and rights of our shareholders to attend and vote at general meetings.

It is entrenched in the Board Charter that our Directors shall have access to Senior Leadership and, where necessary and appropriate, to independent advisors for the purposes of obtaining information and advice for them to discharge their responsibilities. Our Directors are insured against any liabilities incurred in the course of discharging their duties within the ambit permitted by the Act and each individual Director makes a contribution to the premium payable in respect of the Directors' and Officers' Liability Insurance taken by our Group.

CORPORATE GOVERNANCE OVERVIEW

Principle A: Board Leadership and Effectiveness

Our Board Composition

As at 31 January 2019, our Board comprised eight directors including our Non-Executive Chairman and our then Executive Director (“ED”)/GCEO.

FY19 was a year of transition, which saw the resignation of DRR as our ED and GCEO on 31 January 2019 after 23 years with Astro. In line with our Group succession plans, our Board announced the appointment of HT as our new CEO to lead our Group effective 1 February 2019.

Apart from the change of CEO, several changes to our Board composition took effect post FY19. Effective 15 February 2019, our Board comprises nine members, of whom four are INEDs including our Non-Executive Chairman and five are NINEDs. Our Company’s Constitution prescribes our Board size to be between three and 15 individual Directors.

TAZ and MM were appointed to our Board as NINEDs pursuant to the recommendation of our NCGC. VD was appointed as Alternate Director to LGK. Their profiles are on pages 60 to 63. Our Board believes that with their experience and capabilities, our new

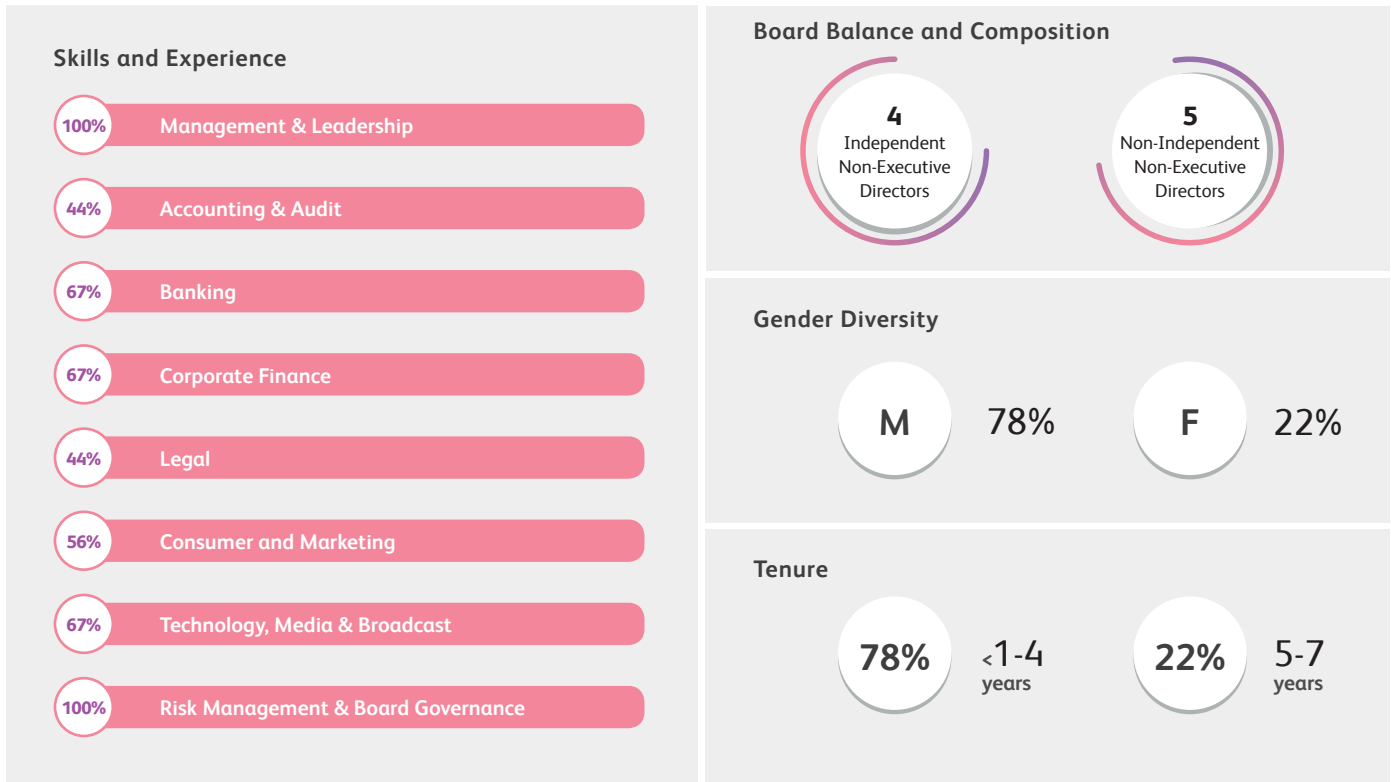
Directors will introduce new dimensions to Board discussions that are beneficial to our business.

Arising from the above changes, 44% of our Board are INEDs in compliance with Paragraph 15.02(1) of the MMLR and 22% are women directors.

Independence and gender diversity

Our Board policy limits the tenure of INEDs to nine years to preserve independence of judgement. The need for independence and diversity is part of our Board selection criteria in assessing the suitability of candidates. However, high emphasis is also placed on merit and ability of the individual Director to contribute positively to the overall strengths of our Board as a whole, taking into consideration our Group’s future strategic direction. Importance is also placed on diversity from the perspective of a broad range of skills and competencies, experience, background and gender to ensure a more balanced and effective decision-making process.

Currently, the tenure of INEDs ranges from more than one to seven years. Other selection criteria are set out in our NCGC Report on pages 85 to 86.



CORPORATE GOVERNANCE OVERVIEW

Principle A: Board Leadership and Effectiveness

Fostering Commitment

Our Directors owe fiduciary duties to our Company and its shareholders. To discharge their duties as Directors, they are required to spend sufficient time on our Group's affairs including attending meetings of our Board and Board Committees, and meetings with our CEO and Senior Leadership throughout the year.

The annual Board meetings calendar is planned ahead prior to the commencement of each new financial year and the estimated time commitment is made known to our Directors upon acceptance of appointment. Our Directors are issued a Letter of Appointment that sets out, inter alia, duties and responsibilities, time commitment and entitlements. In addition, our Board policy for the acceptance of external board appointments requires a notification to be given to our Board and where there are potential conflicts of interest, consultation with our Board Chairman. Changes in directorships are tabled at quarterly Board meetings.

None of our Directors are currently serving on the board of more than five public listed companies on Bursa Securities. Our Board is satisfied that the present directorships in external organisations held by our Directors do not give rise to any conflict of interests nor impair their ability to discharge their responsibilities.

A total of 12 days were spent for Board meetings and presentations during FY19. In addition, our Directors participated in an offsite two-day strategic planning session with Senior Leadership as part of the annual planning cycle. However, engagements between our Board and Senior Leadership were not confined to the quarterly Board meetings, with there being regular and direct engagements between individual Directors and Senior Leadership through ad-hoc private sessions, pre-Board and pre-Board Committee meetings.

Attendance

	AGM ^(a)	%	Board ^(b)	%	ARC	%	NCGC	%	RC	%
Tun Dato' Seri Zaki bin Tun Azmi	1/1	100	12/12	100	-	-	4/4	100	-	-
Datuk Yvonne Chia	1/1	100	12/12	100	5/5	100	4/4	100	8/8	100
Renzo Christopher Viegas	1/1	100	12/12	100	5/5	100	-	-	-	-
Richard John Freudenstein	1/1	100	12/12	100	5/5	100	-	-	8/8	100
Dato' Rohana Rozhan	1/1	100	10/12 ^(c)	83	-	-	-	-	-	-
Lim Ghee Keong	1/1	100	11/12	92	-	-	-	-	8/8	100
Simon Cathcart	1/1	100	12/12	100	-	-	-	-	-	-
Shahin Farouque bin Jammal Ahmad	1/1	100	12/12	100	-	-	4/4	100	-	-

^(a) Sixth AGM held on 7 June 2018

^(b) Includes Board Presentations

^(c) Absent from 2 Board Meetings due to the need for abstention from resolutions in which she was interested

CORPORATE GOVERNANCE OVERVIEW

Principle A: Board Leadership and Effectiveness

Induction and Continuing Education Programme

Our Directors regularly attend seminars and briefings to update their knowledge of our industry and business landscape. Briefings were organised as necessary in conjunction with our quarterly Board meetings, and our Directors attended various external training. The Corporate Secretarial team notifies our Directors of available programmes and monitors their training budget. Our Directors also received regular briefings on the market outlook, competitive landscape, consumer demographics as well as trends and technological developments. Several Directors were guest speakers at conferences and provided lectures at institutions of higher learning.

Newly appointed Directors were given an induction, which included management briefings and visits to our broadcast and operation centres to facilitate their understanding of our Group and key business drivers. Presentations covering different areas such as technology, content, customer and operations as well as the competitive and regulatory landscape in which our Group operates were arranged for our new Directors.

All our Directors have completed the Mandatory Accreditation Programme as prescribed by Bursa Securities.

A list of seminars/trainings which our Directors participated in as at 31 January 2019 is summarised below:

In-house training

Date	Training/Course	Attendance
June 2018	Demystifying Artificial Intelligence and Advanced Applications and Opportunities for the Media Industry	TZA, DYC, RJF, RCV
September 2018	<ul style="list-style-type: none"> – Director's obligations under the Income Tax Act 1967; – The New Service Tax (including transition) legislations and issues; and – Litigation Tax Cases – Special Commissioners/Tribunal versus Judicial Review. 	DYC, LGK, RCV, SC, SF

External training

A. Corporate Governance, Risk Management and Internal Control

Date	Training/Course	Attendance
February 2018	Mandatory Accreditation Programme	RCV
March 2018	Mandatory Accreditation Programme	SF
August 2018	Annual Corporate Governance Seminar	LGK
	Advocacy Programme on Corporate Governance Assessment Using the Revised Asean Corporate Governance Scorecard Methodology	TZA
October 2018	Independent Director's Programme – The Essence of Independence	TZA

CORPORATE GOVERNANCE OVERVIEW

Principle A: Board Leadership and Effectiveness

B. Economics, Finance and Business

Date	Training/Course	Attendance
March 2018	Bank Negara Malaysia Annual Report 2017 and Financial Stability and Payments Systems Report 2017	DYC
June 2018	The 22 nd Malaysian Banking Summit	DYC
July 2018	Penang Economic Development Strategy	LGK
October 2018	Retail Credit Risk Briefing Khazanah Megatrends Forum 2018	DYC TZA
November 2018	Bank Negara Malaysia – The Financial Institutions Directors' Education Forum Board Conversation dialogue with senior officials of Bank Negara Malaysia	DYC
September 2018	Chartered & Fellowship Masterclass Roundtable with UK-ASEAN Business Council	DYC DRR
October 2018	Anti-Corruption Summit 2018	TZA

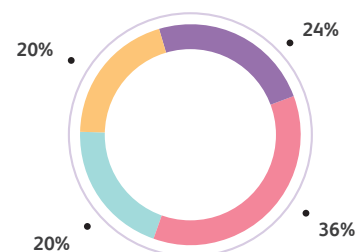
C. Media and Technology

Date	Training/Course	Attendance
March 2018	ASEAN-Australia Business Summit 2018 CEO Forum Roundtable	DRR
April 2018	The International Market for Content Development and Distribution (MIPTV) 2018 Asia Pacific Pay-TV Operators Summit 2018 (APOS)	DRR
October 2018	Overview of Vodafone Strategy	LGK

D. Board Leadership and Management

Date	Training/Course	Attendance
June 2018	Problem Solving and Communication Skills Workshop	LGK
July 2018	Leading Change – A Personal Journey Financial Sector Talent Enrichment Programme – Prominent Leader session Engagement with Employees in the Northern region	DYC DYC LGK
December 2018	Lean In unConference 2018	DYC

	No. of training	Percentage %
● Corporate Governance, Risk Management and Internal Control	6	24
● Economic, Finance & Business	9	36
● Media & Technology	5	20
● Board Leadership & Management	5	20
Total	25	100



CORPORATE GOVERNANCE OVERVIEW

Principle A: Board Leadership and Effectiveness

Our Remuneration Policies

Our Board remuneration philosophy sets out that NEDs' remuneration should be adequate to attract, retain and motivate individuals of the necessary calibre, expertise and experience to join our Board. In determining NEDs' remuneration, various factors are considered including changes in the business, market environment, time commitment as well as directors' remuneration in local and regional companies which operate in similar businesses and are comparable in size and market share. Our policies are subject to periodic review and change, where relevant to our business.

NEDs' remuneration adheres to a schedule of fixed fees in accordance with their responsibilities on our Board and Board Committees. They are entitled to be reimbursed for expenses which are reasonably incurred by them in the discharge of their duties such as travel and accommodation, mobile and broadband expenses. Fees were not paid to our then ED/GCEO. There is an established process for the reimbursement of expenses incurred by NEDs which require the approval of our Board Chairman, while his expenses are in turn subject to review and approval by our ARC Chairman.

	Fees (RM'000)							
	Chairman	Member	Board Committees					
			ARC		NCGC		RC	
			Chairman	Member	Chairman	Member	Chairman	Member
Non-Executive Directors								
Tun Dato' Seri Zaki bin Tun Azmi	401	94	-	-	35	-	-	-
Datuk Yvonne Chia	-	261	-	20	-	16	35	-
Renzo Christopher Viegas	-	261	41	-	-	-	-	-
Richard John Freudenstein	-	261	-	20	-	-	-	16
Lim Ghee Keong	-	261	-	-	-	-	-	16
Simon Cathcart	-	261	-	-	-	-	-	-
Shahin Farouque bin Jammal Ahmad	-	261	-	-	-	16	-	-
	401	1,660	41	40	35	32	35	32

The remuneration paid to our then ED/GCEO in FY19 is set out in the table below:

	Salary (RM'000)	Bonus (RM'000)	Other Emoluments (RM'000) ^(a)	Benefits in Kind (RM'000) ^(b)	Total (RM'000)
Executive Director					
Dato' Rohana Rozhan	4,691	4,500	1,582	35	10,808

(a) Inclusive of statutory contributions and flexible benefits

(b) Inclusive of driver, car and fuel allowance

Analysis of Total Directors' Fees and Benefits in respect of FY19

The aggregate amount of Directors' fees and benefits paid by the Company in respect of FY19 amounted to approximately RM2.43 million compared to RM2.09 million in FY18. The increase in fees paid amounting to approximately RM0.34 million was primarily due to a revision in NEDs' remuneration rates which was approved at the Sixth AGM held on 7 June 2018.

CORPORATE GOVERNANCE OVERVIEW

Individual Directors do not participate in discussions and decisions relating to their own remuneration. In line with CG best practices, our NEDs do not participate in our Management Share Scheme (“Share Scheme”) to ensure independence of judgement.

Our current NEDs' fees and benefits were approved by our Company's shareholders at the Sixth AGM in June 2018. In accordance with Section 230 of the Act, shareholders' approval is sought on an annual basis for directors' fees and benefits. At the forthcoming Seventh AGM in June 2019, our Board is seeking approval for NEDs' remuneration rates, payable on a monthly basis and/or as and when incurred based on the same remuneration rates that were approved last year. Our RC and Board had reviewed the rates and are of the view that they remain competitive and appropriate, and hence no changes are required.

The fees and benefits paid to or incurred on behalf of NEDs' individually in FY19 are set out in the table below, representing a total amount of approximately RM2.43 million, which is within the approval obtained from our shareholders for payment of directors' fees and benefits at the Sixth AGM.

	Meeting Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Other Emoluments (RM'000) ^(a)	Benefits in Kind (RM'000) ^(b)	Total (RM'000)
	14	-	-	-	30	574
	23	-	-	-	-	355
	17	-	-	-	-	319
	22	-	-	-	-	319
	21	-	-	-	-	298
	12	-	-	-	-	273
	14	-	-	-	-	291
	123	-	-	-	30	2,429

The number of Directors within the required disclosure bands are as follows:

Executive Director/ Group Chief Executive Officer	No. of Directors
RM10,800,000 – RM10,850,000	1
Non-Executive Directors	
RM250,001 – RM300,000	3
RM300,001 – RM350,000	2
RM350,001 – RM400,000	1
RM550,001 – RM600,000	1

CORPORATE GOVERNANCE OVERVIEW

Principle A: Board Leadership and Effectiveness

CEO Remuneration

The details of remuneration paid to DRR, our then GCEO up to 31 January 2019 are set out in the remuneration table on page 80.

HT, our new CEO came into office on 1 February 2019 for a period of three years based on terms that were recommended by our RC and approved by our Board after a process of benchmarking and discussions. He is entitled to a fixed basic salary over the three-year contractual period as well as annual performance bonus at our Board's discretion subject to meeting our Group's performance targets. In addition to basic salary and EPF, benefits such as a company car or fixed car allowance, driver and medical coverage are provided. Either party may terminate the employment by giving six months' prior written notice.

Our CEO's performance is measured by individual and corporate performance based on the agreed KPIs established by our Board set out in the FY20 Company Scorecard, which contains both financial and non-financial KPIs that are necessary to ensure the achievement of our Group's short-term and long-term goals.

Our Code of Business Ethics ("COBE"), Conflict of Interest and Whistleblowing Policy

Our Group is committed to upholding a high standard of business ethics in engagements with all our stakeholders. The COBE, which is published on our corporate website, outlines the principles and best practices to be applied when conducting business. It is essential that fair and impartial practices in compliance with all laws and regulations are applied in our business conduct and relationships.

Our Directors have individually acknowledged and confirmed that they have read the COBE and will abide by the provisions contained therein. Our employees are also required to affirm their acceptance and understanding of the COBE via an online learning, assessment and certification programme annually.

Under the MMLR and the Act, our Directors are required to abstain from deliberating and voting on any matter in which they may be deemed interested, directly or indirectly, including any contract or proposed contract or arrangement involving a Group entity. As part of conflict monitoring, the directorships and shareholdings in companies outside Astro held by our Directors, and any changes thereto, are tabled at each quarterly Board meeting. Our Directors' shareholdings in our Company are reported on page 149. Notifications from our Directors and principal officers in respect of any dealings in Astro shares during closed and open periods were announced to Bursa Securities, as required under the MMLR. Our Directors and principal officers have been reminded of the prohibition from dealing in such shares if they are in possession of price sensitive information.

Our Group has in place a Whistleblowing Policy and Procedures, which is under the purview of our ARC and managed by Corporate Assurance ("CA").

CORPORATE GOVERNANCE OVERVIEW

Principle B: Effective Audit and Risk Management

Our Board is assisted by our ARC in the oversight of the financial reporting and audit process to ensure that the financial statements give a true and fair view of our Group's financial position and comply with the applicable financial reporting standards. In addition, our ARC is responsible for reviewing our GRMF including our Group risk appetite and risk tolerance.

A robust risk management framework and sound internal control procedures are in place to provide continuous process to manage risks that may affect the achievement of our business and strategies to an acceptable level within the Group risk appetite. In FY19, our Board carried out an assessment of our overall governance framework and decided to retain the risk management functions within our ARC after taking into consideration our Group's specific circumstances, board size and composition.

The performance of our ARC in FY19 was evaluated as part of the annual BEE and the findings indicated that our ARC has discharged its responsibilities.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Our Board is committed to adequate and timely disclosure of information whether financial, organisational, governance or transactions related, to enable our stakeholders to properly assess our Group's performance. The Spokesperson and Social Media Guide regulate interaction with our stakeholders, including setting out a list of information that is prohibited from disclosure such as price and market-sensitive information. The public can access the latest information regarding our Group via our corporate website, including public announcements, financial results, analyst presentations, charters and annual reports. As part of our investor relations policy, there are regular engagements between Senior Leadership and the Investor Relations team with research analysts, fund managers and the wider investment community.

Annual General Meeting

The AGM is a key forum for communication between our Board, Senior Leadership and shareholders. Notice of our Sixth AGM in 2018 was issued at least 28 days before the AGM date to ensure sufficient time for our shareholders to plan proxy lodgement. We are encouraged by the participation at our Sixth AGM held on 7 June 2018, which was attended by over 3,000 shareholders and proxies representing 87.75% of our Company's issued share capital. Our Directors and Senior Leadership engaged with our shareholders at the AGM and addressed their queries regarding our Group's financial and business performance.

Designated Contact Persons

Queries and concerns may be directed to our Board through the following individuals:

Datuk Yvonne Chia

(Senior Independent Non-Executive Director)
c/o Corporate Secretarial Team
3rd Floor, Administration Building
All Asia Broadcast Centre
Technology Park Malaysia
Lebuhraya Puchong-Sungai Besi, Bukit Jalil
57000 Kuala Lumpur
Tel No. : +603 9543 9267
Email Address : yvonne_chia@astro.com.my

Shafiq bin Abdul Jabbar (Chief Financial Officer)

Tel No. : +603 9543 6688 ext 2729
Email Address : shafiq_aj@astro.com.my

Liew Wei Yee Sharon (Company Secretary)

Tel No. : +603 9543 6688 ext 3404
Email Address : sharon_liew@astro.com.my

REMUNERATION COMMITTEE REPORT

Composition

Our RC was established by our Board on 1 April 2011 and comprises NEDs, with a majority being independent. The members of our RC are as follows:

Name of RC Member	Appointment Date	Designation/ Directorate
Datuk Yvonne Chia	1 August 2016	Chairman/Senior INED
Richard John Freudenstein	1 February 2017	Member/INED
Lim Ghee Keong	6 December 2017	Member/NINED

There were no changes to our RC composition in FY19.

Key Role and Responsibilities

Our RC assists our Board on matters relating to the remuneration of NEDs and CEO, and reviews the remuneration policy to ensure the ability to attract, motivate and retain talent. In determining NEDs' remuneration, our RC is guided on the key principles underpinning our Board's policies for NED remuneration, which include an assessment of the individual's experience, time commitment, level of responsibilities and complexity shouldered, special assignments and risk. The RC's TOR is published on our corporate website.

Summary of Activities in FY19

During FY19, our RC held eight meetings in the process of discharging its responsibilities. Matters considered by our RC during the year included but are not limited to the following:

(i) In respect of FY18 annual matters:

- (a) Reviewed and recommended the revised NEDs' remuneration rates to our Board after a detailed benchmarking process. Shareholders' approval was obtained for the revised rates at the Sixth AGM on 7 June 2018.
- (b) Assessed our Group's performance against the approved FY18 Company Scorecard and based on the overall achievement, recommended the overall

bonus and merit increment proposal for our Group's employees including our then GCEO to our Board for approval. In line with its TOR, our RC also noted the evaluation of our then GCEO's direct reports to ensure a consistent and appropriate performance evaluation.

- (c) Endorsed the remuneration disclosures that were set in the Annual Report 2018.
- (ii) Administered the Share Scheme and among other activities, considered the status of outstanding share awards including share awards which were due for vesting. Our RC reviewed the criteria for vesting which are based on our Group's performance and where appropriate, made recommendations to our Board for the awards to vest or lapse. Certain share awards granted to Senior Leadership in FY16 lapsed in FY19 due to non-achievement of the vesting criteria over three years. Details on the outstanding share awards and vesting are set out on page 315.
- (iii) Reviewed, benchmarked and recommended our new CEO's remuneration package and terms of employment to our Board for approval.
- (iv) Reviewed the scope of our RC's responsibilities to ensure adherence to the MMLR and guidance issued by Bursa Securities.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE REPORT

Composition

Our NCGC was established by our Board on 1 April 2011 and comprises NEDs, with a majority being independent. The members of our NCGC are as follows:

Name of NCGC Member	Appointment Date	Designation/ Directorate
Tun Dato' Seri Zaki bin Tun Azmi	15 August 2012	Chairman/INED
Datuk Yvonne Chia	24 April 2015	Member/Senior INED
Shahin Farouque bin Jammal Ahmad	6 December 2017	Member/NINED

There were no changes to our NCGC composition in FY19.

Key Role and Responsibilities

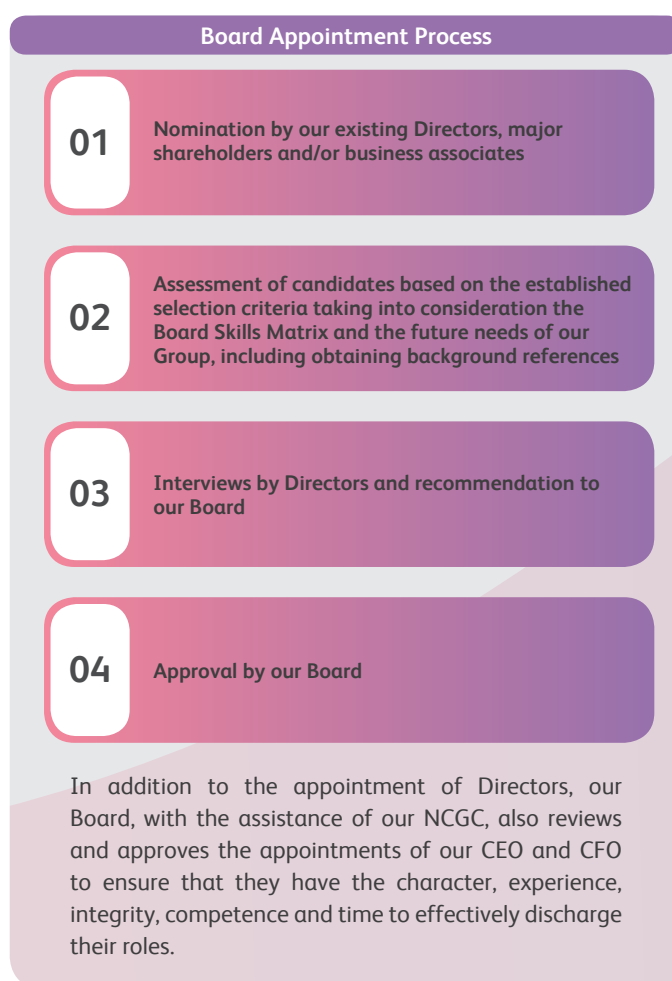
Our NCGC assists our Board on matters relating to the selection and appointment of members of our Board and Board Committees, including reviewing the board size and composition. It is also responsible for reviewing the CG practices within our Group and ensuring an appropriate level of disclosure and transparency of our CG practices. The NCGC's TOR is published on our corporate website.

Appointment of Directors

Nominations for appointment to our Board will be assessed by our NCGC based on the established Board Selection Criteria set out below, thus ensuring that each of our Directors has the character, experience, integrity, competence and time to effectively discharge his role as a Director:

- Proven leadership and experience in areas that are relevant to our Group's strategies and business plan
- Character of the individual to ensure a right fit
- Ability to dedicate sufficient time to discharge his responsibilities
- Unblemished reputation for integrity and ability to exercise good business judgement

Our NCGC also takes into consideration any gaps that may be identified in the Board Skills Matrix, which is an annual review of the competencies of our current Directors mapped against competencies required to fulfil our Group's ambitions and strategies. The following chart depicts the process for Board appointments:



NOMINATION AND CORPORATE GOVERNANCE COMMITTEE REPORT

Board Effectiveness Evaluation and Annual Re-election of Directors

Our annual BEE is facilitated by our NCGC with assistance from our Corporate Secretarial team. Our NCGC will determine at periodic intervals on the engagement of an external facilitator to provide an independent assessment of the effectiveness of our Board, Board Committees and individual Directors as well as valuable insights on good board practices. The action plans arising from the BEE will be monitored by our NCGC. The results of the BEE is, among others, used for the purposes of recommending the annual re-election of our Directors to our Board and shareholders for approval.

Summary of Activities in FY19

During FY19, our NCGC held four meetings in the process of discharging its responsibilities and considered matters which included but are not limited to the following:

- (i) In respect of FY18 annual matters:
 - (a) Administered the BEE for FY18 encompassing an evaluation of our Board as a whole, our Board Committees, individual Directors and INEDs, and monitored the progress of action plans arising from the assessment.
 - (b) Reviewed the eligibility of our Directors who retired pursuant to our Company's Constitution and recommended them for re-election at the Sixth AGM in June 2018.
 - (c) Endorsed the CG disclosures that were set in the Annual Report 2018.
- (ii) Conducted the BEE for FY19. A summary of the BEE for FY19 is reported on page 74.
- (iii) Reviewed and recommended the nomination of additional Directors to our Board, having regard to our Board Selection Criteria and Board Skills Matrix, as well as the provisions of the MMLR and MCCG in respect of independence and women directors.
- (iv) Carried out an analysis of our Group's CG practices, policies and procedures taking into consideration the MCCG Principles and Practices, and in areas where a departure is noted, considered the alternative means that are in place and/or required to achieve the intended outcomes.
- (v) Reviewed our Group's succession plans for key and critical positions, ensuring that an emergency cover plan for critical leadership roles is in place at all times, and an adequate talent pipeline.
- (vi) Reviewed the scope of our NCGC's responsibilities to ensure adherence to the MMLR and guidance issued by Bursa Securities.

AUDIT AND RISK COMMITTEE REPORT

Composition

Our audit committee was established by our Board on 1 April 2011 and was redesignated as ARC on 6 December 2018. The members of our ARC are as follows:

Name of ARC Member	Appointment Date	Designation/ Directorate
Renzo Christopher Viegas	1 December 2017	Chairman/INED
Datuk Yvonne Chia	1 January 2014	Member/Senior INED
Richard John Freudenstein	30 September 2016	Member/INED

The composition of our ARC complies with the MMLR and MCCG as all three ARC members are INEDs. The ARC Chairman has in-depth accounting and related financial management expertise and hence, our ARC meets the requirements of paragraph 15.09(1)(c) of the MMLR, which stipulates that at least one member of the audit committee must be a qualified accountant.

There were no changes to our ARC composition in FY19.

Our Board has reviewed and considered the skills and experience of our ARC members, as shown by their profiles, to be sufficient and relevant to enable the proper discharge of responsibilities by our ARC.

The composition of the ARC also complies with Practice 8.2 of the MCCG which states that a former key audit partner shall not be appointed as a member of our ARC until the expiry of a two-year cooling-off period. No former audit partner has been appointed to our ARC to date.

Meeting Attendance

In FY19, five ARC meetings were held and each met the requisite quorum stipulated in the ARC Charter, with at least two members present, of whom are all members independent directors. Details of ARC meeting attendance can be found in the table on page 77.

Senior Leadership from the business, finance, IT and legal functions were invited to attend ARC meetings to facilitate deliberations as well as to provide clarification on their areas of responsibility. Where required, the relevant management representatives were

invited to provide explanation to our ARC on specific control lapses and issues noted from the audit reports. In addition to the above, representatives from the external auditor, PricewaterhouseCoopers (“PwC”) and CA also attended the meetings and presented their reports on external and internal audit matters. An update of the key matters discussed by our ARC is provided by our ARC Chairman to our Board at quarterly Board meetings. The Company Secretary acts as the Secretary to our ARC.

Pre-ARC meetings were also organised prior to the quarterly ARC meetings to enable early escalation and resolution of any significant issues.

Our ARC Chairman and certain ARC members had also met separately with the Vice President, CA and PwC, as necessary, without the presence of Management. Our ARC Chairman further engages on a continuous basis with Senior Leadership, particularly the CFO, the Vice President, CA and PwC, to keep abreast of matters and issues affecting our Group.

Roles and Responsibilities

During FY19, our ARC continued to play a key role in assisting our Board to fulfil its oversight responsibilities. Our ARC’s principal activities were focused on ensuring the integrity of our Group’s financial reporting process, monitoring the management of risk and system of internal control, external and internal audit process, compliance with legal and regulatory matters as well as the COBE. In the discharge of its responsibilities, our ARC is guided by the ARC Charter, which was last reviewed and approved by our Board in March 2018 and published on our corporate website.

AUDIT AND RISK COMMITTEE REPORT

Our ARC's key focus areas throughout FY19 are summarised below:

(a) Financial Reporting

- Reviewed and recommended to our Board, the quarterly financial reports to be released within two months from the end of each quarter ended April 2018, July 2018, October 2018 and January 2019; the FY18 Audited Financial Statements in March 2018 and the related press releases/announcements including whether the said reports are balanced and understandable and provide information necessary for shareholders to assess our Group's performance.
- Reviewed our Group's solvency and ability to continue as a going concern on a quarterly basis as part of the dividend proposal and approval of the Audited Financial Statements, respectively.
- Our ARC received regular updates on the developments of new accounting standards and considered the impact of those standards on our Group's financial reporting process.

(b) External Audit

- Continued to oversee the relationship with, and performance of PwC, including making the recommendation on their reappointment for FY20 and approval of their fee.
- Assessed the effectiveness of the external audit process and appropriateness of the audit scope, including the review and/or approval of the audit plans and findings of external audit.
- Reviewed PwC's annual audit report which sets out the key audit matters and management letters on internal control matters, including Senior Leadership's response and the level of co-operation given by employees to PwC.
- Reviewed auditor independence and the provision of non-audit services on a quarterly basis.

(c) Internal Audit

- Continued to monitor and review the effectiveness of the CA function and scope of audit, including the audit plans and findings.
- Reviewed the performance appraisal and approved the performance rewards of the Vice President, CA and the adequacy of internal audit resources.

(d) Risk Management and Internal Controls

- Reviewed and exercised oversight over the Group risk transformation initiatives and risk management systems and processes, including the risk appetite and tolerance.
- Reviewed the effectiveness of the system of internal controls, taking into account findings from internal and external audit reports.
- Reviewed the Statement on Risk Management and Internal Control ("SORMIC") for inclusion in the Integrated Annual Report 2019.

(e) Other Matters

- Received updates on the following areas:
 - business and financial performance across our Group, including cost rationalisation measures
 - competitive landscape as well as new partnerships or JVs in the industry that our Group competes in
 - cyber security, treasury, tax, regulatory and legal matters
 - customer data quality and analytics, succession planning and talent pipeline.
- Reviewed reports on Related Party Transactions ("RPTs").
- Reviewed Disclosures reported to the Whistleblowing Line channels which are in place to enable whistleblowers to raise concerns ("Disclosures") in confidence and the investigation into Disclosures reported to ensure that appropriate action is taken, where applicable.
- Reviewed the verification performed by CA on the allocation of shares to eligible employees to ensure compliance with the By-laws of the Management Share Scheme approved by our Board and shareholders on 3 August 2012.

Financial Reporting

Our ARC's primary responsibility in relation to our Group's financial reporting is to review, alongside Senior Leadership and PwC, the quarterly unaudited financial statements and annual Audited Financial Statements, concentrating on, among other matters:

- The accounting principles and standards that were applied to ensure compliance with applicable approved accounting standards and legal requirements;
- Material areas in which significant judgements have been applied; and
- Whether the Integrated Annual Report 2019 and annual Audited Financial Statements FY19, taken as a whole, is fair, balanced and understandable and provides information necessary for shareholders to assess our Group's performance.

AUDIT AND RISK COMMITTEE REPORT

As part of the reviews of the financial statements, the significant accounting issues considered and actions taken by our ARC are as follows:

Issue	Description	Action Taken by our ARC	Outcome
Goodwill, brands and spectrum impairment assessment	Our Group has intangible assets which included goodwill, brands and spectrum balance of RM1,508 million as at 31 January 2019. Significant judgement is required in setting the assumptions underpinning the calculation of the value in use of the cash generating units. Senior Leadership has performed an impairment assessment over the goodwill, brands and spectrum balance, as well as sensitivity analyses to ensure that the value in use of the cash generating units supports the carrying value in the financial statements.	Our ARC had reviewed the annual impairment assessment performed by Senior Leadership as well as the work performed by PwC. This included PwC's review of Senior Leadership's cash flow projections, sensitivity analyses as well as Senior Leadership's assumption on revenue growth rates, terminal growth rates and discount rates. PwC had reported explicitly on this matter in its audit opinion and found that the assumptions related to the above rates are reasonable, relative to historical results, industry and market forecasts. Based on the procedures performed above, PwC did not find any material exceptions to the Directors' conclusion that no impairment is required for goodwill, brands and spectrum rights as at 31 January 2019.	Our ARC is satisfied that the assumptions made by Senior Leadership are reasonable and that the sensitivity analyses were appropriately applied to ensure the robustness of the annual impairment assessment.
Subscription revenue recognition	There is an increased level of inherent risk due to error in revenue recognition given the complexity of the billing and accounting systems.	Our ARC reviewed PwC's assessment of the overall IT general controls of the billing and accounting systems of the revenue data recorded.	Our ARC is satisfied that there is no material exceptions in the accuracy of the subscription revenue.
Assessment of funding requirements and ability to meet short-term obligations	As at 31 January 2019, our Group's short-term borrowings, payables and accruals totalling exceeded current assets by RM438 million, which may impact the ability of our Group to meet its short-term obligations.	Our ARC reviewed management's assessment of our Group's prospects, including the cash flow projection and plans to meet our Group's commitments for the 12-month period to 31 January 2020.	Based on the review, which also incorporated sensitivity analyses, our ARC is satisfied that our Group has sufficient resources and working capital to meet its short-term obligations and accordingly, continue to adopt the going concern basis in preparing the financial statements.

During FY19, our ARC also received updates on and reviewed the impact assessment from the adoption of the accounting standard MFRS 16 on leases, which would impact our Group's financial reporting upon adoption in FY20.

AUDIT AND RISK COMMITTEE REPORT

External Audit

In FY19, the following criteria were assessed and considered by our ARC before recommending the reappointment and remuneration of PwC.

Independence	Audit and Non-Audit Services
<p>Our ARC reviewed PwC's FY19 written affirmation of its independence to act as the Company's external auditors in accordance with the relevant professional and regulatory requirements.</p> <p>Our Group has also restricted the employment of former employees of PwC to ensure independence and for avoidance of any conflict of interest. In FY19, there was no employment of any PwC employee that was reported to our ARC.</p>	<p>Our ARC is cognisant that while it is important that PwC's independent role in reporting to the shareholders is not compromised, it is equally important that our Group is not deprived of expertise as and when it is needed.</p> <p>Our Board has therefore adopted a Policy on the Provision of Audit and Non-Audit Services by the external auditors based on the general principle that the external auditors should not perform non-audit services that may impair its objectivity and independence. During FY19, our ARC approved a revised policy on the provision of non-audit services by the external auditor, effective 1 February 2019. Under the new policy, the three-year rolling average engagement fee for non-audit services is limited to 50% of the statutory financial audit and interim review fees which were approved by our Board for the immediate preceding financial year. Any non-audit services exceeding the above threshold will require specific pre-approval by our ARC.</p> <p>During FY19, the Group and the Company incurred non-audit fees of RM1.16 million and RM Nil respectively. These non-audit fees were incurred in connection with the performance of agreed upon procedures, regulatory compliance reporting, tax and advisory services. On a quarterly basis, our ARC reviewed the analysis provided by PwC on the provision of audit and non-audit services, including fees incurred, and remains satisfied that PwC's independence is not impaired from the provision of non-audit services.</p>
Audit planning and working with PwC	Effectiveness and Quality
<p>Our ARC reviewed PwC's detailed audit plan identifying their audit scope, approach and assessment of key audit risks. The Group's key attributes and business transformation workstreams in FY19 were also considered in determining PwC's areas of emphasis. The audit plan was approved by our ARC on 25 September 2018.</p> <p>During FY19, our ARC met with PwC on two occasions, separately, without the presence of Senior Leadership. These sessions allowed our ARC and PwC to focus on areas that might not have been specifically addressed as part of the audit and where PwC can provide additional, candid and confidential comments to our ARC.</p>	<p>Our ARC reviewed the evaluation on PwC's performance and effectiveness which was coordinated by the Company Secretary. The annual assessment covered:</p> <ul style="list-style-type: none"> • Independence, objectivity and professional scepticism • PwC's financial stability, risk profiles and audit strategy • Communication and interaction • Audit finalisation • Quality of skills, capabilities of audit team and sufficiency of resources <p>The assessment was conducted in April 2019 with feedback obtained from our ARC, Senior Leadership and CA and a self-assessment by PwC. Based on the said evaluation, our ARC is satisfied with PwC's performance throughout FY19.</p>

AUDIT AND RISK COMMITTEE REPORT

Audit planning and working with PwC	Effectiveness and Quality
<p>Matters discussed included, among others, PwC's assessment of the tone at the top, ethical values and integrity of Senior Leadership, quality of financial management and reporting, confirmation that there has been no restriction in scope placed on them by Senior Leadership, and cooperation from various levels of Senior Leadership as well as internal auditors.</p>	<p>In addition, our ARC also reviewed PwC's representation on its quality control procedures with respect to engagement performance which included the involvement of a quality review partner, access to PwC's accounting technical support on complex accounting matters, periodic assurance quality review by PwC's Global Assurance Quality Review team, internal guidance on accounting standards interpretation and application and International Standards of Auditing guidelines as well as periodic attendance of mandatory training/courses.</p>

Based on the above, our ARC recommended to our Board the reappointment of PwC for FY20 at the forthcoming Seventh AGM in June 2019. FY20 marks the fourth year of engagement with the current audit partner.

Internal Audit

Our ARC is supported by CA which provides independent validation on the risk management, control and governance processes of our Group. The Vice President of CA reports functionally and administratively to our ARC Chairman. In November 2018, Rizal Khalid was appointed the Vice President of CA to replace Sze Yuet Sim who has headed CA since January 2000. Rizal Khalid holds a Bachelor of Commerce (Accounting and Finance) from University of Melbourne and is a member of Chartered Accountants of Australia and New Zealand.

CA's role is governed by the CA Charter to ensure that CA's purpose, authority and responsibility reflect the developments in CA's activities and are in line with best practices promulgated by internal audit professional bodies. The latest CA Charter was approved by our ARC in March 2018.

At the start of the year, our ARC considered and approved CA's annual review plan that included audits of business and support units across the Group, as well as assurance over live projects. On a quarterly basis, the review plan is assessed and updated taking into account changes in the business and operating environment. Changes to the review plan were communicated promptly to our ARC. There is also regular liaison among CA and other assurance functions such as Process Improvement and Revenue Assurance ("RA"), Group Risk Management ("GRM") and PwC to monitor and ensure the effectiveness of the risk governance framework and management processes of our Group.

During FY19, our ARC reviewed the report findings from CA's planned and ad hoc reviews and the actions taken to implement the recommendations made in the reports. Members of Senior Leadership were invited from time to time to provide clarification on the findings and updates on the action taken, where applicable. In certain instances, our ARC also challenged Management on the actions it took to minimise the chances of lapses and ensure that material findings are adequately addressed within a reasonable time frame. The planned reviews included financial, operational, technology and information systems audits and project reviews across all business units within our Group. The ad-hoc reviews included, among others, governance enhancement reviews related to policies and procedures, RPTs and special reviews based on Disclosures reported to the Whistleblowing Line and other channels. All CA reports were provided to our ARC. A summary of CA's findings and progress status against previously agreed action plans is tabled quarterly at ARC meetings.

AUDIT AND RISK COMMITTEE REPORT

As at 31 January 2019, there were a total of 14 internal auditors based on an approved headcount of 17 auditors, all of whom possess tertiary qualifications. The number of years of internal audit experience and competencies of our 14 auditors as at 31 January 2019 are as follows:

Years of internal audit experience	0 – 5	5 – 10	>10	Total
Number of auditors	3	2	9	14

Competencies	% of auditors
Accounting and Finance	35
Information Technology	26
Risk Management	13
Banking	17
Telecommunications	9

All CA team members had declared to our ARC that they are free from any relationships or conflicts of interest which would impair their objectivity or independence.

CA staff are kept abreast of the developments in the profession and industry through attendance at training aimed at equipping them with the relevant skills appropriate to their respective levels such as cyber security and cloud security operations. In addition, they are also encouraged to pursue professional certifications including Certified Internal Auditor (CIA), Certified Information System Auditor (CISA) and Certified Fraud Examiner (CFE).

The total operational costs incurred for CA in FY19 amounted to approximately RM5.7 million (FY18: RM3.7 million).

Our ARC had reviewed the CA function and its KPIs to ensure that CA's activities are performed independently, proficiently and with due professional care. The effectiveness of CA is assessed based on specific measures that include, but are not limited to:

- Feedback received from business units audited via an auditee satisfaction survey using an automated tool.
- An annual review coordinated by our Company Secretary in March 2019 with feedback sought from our ARC, Senior Leadership and PwC. The areas assessed include audit planning and resources, skills and experience, and work programme.

Based on the evaluation results, our ARC is satisfied with the performance of CA and noted several areas of improvements for CA to address in FY20.

AUDIT AND RISK COMMITTEE REPORT

Risk Management and Internal Controls

Our Board is responsible for establishing and maintaining our Group's system of internal controls and risk management and for reviewing their effectiveness.

During FY19, our ARC assisted the Board in ensuring that a robust process for identifying, evaluating and managing the key business risks faced by our Group is in place and operating effectively. Our ARC reviewed our Group's Key Risk Profile with a focus on the risks identified on pages 29 to 32. In addition, our ARC reviewed the adequacy and effectiveness of the system of internal controls based on the results of the work performed by PwC and CA tabled in our ARC meetings on a quarterly basis.

Further details on our Group's risk management process, as reviewed by our ARC, are included in the SORMIC on pages 95 to 99.

Other Matters

Related Party Transactions	Integrity and Ethics
<p>On a quarterly basis, our ARC reviewed the RPTs entered into by our Group with our related parties to ensure that:</p> <ul style="list-style-type: none">RPTs have been conducted based on our Group's normal commercial terms and are not to the detriment of our Group's minority shareholdersProper disclosures were made in accordance with the MMLRActual expenditure on Recurrent Related Party Transactions ("RRPTs") is within the mandate approved by the shareholders <p>For FY19, our ARC also reviewed the estimated RRPT mandate for the ensuing year and the 2018 Circular to Shareholders in respect of new, and the renewal of, shareholders' mandate for RRPTs, prior to seeking Board approval.</p>	<p>Our Group has adopted the Whistleblowing Policy and Procedures which were established to enable whistleblowers to raise concerns in confidence, and to ensure proportionate and independent investigation is duly conducted and follow-up actions are taken and brought to the attention of our ARC. In March 2018, our ARC reviewed the Whistleblowing Policy and Procedures and concluded that the policy and procedures currently in place are appropriate and adequate.</p> <p>During FY19, CA which manages the Whistleblowing Line received a total of 11 ethics, conflict of interest and integrity-related Disclosures which were reported by various parties including employees and external parties. On a quarterly basis, our ARC reviewed CA's report on the cases reported through the Whistleblowing Line and other available channels as well as the status of investigation (where applicable) into these cases. For FY19, our ARC is satisfied that there were no cases with significant impact to our Group.</p>

Quarterly Updates

Our ARC also reviewed the quarterly reports on the following areas:

- Treasury, including the sources and uses of cash, analysis of working capital, compliance status of debt covenants, vendor financing and debt facilities, foreign exchange management and financing options.
- Tax, including the status of tax filings and audits of selected entities of our Group by the Inland Revenue Board.
- Regulatory compliance and status of material litigations to ensure that these matters have been appropriately reflected in the financial statements. A summary of the material litigations, claims and arbitration is provided in the notes to the FY19 Audited Financial Statements on pages 171 to 297.

AUDIT AND RISK COMMITTEE REPORT

Integrated and Sustainability Reporting

Our ARC plays an oversight role in respect of the company's Integrated Annual Report. Our ARC considered the information disclosed in the Integrated Annual Report 2019 and has assessed its consistency with operational and other information known to our ARC, and for consistency with the annual financial statements. Our ARC is satisfied that the sustainability information is in all material respects, reliable and consistent with the financial results and nothing has come to the attention of our ARC to indicate any material deficiencies.

Key Focus for FY20

The key priorities of our ARC for FY20 are to continue the focus on:

- The integrity of our Group's financial accounting and reporting, including the quality of earnings considering the competitive environment that our Group operates in;
- The robustness, rigour and quality of the external and internal audit process as well as risk management especially in relation to cyber security risk;
- Rationalisation of the business and operations; and
- Content and IP creation in line with our Group's strategic imperatives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Our Board is responsible and accountable for the adequacy and effectiveness of our Group’s risk management and internal control system. The system comprises a robust risk management framework and sound internal control procedures that provide continuous process for identifying, evaluating and managing risks that may affect the achievement of our business objectives and strategies to an acceptable level within the Group risk appetite. The system only provide reasonable assurance against material misstatement or loss and is in line with the requirements and guidance in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Malaysia.

Board Responsibilities

Our Board is committed to implementing and reviewing a sound risk management and internal control environment. Our Board is supported by our ARC to oversee the risk management and internal control system of our Group. Our Board through our ARC is responsible for determining our Group risk appetite and risk tolerance for Management to operate within.

1 Risk Management

At Astro, risks are identified and managed through adoption of the GRMF, where effective risk management processes, practices and culture are embedded within our Group’s strategic planning activities, operational processes, and project management.

The GRMF is established based on the Committee of Sponsoring Organisation (“COSO”) Enterprise Risk Management Framework -Integrated with Strategic and Performance. The GMRF sets out the risk management governance, infrastructure, processes, and control responsibilities and underpins our Group Risk Management Policy

(“GRMP”) which established minimum standards and procedures in ensuring the GRMF is consistently applied and complied with.

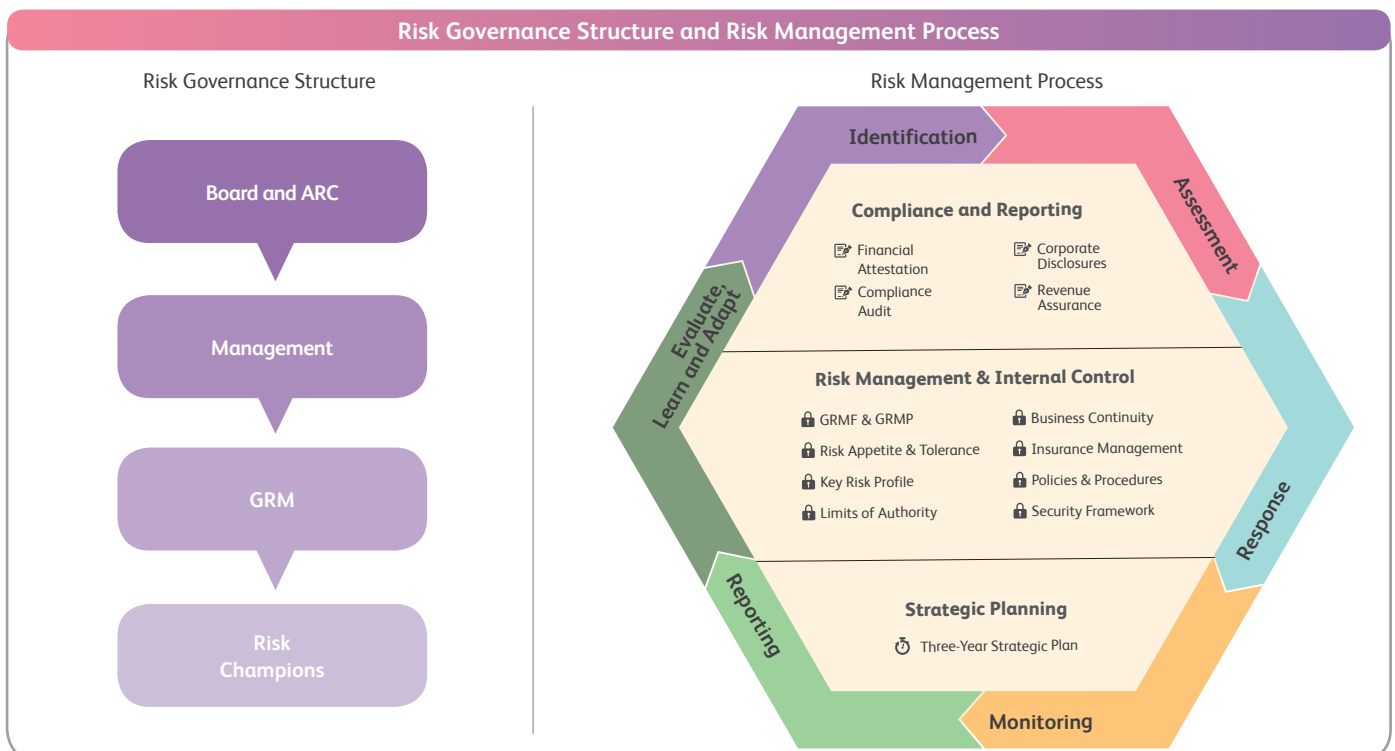
Our Group Risk Management (“GRM”) team effectively drives the GRMF for identifying, reviewing, managing and monitoring our risks, which is annually refreshed for effectiveness and applicability.

Key risks identified are regularly assessed and reflects the evolution of the industry and market environment within which our Group operates. The management of risk is embedded in each level of the business, with all employees being responsible for the understanding and managing of risks within our risk appetite.

In FY19, our Board has approved the following risk appetite parameters:

- Our Group is prepared to take measured risks to achieve its business objectives and strategies to ensure a sustainable business model.
- Our Group does not condone any practices that may impact our brand and reputation, customer and confidential data, service delivery standards, or regulatory non-compliance.

The GRMF provides guidance for a systematic and consistent approach to identify, assess, implement, monitor and report risks throughout our Group, which is reviewed by CA and our ARC. The function of the ARC is to drive effective risk management through continuous review of the GRMF and GRMP to ensure effective identification of emerging risks and management of identified risks through implementation of appropriate controls and risk mitigation strategies while balancing the dynamic forces of business outlook, opportunities and commercial considerations. Our Group’s Key Risk Profile on pages 29 to 32 is reviewed by our Board through the ARC. Our risk governance structure and risk management process is illustrated below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2 Control Environment and Activities

A robust and effective control environment within our Group is fundamental in ensuring CG best practices. Our Board and Management have demonstrated their commitment to maintaining an effective internal control environment through continuous enhancement to the design of internal control system to ensure controls are relevant, effective and robust to promote operational agility while ensuring CG best practices and compliance with regulatory guidelines. The following sets out the key components established for our Group's control environment:

2.1 Board and ARC

Our ARC assists our Board in fulfilling the Board's responsibilities with respect to oversight, focusing on the integrity of our Group's financial reporting process, effectiveness of risk management practices, internal control system, external and internal audit processes, compliance with legal and regulatory standards as well as the COBE. Our Group Key Risk Profile is maintained by GRM which is presented and deliberated by Management and ARC.

CA plays an important role in our Board's efforts to ensure risk management processes are adequate and effective. As part of CA's review plan, the GRMF, Key Risk Profile and corresponding risk mitigating plans are validated by CA. Included within this validation process is an assessment of the appropriateness of controls to address identified improvement areas. Our Board and Management inculcate a proactive and sustainable risk management culture by ensuring all employees understand the importance of appropriate risk governance and risk practices with awareness reinforced via mandatory annual online compliance training.

2.2 Management

Management is committed to the identification, monitoring and management of risks associated with business activities. Our Management led by our CEO and CFO and supported by Senior Leadership continuously to assess, review, implement and monitor controls to effectively manage risks within our business.

Senior Leadership works closely with GRM to ensure effective and consistent adoption of risk management practices. Risk champions are appointed by heads of business units to review and update their respective key risk profiles. This periodic exercise include the identification of emerging risks arising from changes to the business environment and outlook, implementation of new initiatives, and evaluation of the effectiveness of existing controls and risk management initiatives. Our Group Key Risk Profile is deliberated upon

by Senior Leadership and facilitated by GRM to ensure the overall risks impacting our Group are adequately identified and managed within an acceptable level of risk. Key strategic risk matters deliberated by Senior Leadership for the financial year include business sustainability risk due to content piracy, forex volatility and consumer sentiments; competition risk resulting from an increasingly competitive landscape; rapid digitalisation and personalised customer experience; security threats and breaches; effective supply chain and cost management to ensure optimal operations for sustainability; and talent management risk in executing business strategies.

2.3 Group Risk Management

GRM is led by our CFO who reports to our ARC and Board on identified key risk profile affecting our Group and the status of the prevention and mitigation action plans to address these. GRM ensures the establishment and maintenance of the GRMF and proactively monitors our Group Key Risk Profile through reviews and assessments reflecting changes to the business and regulatory environment. The GRMF is annually refreshed for effectiveness and applicability. GRM maintains a comprehensive insurance programme for our Group to safeguard our Group's assets against material losses arising from any uncertainties and conducts an annual review during the insurance renewal exercise to ensure relevance and adequacy of the insurance programme in meeting changing business needs and alignment to our Group's risk exposure and appetite.

2.4 Corporate Assurance and External Auditors

The CA and external auditors provide independent assurance on the effectiveness of our Group's risk management practices and control environment. The roles and responsibilities of our CA functions and activities of the external auditors are set out in the ARC Report on pages 87 to 94.

2.5 Regulatory, Intellectual Property Protection & Industry Affairs

In line with the Malaysian Communication and Multimedia Act as well as other laws, rules, regulations, and policies which govern our Group's businesses, the Regulatory team consistently engages with internal and external stakeholders, including the MCMC to preserve a conducive operating environment in compliance with regulatory requirements. The Regulatory team also manages matters relating to our Group's IP, including undertaking proactive measures and providing assistance in enforcement actions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2.6 Legal

The Legal team plays a pivotal role in advising our Board and Management on legal matters to preserve and safeguard our Group's interests from a legal standpoint. Our Board is briefed on material litigations and developments on a quarterly basis.

2.7 Corporate Secretarial

The Corporate Secretarial team provides additional assurance by, inter alia, providing advice to our Board and Management on compliance with company and securities legislations and advocates the adoption of CG best practices. It is also responsible for monitoring compliance with our Board procedures including the list of Board Reserved Matters, advising our Board and our Board Committees on their responsibilities, monitoring any changes in the relevant legislations and the regulatory environment including the Act and the MMLR, and creating awareness of such changes within our Group.

2.8 Revenue Assurance Framework

A Revenue Assurance framework is in place ensuring an independent function performs a consistent and structured review of key revenue categories to identify possible revenue leakage indicators and data discrepancies, as well as propose and implement corrective action plans. The RA team prepares monthly RA dashboards for Senior Leadership on identified Pay-TV and Commerce revenue issues, as well as the extent of identified revenue leakages. The dashboard is also reviewed by the external auditors and CA as part of their annual audit.

2.9 Acquisition Guiding Principles, Procurement Manual and Investment Framework

The investment acquisition and procurement process is governed by the Acquisition Guiding Principles, Procurement Manual and Investment Framework respectively, which are reviewed by the external auditors and CA as part of their annual audit. The Acquisition Guiding Principles serves as a key tool for our Group in ensuring all acquisition activities are conducted in a transparent manner and in the best interests of our Group.

Tender Committees are established to provide governance, guidance and direction on our Group's acquisition strategies. The Tender Committees are aided by the Procurement team in the administration of the tender process and the Company Secretarial team in convening and recording the minutes of the Tender Committees.

2.10 Systems, Data and Information Security

Continuous monitoring and implementation of the latest security controls have been established in order to manage emerging cyber security threats to our Group and safeguard customer data, content, assets, and ensure the operational integrity of business practices within our Group. This includes implementation of relevant security appliances and systems, inculcating security awareness among employees, ensuring compliance to industry security standards of our Group's IT networks and systems such as Information Security Management System ("ISMS") ISO/IEC 27001:2013[1], Payment Card Industry Data Security Standard v3.2 and the Personal Data Protection Act 2010, and benchmarking of our security programmes with industry best practices.

In addition, the AMH Security Council provides strategic oversight of our Group's physical and cyber security management practices to ensure all security threats including content piracy are effectively managed, as well as the continuous enhancement of our ISMS and AMH Security Framework.

2.11 Business Continuity Management Framework

The Business Continuity Management Framework aims to minimise the impact of business disruption through enhancing operational resiliency for an effective response to threats and disruptions. This includes establishing system and operational infrastructure redundancies and alternate sites to minimise service disruptions, as well as minimising financial losses resulting from disruption through business interruption insurance coverage.

Recovery plans are established, reviewed, maintained and tested periodically to ensure effective and timely recovery of services while prioritising staff safety. During FY19, our Group's Business Continuity Planning maintenance activities were successfully conducted, including call tree and walkthrough tests, Business Continuity Planning manual review, as well as crisis simulations for critical systems and operations. The results of the Business Continuity Planning maintenance activities are approved reviewed by heads of business units and submitted to GRM.

2.12 Key Controls Checklist

As part of cultivating an effective internal control environment, the Key Controls Checklist ("KCC") is established to facilitate control self-assessment by the heads of business units to ensure internal controls (comprising both system and manual controls) in place are effective and procedures are complied with. The existing controls are continuously enhanced with

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

learnings from compliance audits and process improvement reviews. The endorsed KCC is subsequently verified by GRM, CA and the external auditors as part of their annual audit to ensure Management's assertions of controls operating effectively are appropriate.

2.13 Limits of Authority

The LOA stipulates the key decision-making and approval authority delegated by our Board to Management for operational efficiency. Any amount in excess of our CEO's delegated LOA requires Board approval. These limits are reviewed regularly and approved by Management and/or our Board in accordance with their respective LOAs, in tandem with changes in business operations, corporate and organisational structure. GRM oversees the LOA framework to ensure the LOA process remains fit-for-purpose and operates effectively.

2.14 Strategic business budgeting and reporting

Our Group is guided by a three-year transformation plan outlining key objectives and strategic priorities which is reviewed annually. This is to ensure consistent revenue performance and optimisation of operating costs for sustainable business growth. Our Group's strategic review of business plans, organisational structure and the corresponding annual budget for FY20 were duly approved by our Board prior to the commencement of the said financial year. On a monthly basis, business KPIs are tracked and provided to our Board. On a quarterly basis, financial and operational reports are provided to our ARC and Board. Our Group releases quarterly unaudited financial results and annual audited financial statements to Bursa Malaysia and the public, including analysts and investors.

2.15 Staff performance system

Our Group's framework is guided by our corporate core values which outlines the knowledge, skills and behaviour expectations of its employees. The human capital team's development plan focuses on upskilling and reskilling employees to drive innovation and digitalisation initiatives, enabling employees to achieve their career paths and building a pipeline of talent for succession planning. In order to drive and sustain a high-performing workforce, employees' performance and achievements are appraised under our Group's Total Performance Management System on an annual basis.

2.16 Code of Business Ethics

The COBE is a key policy which governs the way our Group, through our Board, Management and employees conduct dealings with all stakeholders. It is also designed to reduce, if not eradicate, any corrupt practices and occurrences

of bribery. Our employees are advised not to engage in any fraudulent activities such as bribery and kickbacks. Furthermore, the COBE regulates the acceptance of gifts, complimentary services, entertainment or gratuities with an equivalent value not exceeding RM250. For any amount exceeding RM250, employees are required to declare and report the same to the Director, People & Workplace. Stern disciplinary action will be taken against employees found in breach of the COBE.

All employees are required on an on-going annual compliance online training to ensure they are aware of their responsibilities under our COBE.

2.17 Fraud management and whistleblowing

The Fraud Management Framework provides guidance on establishing a fraud management control environment to enhance integrity and reduce the probability of fraud, as well as to assist employees in decision-making in relation to the identification and reporting of fraud, misconduct and any other non-compliance affecting our Group. The Whistleblowing Policy and Procedures is established for employees to raise their concerns on any suspected violations of our Group's values and principles without the fear of reprisal. Whistleblowers are encouraged to disclose their names to facilitate investigation and to ensure disclosures are made in good faith. Whistleblowers' identities are kept confidential to protect from potential harassment or victimisation at work. The Whistleblower Line is managed by CA who also assumes primary responsibility for the investigation and reporting of Disclosures. All Disclosures received via the Whistleblower Line, investigation findings and recommendations are reported to our ARC and/or CEO on a quarterly basis, or more frequently where necessary.

2.18 Information and Communication

Our Board continuously emphasises communication with all employees in carrying out their internal control responsibilities, in line with the achievement of our Group's business objectives, and has taken the following steps to enable consistent sharing of relevant information.

Our Group has established operating policies and procedures which comply with relevant laws and regulations. These reinforcement contribute towards effective internal control system to mitigate risks. Regular reviews are conducted to ensure risk profiles, policies, and procedures are updated and aligned. New risk management action plans are also established to address emerging risks and incorporate learnings from compliance audits and process improvement reviews. Our Group policies are published and updated on our internal portal for easy access by employees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2.19 Monitoring and reporting activities

The following monitoring and reporting activities were undertaken in providing assurance on the effectiveness of risk management and internal control systems which include:

»	»	»	»
Management Representation made to our Board by the our CEO and CFO in relation to the adequacy of our Group's risk management and internal control systems in all material aspects. Any exceptions identified during the assessment period are highlighted to our Board.	Our ARC reviews the process and compliance exceptions identified by CA and external auditors on a quarterly basis. The implementation of recommendations from both parties are tracked and reported to the ARC quarterly.	The Disciplinary Committee chaired by the Director, People & Workplace meets as necessary on matters pertaining to Senior Leadership misconduct. The Disciplinary Committee ensures all concerns and allegations raised are duly investigated, monitored and consistently deliberated. Other disciplinary cases are managed by our Industrial Relations team reporting to the Director, People & Workplace. The procedures are periodically reviewed and updated.	GRM reports to our Board through our ARC on our Group Key Risk Profile that incorporates the preventive and mitigation strategies.

Management has taken the necessary actions to remedy weaknesses identified for FY19. Our Board and Senior Leadership continuously assess the effectiveness of monitoring activities and take necessary measures to strengthen our risk management and internal control environment.

Conclusion

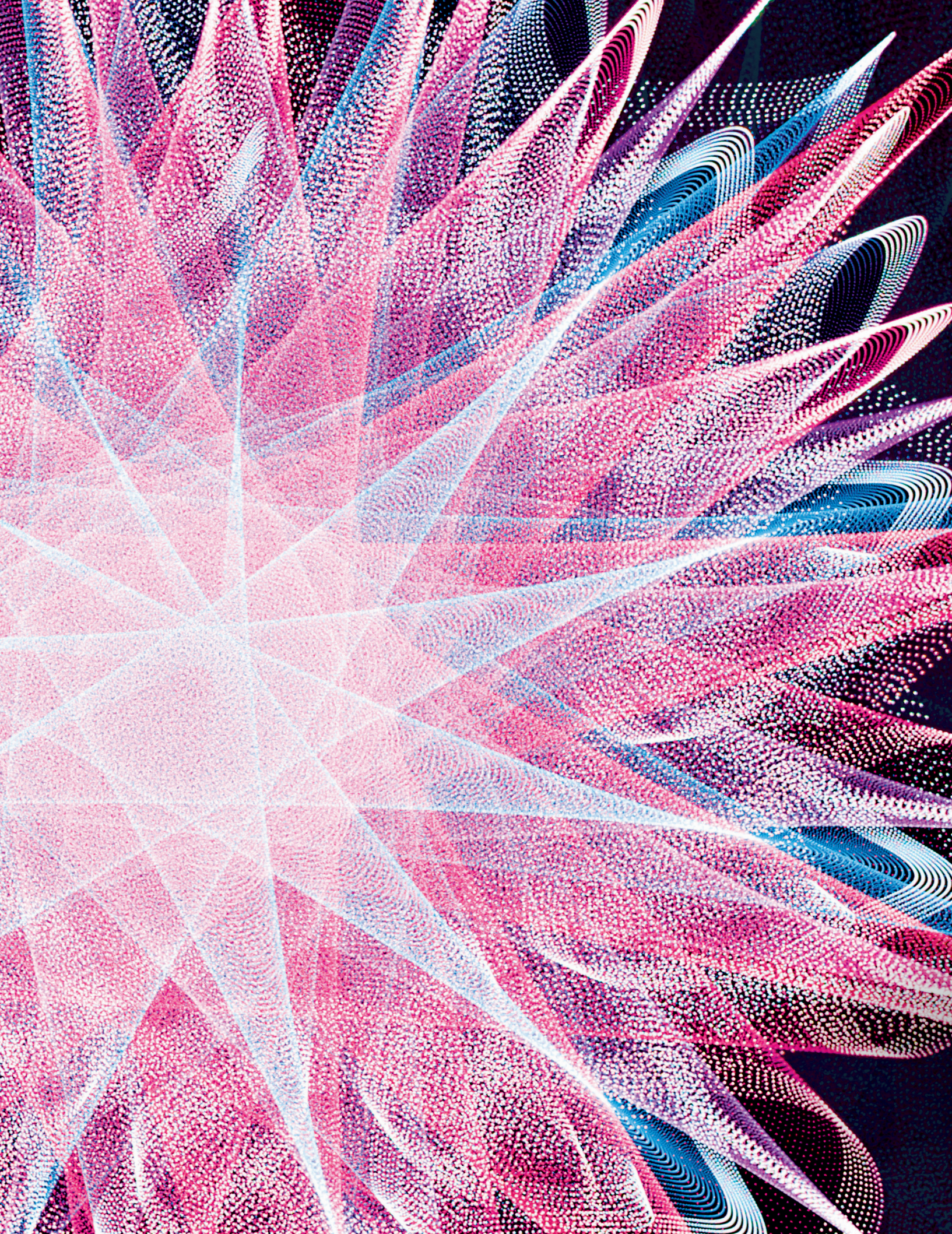
Our Board is of the view that the risk management, governance and internal control practices and processes which have been adopted for the year under review and up to the date of issuance of financial statements are sound and adequate to safeguard the interests of shareholders, employees and our Group's assets. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of our Group's internal controls that would require separate disclosures in this Integrated Annual Report.

Our Board has also obtained reasonable assurance from our CEO and CFO that our Group's risk management and internal control systems are operating adequately and effectively.

Review of the statement by External Auditor

As required by paragraph 15.23 of the MMLR, our external auditors, PwC has reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of our Group.

Based on the procedures performed, nothing had come to their attention that caused the external auditors to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor was it factually inaccurate.



HANTU
KAKLIMAH

陰陽道
Demon's Path

DUKUN

NAWANGSIH

PASKAL

D O S A

POLIS
EVO 2



RAISING THE BAR

of Asian content with compelling vernacular originals that capture customers' hearts

CONTENT

CONTENT



2018 was a huge year for our movies as our films collectively grossed over RM100 million in local cinemas

We continue to captivate viewers' imagination through our comprehensive and eclectic content spread underpinned by our key differentiator – our own signature vernacular IPs. We produced and commissioned over 12,600 hours of content serving our demographically diverse customers across varied ethnic groups who speak various languages and dialects.

Overall viewership has increased in FY19 through the combination of linear, OD and OTT. Linear viewership, measured as TV viewership share remained resilient at 75%, supplemented by growing OD consumption as video downloads more than doubled to 54 million and OTT registered users increased 32% to 2.2 million.

Our movies have done exceptionally well in FY19 by setting new benchmarks at the local box office. We continue to produce compelling premium original content that resonates with audiences across Malaysia and beyond, leveraging regional collaborations and partnerships. Our shows have been dubbed into multiple languages for global distribution. On the digital front, we consolidated resources to create winning short-form content for smaller screens that garnered over 1.9 billion minutes watched to date. Gempak and Xuan retained their position as the top Malay and top local Chinese digital entertainment brands in Malaysia respectively. FY19 also marked a major sporting year with Astro achieving new milestones in terms of viewership and sale of sports passes.

Box office champion

Our movies led the way in FY19, grossing over RM100 million in local cinemas. With 9% share of overall Malaysia GBO collection (comprising international and local releases) and over 60% share of local movies' GBO collection, this represents our best performance to date. The simplicity of the narratives yet profound subject matters resonated well among with diverse audiences while uniting Malaysians at the cinemas.

Our highest grossing movie ever, satirical horror movie *Hantu Kak Limah* was miles ahead of most major Hollywood franchise titles released in Malaysia in 2018, raking in RM38 million. Our top performing action flick, *Paskal* reignited the sense of patriotism among Malaysians and collected RM30 million in ticket sales. With a gripping storyline revolving around a breach in national security, *Polis Evo 2* outperformed its prequel, *Polis Evo* by grossing RM23 million in cinemas. *Polis Evo 2* was our first collaborative foray with Indonesia's Emtek group.

Loosely based on a true story, the long-awaited *Dukun* was released after being under wraps for more than a decade to tell the tale of Diana Dahlan, bewitching cinema goers and critics alike, and winning numerous accolades. Meanwhile, our 2018 Chinese New Year release directed by award-winning director Chiu Keng Guan, *Think BIG BIG* became the highest grossing local Chinese movie of the year and was shown in China, Taiwan, Singapore, Indonesia, the Philippines and East Timor.

Stronger regional content proposition

Through our collaborations with local and regional content players, we produce, license and distribute our compelling content abroad to expand reach and monetisation opportunities. In FY19, we licensed 15 channels and distributed thousands of content hours across different genres including Nusantara, Kids, Chinese, eSports and Horror to the ASEAN region, Australia, Canada, India, Russia, United States, Middle East, North Africa and more.

Nusantara

Through our JV entity, Nu Ideaktiv Sdn Bhd, we collaborated with GMK to adapt popular Malay magazine content IPs including *Mingguan Wanita*, *Pa & Ma*, *Rasa*, *Impiana* and *Persona Pengantin* for TV. This is the initial step in our push towards becoming a prolific Nusantara content creator to address our regional Malay-speaking neighbours spread across Indonesia, Singapore, Brunei and southern Thailand.

Building on the success of our previous Nusantara IPs *Gantung* and *Do[s]a*, we partnered with Telkomsel to create *Nawangsih*. A horror drama written by award-winning Indonesian singer-songwriter Melly Goeslaw, *Nawangsih* was launched on Telkomsel's video streaming app MAXstream in FY19. Our dynamic working relationship with Indonesian production partners has enabled us to build a pipeline of Nusantara IPs across multiple genres and formats including theatricals, series and short-form digital titles.

Kids

We currently have 12 regional and international content licensing deals for our singalong preschool animation IP, *Didi & Friends*. The IP is broadening its reach to a wider audience and is being dubbed in various languages including Hindi, Spanish, Portuguese, Mandarin, Vietnamese, Tamil, Telegu, Marathi, Arabic, English and Thai. *Didi & Friends* reached a significant milestone in FY19

as it achieved 1.8 million OD downloads and 1.4 billion views on YouTube with a subscriber base of 1.8 million, up 106% year-on-year. Released in theatres in March 2018, *Konsert Hora Horey Didi & Friends* generated almost RM3 million at the local box office and became our first animated content to be featured on the big screen.

Our singalong Islamic IP, *Omar & Hana* secured six content licensing deals and was dubbed into Arabic and English. The IP broke into YouTube's top 10 channels in Malaysia with 686 million digital views and 1.5 million YouTube subscribers. Meanwhile, our kids animation co-produced with Giggle Garage, *Cam & Leon* has 11 content licensing deals in place.

Our No. 1 Kids programme, reality talent search IP *Ceria Megastar* outperformed FTAs' primetime dramas and seasonal specials with 1.9 million TV viewership while 15 of our *Ceria Megastar* videos trended weekly on Malaysian YouTube charts. These videos garnered over 32 million digital views in FY19.

Meanwhile, *Oh My Family* is a new family entertainment franchise featuring Indonesian, Malaysian and Singaporean talents. The show has garnered 8.7 million unique TV viewers and 6 million digital views. We also produced our first Chinese live musical based on Astro Xiao Tai Yang's No. 1 kids entertainment show, *The Five Elves*, where we presented six ticketed shows at the Kuala Lumpur Convention Centre.

Our partnership with SmartStudy, a Seoul-based entertainment company enabled us to bring popular animated characters *Pinkfong* and *Baby Shark* to Malaysia. The IP was monetised across multiple platforms including merchandising, on-ground events and licensing deals. 23 ticketed live musical shows were held featuring the original Korean cast and crew. The musical drew in 15,000 fans over nine days, and marked the first time the show was held beyond Korean shores.



Our animation IP, *Didi & Friends* was recognised by YouTube for achieving 1 million subscribers and 1 billion views

CONTENT

Chinese

In FY19, we produced Astro's first premium Hong Kong original series, *Demon's Path*, which was picked up by Netflix for worldwide distribution (excluding China) and licensed to Celestial for distribution in Singapore, Indonesia and the Philippines.

During the year, we established direct relationships with China's top OTT players including iQIYI, Tencent and Youku to be their overseas content partner, enabling us to bring Astro customers the very latest Chinese web dramas and variety shows.



Netflix and Celestial acquired the distribution rights for *Demon's Path*, our first Hong Kong original drama series

eSports

Astro remains at the forefront of the burgeoning eSports scene through our eSports channel eGG Network, now present in eight countries on TV and OTT platforms. In December 2018, eGG Network co-organised the Kuala Lumpur Major, the first-ever Dota 2 Major

tournament in Malaysia alongside Imba TV and PGL. This ticketed event saw a peak attendance of over 7,500 people at Axiata Arena. The KL Major was dubbed in four languages and broadcast live through eGG Network, delighting local and international fans alike and garnering an impressive 1.8 million unique TV viewers via eGG Network and 18 million digital views on Twitch.tv and Facebook. The event was rated as among the Top 10 most popular eSports tournaments in the world in 2018 by Esports Charts.

Horror

In March 2018, we launched our horror channel, Boo in the Philippines through a partnership with Solar Media Corporation, expanding our footprint overseas.

A new dawn for Malaysian journalism

The monumental shift in the country's political landscape in FY19 acted as a catalyst towards greater press freedom with local media practitioners embracing the newfound liberty in news reporting. As a result, we saw Malaysia's ranking in the 2019 World Press Freedom Index improve by 22 spots. Importantly for us, FY19 also marked the emergence of our dedicated news channel, Astro AWANI as the 'Most Trusted Malaysian News Source', as polled by Reuters in its June 2018 Institute Digital News Report. AWANI's coming of age stemmed from its timely, unbiased and reliable news reporting throughout the 14th General Election ("GE14").

AWANI provided detailed coverage of every key election moment and throughout the first 100 days post-GE14 on its *100 Hari Malaysia Baharu* programme. Our in-depth coverage on polling day garnered a record-breaking 9 million unique TV viewers, more than 20 times above our daily average viewers. AWANI's website reached a record 8 million unique viewers with 42 million page views while 129,000 unique users engaged through our AWANI app and 834,000 views were recorded on Astro GO.

Meanwhile, AEC offered the latest updates in Mandarin during GE14. AEC's election result programme, *Polling Night* was broadcast live for seven hours and reached 1.4 million unique TV viewers. Our Mandarin news IPs, *Evening Edition* and *Prime Talk* emerged as Malaysia's top local Chinese programmes, outperforming local FTAs for the fourth consecutive year.

On the digital front, we launched Hotspot in April 2018, a Mandarin news and infotainment brand in conjunction with GE14 to complement our news and current affairs programmes. The digital brand achieved an average of 600,000 monthly active users and registered a fan base of 120,000 with over 12 million Facebook video views.



Astro AWANI was voted as the 'Most Trusted Malaysian News Source' as polled by Reuters in its Institute Digital News Report 2018

Strengthening our digital-first content (“DFC”)

FY19 saw continued focus on the creation of DFC to engage digital natives and drive digidex. Underpinned by compelling short-form vernacular DFC, Gempak and Xuan maintained their pole positions as the No. 1 digital entertainment brand and No. 1 local Chinese digital entertainment brand in Malaysia with a fan base of 5.6 million and 800,000, garnering 402 million and 24 million digital views respectively.

With over half of *MeleTOP*'s weekly episodes achieving over 1 million TV viewership and total YouTube views of over 484 million, *MeleTOP* emerged as our No. 1 entertainment news brand on TV and online. *MeleTOP*'s YouTube channel has grown aggressively this year with an increase of 84% in its subscriber base. Two of *MeleTOP* videos, *Maya Karin Muntah Darah & Ruffedge* on *Anugerah*

MeleTOP Era (AME) 2018 were listed in YouTube's Top 10 Malaysia Videos in 2018.

Hello TUNs – Malaysia's Amazing Couple, a Gempak original featuring an interview with Tun Mahathir and his wife, Tun Siti Hasmah during their birthday celebrations recorded an impressive 7.4 million digital views, making it the most popular Malaysian DFC. Our Chinese digital IP on Xuan, *May I Love You 2* that was released in 2018 garnered 1.4 million digital views and received several accolades including the Best Short-Form Content Award at the 2018 Asian Academy Creative Awards.

Signature vernacular IPs

Our compelling adex proposition is underpinned by our signature vernacular IPs, which are firm favourites of Malaysians and continue to record consistently high viewership and ratings. These span diverse formats including reality shows, dramas, variety and award shows.

Astro's homegrown Malay language content has engaged millions of viewers across all platforms. Our highest rated comedy show, *Maharaja Lawak Mega 2018* remains popular among the Malay-speaking community, capturing 3.9 million TV viewership and 26.7 million digital views. Our latest instalment of reality singing competition *Gegar Vaganza Season 5* featured comebacks from popular singers of yesteryear, recording 3.9 million TV viewership and 26 million digital views. Our reality singing IP, *Big Stage* capitalised on its popularity among younger viewers, recording 2.5 million TV viewership and 26 million digital views. Our No. 1 award show, *AME2018* recorded 3.1 million TV viewership and achieved a new voting record of 2.2 million votes through SMS and digital platforms. *Tak Ada Cinta Sepertimu* emerged as our top-rated drama in FY19 with 3.3 million TV viewership.

Classic Golden Melody (“CGM”) maintained its position as our No. 1 Chinese entertainment IP. With an enhanced format, the show successfully attracted participants from Singapore, China, Taiwan, and Indonesia to compete with our best local talent. With Taiwan's top TV host Sabrina Pai co-hosting the grand finals, *CGM* garnered a TV viewership of 395,000.

Addressing younger audiences, we introduced Malaysia's first androcentric entertainment variety programme, *Call Me Handsome 2018*. This IP attained 1.3 million digital views, the highest among all Astro's Chinese variety shows.

Our top Indian content, *Thigil*; Tamil travelogue, *Rassika Russika* and local reality singing competition, *Superstar* achieved 194,000, 190,000 and 152,000 TV viewership respectively.



We provided comprehensive coverage of key sporting events in 2018 including the Jakarta-Palembang 2018 Asian Games

A monumental sporting year

FY19 was undeniably a major sporting year for us at Astro as we captivated fans with in-depth coverage of sporting events across all platforms.

The biggest of them all, the 2018 FIFA World Cup graced Malaysians' TV screens engaging over 11.6 million football fans through our live coverage via two HD and two standard definition ("SD") channels, a 40% increase compared to the previous World Cup. 87% of Malaysians watched the 2018 FIFA World Cup via Astro channels, with another 1.0 million unique viewers watching through our apps Astro GO and NJOI Now. Fans were kept engaged with real-time scores, match highlights, match statistics and game replays from multiple camera angles for bite-sized viewing through our dedicated sports mobile app, Stadium Astro, which recorded 0.7 million unique viewers.



For more on the World Cup, refer to page 111, Customer and page 121, Experience

During the year, we also broadcast the 2018 Gold Coast Commonwealth Games via six dedicated HD channels covering all live events. Our coverage garnered 9.3 million unique TV viewers, up 15% from the previous edition. Our coverage of the Winter Olympics in PyeongChang through four dedicated channels resonated with 1.4 million unique TV viewers.

With six HD and six SD channels dedicated to the Jakarta-Palembang 2018 Asian Games, we engaged 8.4 million unique TV viewers over a two-week period as Malaysians witnessed the country winning its first sepak takraw gold medal in 24 years. The Harimau Malaya football team also went head-to-head against defending champions Japan in one of the most nail-biting matches in our country's football history.

Astro Arena produced the Sepak Takraw League ("STL") that reached 5.6 million unique TV viewers. The STL averaged 129,000 unique TV viewers per match, up 36% year-on-year. It was also live streamed on our OTT and the Stadium Astro website, garnering over 120,000 page views and drawing interest not only from ASEAN countries but also Egypt, Saudi Arabia, Australia and the United States.

Day/Date and OD content

We continued to strengthen our Day/Date content from the US, UK, Korea, China, Hong Kong, Japan, Taiwan and Singapore. In FY19, we increased our Day/Date titles to an all-time high of 227 titles, an 11% increase. Our OD content slate spanned various genres and languages catering to diverse customer preferences including Hollywood and Korean titles such as *The Voice*, *The Walking Dead* and *What's Wrong with Secretary Kim*. A noticeable shift in demand for regional Day/Date content led us to increase our Chinese titles by 30%. We upped our game this year by uploading the entire series on our OD platform prior to Day/Date TV premiere, allowing our customers to binge-watch entire series at their convenience.

Driving development through content

Nurturing local talents through our productions

We encourage and provide a platform for local talents to develop their creativity and skills to raise the standard and quality of locally produced content.

Championing local sports

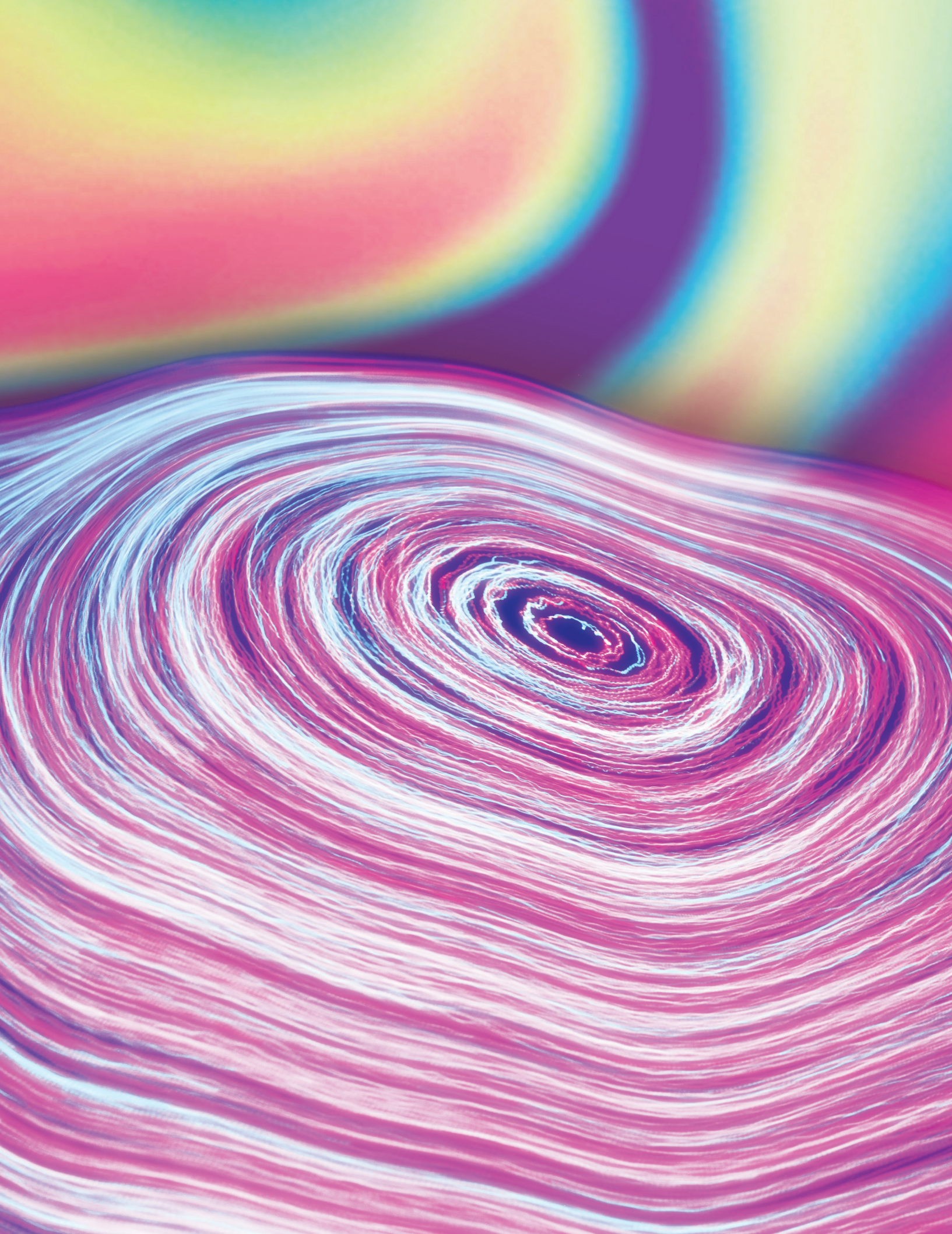
As the only operator in the region offering a dedicated 24-hour local sports channel on TV and OTT through Astro Arena, we are proud to play a part in boosting the local sporting scene by connecting fellow Malaysians to their favourite sports.

Raising education standards through edutainment

Astro's three Tutor TV channels for UPSR, PT3 and SPM are Malaysia's first and only dedicated exam revision channels to aid primary and secondary school students in their studies.



Our Tutor TV channels provide revision tips for primary and secondary school students



360° CUSTOMER TOUCHPOINTS

across multiple platforms -
we are just a call, a click, a post and a tweet away

CUSTOMER



Our customers can watch their favourite content via linear and On Demand on any device

Households

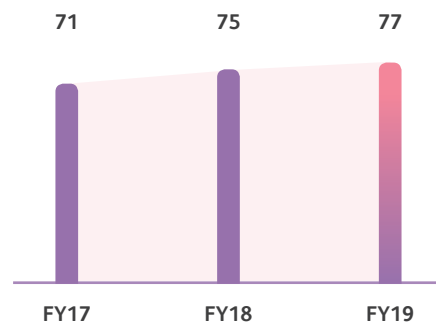
Expanding household penetration through dual-model approach

We continued to strengthen our presence in Malaysia in FY19, broadening our reach to 5.7 million households through our dual-model Pay-TV and NJOI propositions, and increasing household penetration from 75% to 77%. Our broad penetration provides abundant opportunities for advertisers to consolidate reach and tap into our diversified customer base, fuelling Astro's future adex and commerce growth.

Our eclectic content slate offers a wide array of choices for customers. In FY19, nine new HD channels were rolled out, including Oasis HD, Prima HD, Citra HD, Naura, Hello, beIN Sports MAX, Zee Tamil HD, Colors Tamil HD and Channel News Asia. To further drive the adoption of HD, we also launched the Starter Pack, which was positioned as the basic HD bundle with an add-on option at an affordable price point. In FY19, we observed an upward trend in PPV consumption which resulted in an increase in PPV revenue by 10% versus FY18 (excluding the 2018 FIFA World Cup). Overall, our ARPU remained resilient at RM99.9 in FY19 supported by the breadth and depth of our

value-added products and services. NJOI, our subscription-free service introduced six years ago utilises a freemium model by providing customers free access to 30 TV and 20 radio channels, beyond which a customer is able to purchase additional content on a prepaid basis. We maintained a steady growth trajectory for NJOI in FY19, driven by efforts to provide NJOI customers with more variety and value in our product offerings. To cater

Household penetration rate (%)



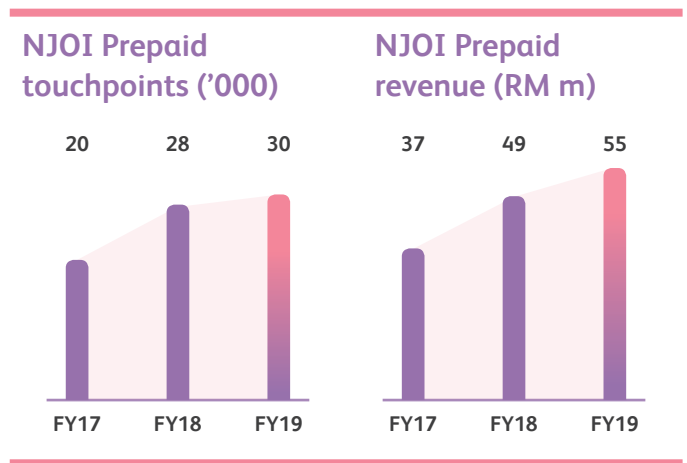
to different segments, we introduced a prepaid channel, Naura, targeted at contemporary Muslim audience, as well as tactical channel bundles including RaRa (Raya Ramadhan).

We also launched NJOI TV, a dedicated NJOI freeview channel that gives our customers quality content, sneak previews, as well as catch-up content of our prepaid offerings to further encourage prepaid purchases. The channel also provides NJOI customers with exclusive promotions such as Go Shop discounts. We developed a dedicated NJOI website to provide a focal point for customers' top-up and purchasing needs, and introduced a 'shopping cart' functionality and new payment options to allow for multiple purchases of channels and packs. Furthermore, with our expanding NJOI electronic prepaid touchpoints, covering 95% of nationwide convenient marts and 100% of local banks, our customers can now transact with greater convenience. By enhancing our offerings and simplifying the purchase experience, NJOI prepaid revenue increased to RM55.3 million, a 13% year-on-year growth.

Delivering the ultimate fan experience to sports enthusiasts

FY19 was a big year for sports, with an exciting line-up of major sporting events including the Winter Olympics, the Commonwealth Games and the highly-anticipated World Cup.

As the official broadcaster of the 2018 FIFA World Cup, we broadcast all 64 matches, 37 of which were exclusive to Astro in Malaysia under FIFA's Pay-TV broadcasting rights. We drove sales of more than 120,000 World Cup passes and special PPV single match passes, registering an increase of 18% in passes sold and a 48% hike in revenue compared to the 2014 FIFA World Cup as we capitalised on our multiplatform reach including Astro GO and NJOI Now, as well as Stadium Astro and the FIFA Virtual Reality ("VR") app.



nJOI Prepaid

Langgan sekarang dan berhiburlah sepuasnya daripada SERENDAH RM1 SEHARI

Layari <http://www.njoi.com.my>

NJOI BERBALOI 000i...

Tertakluk kepada Terma dan Syarat

NJOI offers 30 free TV channels with an option to purchase additional content on an à la carte basis

CUSTOMER



The biggest titles from Korea now on demand **VOD**

Our connected customers have access to over 25,000 hours of content within our OD library

Touching more lives than ever before

The recent liberalisation of Malaysia’s broadband sector provides a new opportunity for us to leverage our strong household penetration and expand our product offerings through value-for-money bundled broadband propositions designed for the connected lifestyle of the modern household. Within the IPTV space, we undertook a market realignment exercise to provide existing Astro-Maxis IPTV customers with speed upgrades and corresponding price reductions starting December 2018.

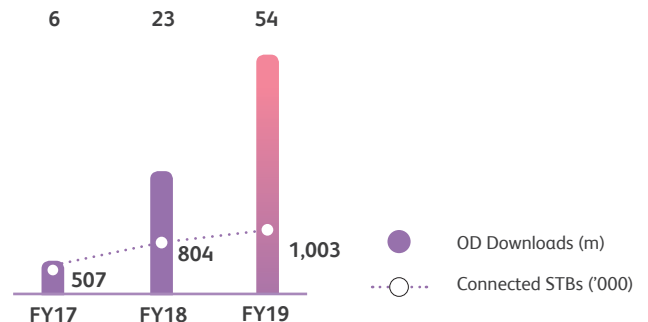
In early 2019, we collaborated with a TNB subsidiary on its pilot broadband initiative covering 1,100 potential homes in Jasin, Melaka where we offered a bundled broadband and content package starting from RM99. Following the encouraging success of the project, Astro continues to pursue collaborative partnerships in the broadband space to fuel customer demand for better connectivity, choice and convenience.

Catering to diverse viewing tastes

We continue to improve our offerings to enable customers to watch their favourite programmes, whether through linear or OD. In FY19, we grew our connected STBs by 25%, reaching over 1 million households, primarily driven by our aggressive marketing of OD offerings.

With our OD service, customers can download and watch movies and TV series instantly on TV or OTT. Customers utilising connected STBs, which are internet-ready, can access our OD library featuring over 25,000 hours of content which is regularly updated, including premiere episodes and a collection of content from past seasons for binge-viewing. In FY19, we differentiated our OD proposition by increasing popular Day/Date titles, offering content on-demand ahead of linear transmission, and investing in niche content. We also brought in more exclusive content with same-day TV series from Korea, China, Hong Kong and Taiwan, as well as the US and UK. With these initiatives, cumulative OD downloads more than doubled to 54 million and OD buys surged by 87% to almost 350,000.

OD downloads



Individuals

Developing individual relationships across our ecosystem

Alongside the expansion in our household reach, we remain strategically focused on replicating this onto the individuals' space to cultivate personal relationships with customers in our ecosystem through our OTT, digital brands, radio and commerce. Our foray into data and analytics has allowed us to understand our customers better at an individual level and enhance our offerings to cater for their progressively digital lifestyle needs.

Engaging individuals through OTT

Championing a seamless multiscreen experience across TV and personal devices, Astro GO provides Pay-TV customers access to live streaming of channels and an OD library with over 26,000 hours of content anytime, anywhere. NJOI Now, our freemium OTT platform, allows registered users to watch 20 Astro channels and selected OD content for free, on top of a library of local and international content that users can watch via PPV.

In FY19, Astro GO registered users increased by 32% to 2.2 million with an average weekly viewing time of 149 minutes per active user. NJOI Now was launched in FY18 and its registered user base has since steadily grown to 221,000 with active users consuming an average of 137 minutes of content weekly.

Following a strategic business review conducted towards the end of 2018, a decision was made to cease operations of our regional OTT Tribe and live streaming app Tamago due to the challenging landscape, resulting in disproportionate cost liabilities from marketing, content and technology perspectives as compared to the potential for monetisation. We continue to serve our regional audience through content collaborations.

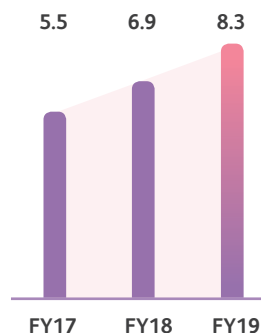
Engaging through digital offerings

Our digital offerings boast a variety of means to engage with individuals online as individuals look beyond one-size-fits-all

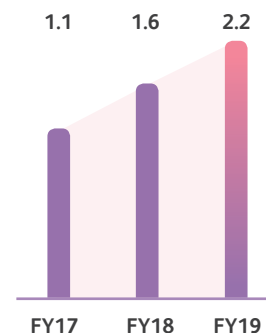
experiences in a world of personalisation. Over 8.3 million average monthly unique visitors access our popular vernacular digital brands, a steady 20% increase from FY18. These include Gempak, AWANI, Xuan, Ulagam, Rojak Daily, and Syok, which features the latest local entertainment, lifestyle and millennial-centric news.

In FY19, Astro's digital marketing arm, Blaze Digital, partnered Nu Ideaktiv and GMK to create Malaysia's largest Malay digital content network. 15 popular brands such as Remaja, Mingguan Wanita, Media Hiburan and Rasa supplemented our array of digital brands, allowing us to not only meet the growing demand of consumers for direct-to-consumer vernacular brands, but also provide advertisers more customised advertising solutions leveraging the greater digital ecosystem including social, audience extensions and influencer marketing. We are committed to innovation and the enablement of digital engagement in traditional platforms to facilitate interaction between customers and their favourite brands through radio, TV and even print ads in real time.

Average monthly unique visitors on digital brands (m)



Astro GO registered users (m)



No. 1 digital entertainment brand in Malaysia



402m

FY19 digital views

5.6m

Fan base

No. 1 local Chinese digital entertainment brand



24m

FY19 digital views

800k

Fan base

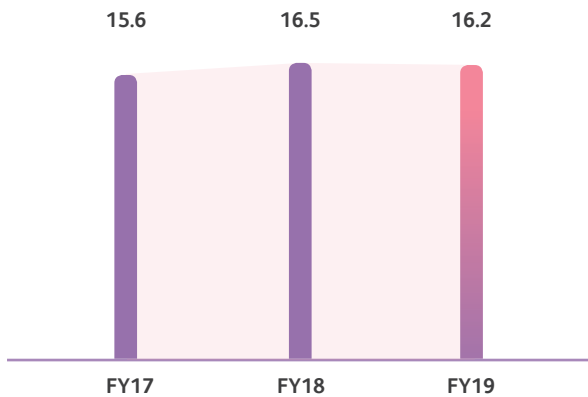
CUSTOMER

360° radio engagement

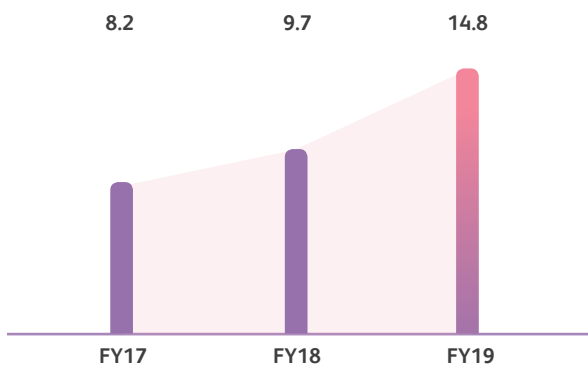
Astro Radio has evolved over the years into a brand that connects communities beyond traditional airwaves, expanding to mobile, web, social media, on-ground events and talent.

With our “Watch Radio” tagline, we continued to solidify our online presence by focusing on curating and creating content which resonates with different segments of the population through our 11 brands. In FY19, we reached a weekly audience of 16.2 million, alongside 1.0 billion video views, 17.9 million social media followers, and 14.8 million average monthly digital streams (where people listen to us digitally both online and through our apps). Our overall footprint comprising terrestrial and online has grown, underpinned by the accelerating traction in our digital footprint.

Terrestrial Weekly radio listenership (m)



Online Average monthly digital streaming sessions (m)



Amid the fluid media landscape, Astro Radio stays relevant – once again emerging as Malaysia’s top radio operator across all four major languages. ERA, Malaysia’s top Malay-language radio brand brings in a 6.2 million weekly audience, while HITZ is the top English brand with a 2.4 million weekly audience. MY and RAAGA also maintain their incumbent pole positions in the Chinese and Tamil-language segments, with 2.0 million and 1.2 million weekly listeners respectively.

Our digitally-led radio brands ZAYAN and GOXUAN just celebrated their first anniversary in October 2018, having achieved growing popularity with their specific target markets – the tech-savvy modern Muslims and the younger Chinese digital natives. ZAYAN and GOXUAN respectively garnered around 165,000 and 95,000 digital streams monthly. Both achieved over 30% in monthly Facebook engagement rate compared to the industry average of 4%, signalling a promising start for our newest brands.



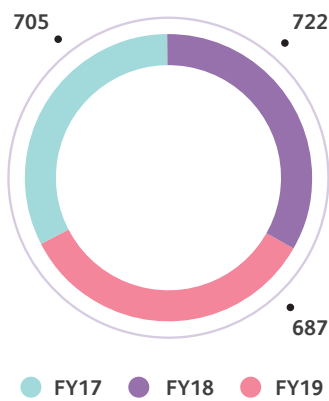
ERA continues to be the top Malay-language radio brand, entertaining and engaging over 6 million listeners weekly

Sustaining adex with our multiplatform reach

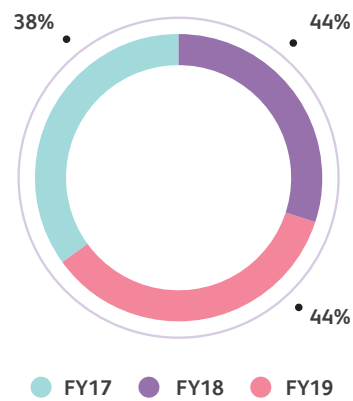
With our multiplatform media reach encompassing households and individuals, we continue to attract strong audiences and engagement on TV, radio and digital brands. Astro’s integrated adex proposition is attractive to marketers, differentiated by creativity and boosted by our strength in content, talent, on-ground events and growing data capabilities for audience targeting.

Despite a challenging advertising market in FY19, Astro’s share of TV adex, radex and digidex increased to 44%, 76% and 5% respectively. Adex totalled RM687 million, down 5%, amid a 2% contraction of the Malaysian adex market. We initiated disclosure of digidex in FY19, which grew by 43% to RM50 million, and we will continue to prioritise growing our presence in the digital space.

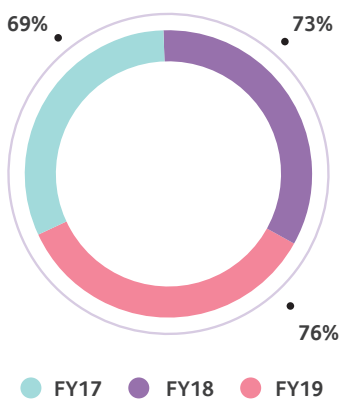
Total adex revenue (RM m)



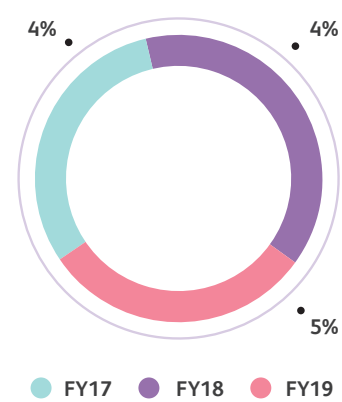
TV adex share*



Radex share*



Digidex share*



Note:

* Digidex is disclosed as a standalone component in FY19, prior years’ comparatives have been restated accordingly

CUSTOMER



Dato' Seri Siti Nurhaliza broke Go Shop's sales record during the launch of her limited edition Vantage cookware in January 2019

A holistic shopping experience for all

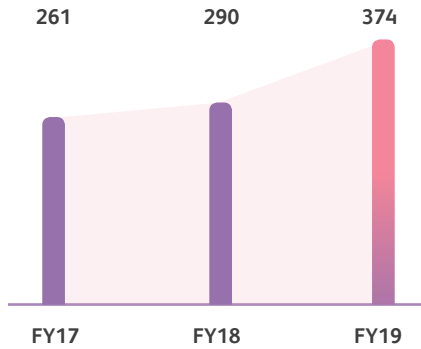
Now in its fourth year of operation, Go Shop, our commerce business continues to grow as Malaysia's No. 1 home shopping platform. Revenue increased by 29% to RM374 million while Go Shop's registered customer base has grown by a similar percentage to 1.8 million.

Go Shop's position as a premium commerce platform leverages the popularity of Astro's content production and breadth of talents and social influencers, as evident in the success of its flagship programmes such as *Chef Wan the Shopping King*, *Go Pak Nil* and *Mei Yan Show*. We also welcomed celebrities including Dato' Seri Siti Nurhaliza and Dato' Aliff Syukri to host special Go Shop live shows which have been very well-received.

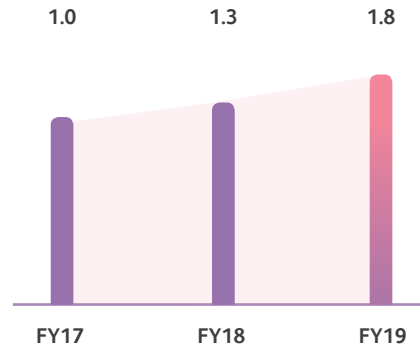
Alongside our three dedicated Malay and Mandarin Go Shop channels, in FY19 we introduced programming in Tamil and English on Vaanavil and Hello channels respectively. We also produced Go Shop programmes featuring different dialects that are aired on Astro vernacular channels including Wah Lai Toi (Cantonese) and Hua Hee Dai (Hokkien).

We cater to our diverse customer base by creating differentiated content formats across various platforms. Short-form content including *Go News* and *Masterclass for Raya Season*, as well as live streams on social media platforms deepened customer engagement and reach across smaller screens. Collaborating with GEGAR, Malaysia's No. 1 East Coast radio brand, we delivered Malaysia's first radio home shopping experience to audiences via GEGARMall. In addition, we have successfully trialled a 360° engagement with our customers via *Chef Wan the Shopping King* programme with on-ground events to complement his live shows on TV.

Revenue (RM m)



Registered customer (m)



Our diversified product solutions, ranging from beauty and fashion products to household and digital items, serve customers from all walks of life. This is complemented by partnerships with multiple logistics companies to ensure smooth product delivery and return processes, as well as a user-friendly payment system that allows our customers to purchase products with ease using debit and credit cards, online banking, cash on delivery and e-wallet.

Our multilingual, multiplatform and multiproduct strategy resulted in a wider customer reach across TV, OTT, radio and digital platforms as we continue growing Go Shop and delivering a premium shopping experience to customers.

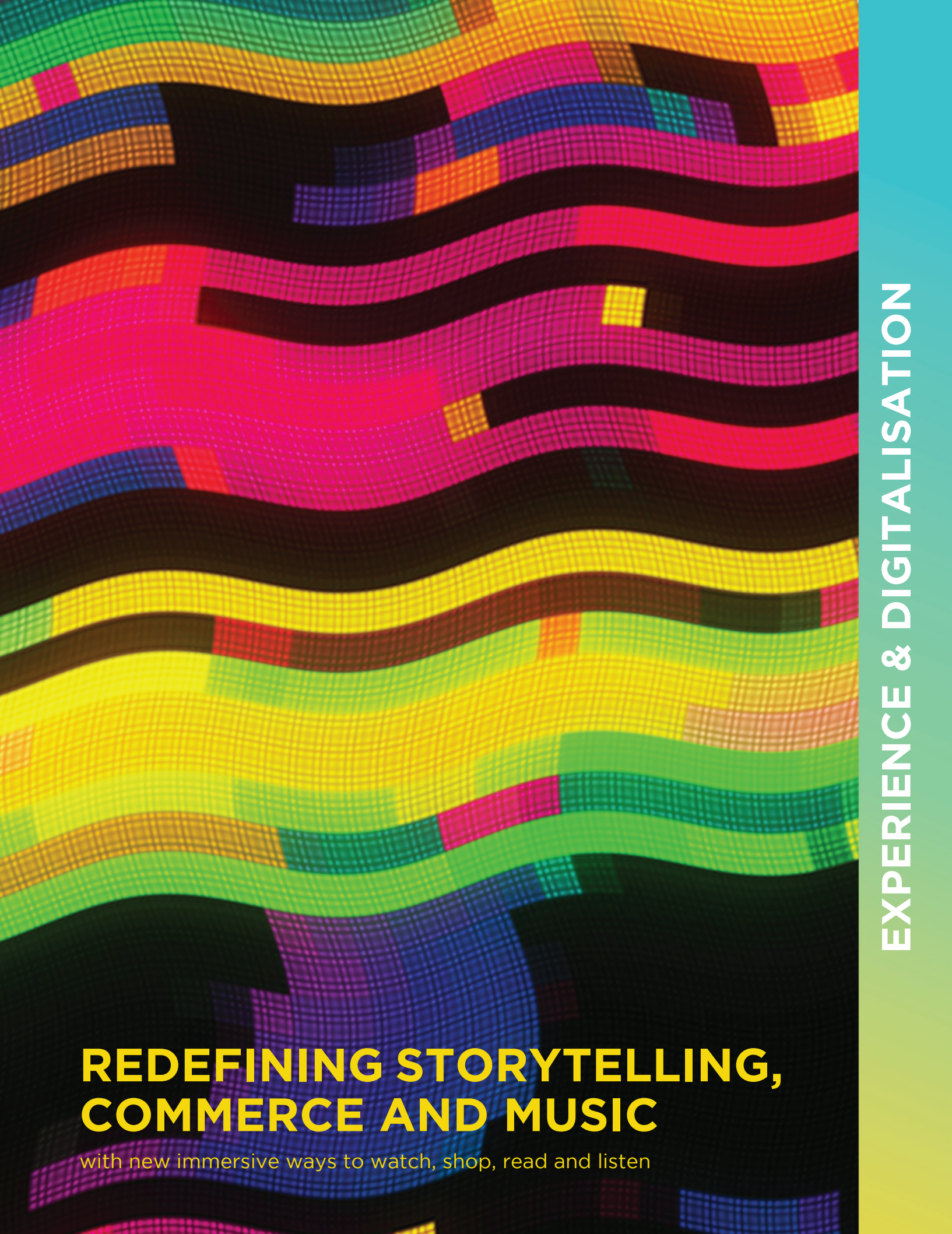
Prioritising local enterprise in sourcing

Go Shop, our commerce arm focuses on bringing about positive economic outcomes to the local community by prioritising local vendors in sourcing for merchandise. Over the last three years, over 95% of Go Shop’s merchandise was sourced from local SMEs.



We promote products sourced from local SMEs to boost demand for domestic goods





EXPERIENCE & DIGITALISATION

REDEFINING STORYTELLING, COMMERCE AND MUSIC

with new immersive ways to watch, shop, read and listen

EXPERIENCE



astro
REWARDS
Exclusively for ASTRO customers



We continue to reward customers through exclusive privileges and offers via Astro Rewards

The emergence of faster connectivity and demand for deeper personalisation of content provides opportunities to engage, interact and better understand customers. Throughout FY19, we continued to enhance and simplify customer experience across every touchpoint with the goal of designing a delightful customer journey.

Digitalising customer care

In FY19, we placed a strong focus on improving our existing self-serve channels to provide customers with the flexibility to manage their subscriptions at their fingertips.

Having previously integrated the payment gateway into our Channel 200, the on-screen self-service platform for Pay-TV and NJOI customers, we continue to upgrade payment functionalities

across other parts of our value chain. This year, we added payment capabilities to our MyAstro mobile app, offering our customers the convenience of managing their subscription and bills in a hassle-free manner. With the revamp of MyAstro, customers can now purchase à la carte channels and packages, and settle their bills using the app, thus streamlining the payment process. Meanwhile, our chatbot is now able to facilitate transactions including bill payment and NJOI prepaid credit top-up, going beyond providing general support and service.

In line with our focus on sustainability, we continue to actively promote paperless billing through our Greenleaf Project. Customers can opt for e-bills via email and SMS free-of-charge, or physical bills at a RM3 fee. As a result, 50% of our Pay-TV customers are now on e-billing, a six-percentage point increase year-on-year.

The 2018 FIFA World Cup presented Astro with an opportunity to showcase our omnichannel capabilities in serving customers. Through an array of contact touchpoints, ranging from our on-screen self-service Channel 200 to our customer call centres, customers were able to simplify and fast-track their subscription journey for event passes. Additionally, to cater to tech-savvy football fans, the Stadium Astro VR app was unveiled, allowing our customers to watch all matches live with a 180° VR view. Whether with a VR headset or a standalone smartphone, our Sports Pack and World Cup pass subscribers were able to customise their own camera angles of the match, giving viewers the chance to experience an adrenaline rush watching the game in super slow motion and from an aerial view. Encouragingly, our VR app recorded 145,000 engagement sessions, demonstrating customers' interest in this interactive and immersive sports viewing experience. This was our best World Cup ever, with over 11.6 million unique viewers watching on TV, up 40% from 2014, and 1.7 million streaming digitally through our apps. In total, 87% of Malaysians watched the 2018 World Cup on Astro TV channels.

Rewarding customer loyalty

Astro's market position as Malaysia's preferred content provider would not be possible without our customers' loyal support. As a way of thanking our customers, we continued to enhance Astro Circle, our loyalty programme.

In FY19, over 1.2 million participants took part in Astro Circle's engagement sessions, ranging from points redemption and contests to bespoke events and lifestyle privileges, a 20% increase year-on-year. Our attractive offerings include the redemption of bill rebates, alongside Astro First and Astro Best titles, and festive-exclusive merchandise for Chinese New Year and Hari Raya. Tickets to major events, including sold-out concerts by Jacky Cheung, Mariah Carey and K-Pop groups like Wanna One and WINNER were major draws, along with discounts on entry tickets to Legoland and Hello Kitty & Thomas Town theme parks in Johor.

Throughout the year, we also introduced new exclusive events for different target segments leveraging thematic content such as the World Cup, where we held viewing parties and sponsored lucky participants to Russia, as well as experiences designed to cater to differing personal interests, such as Specialty Coffee Barista and Parent-Child Baking workshops.

FY20 will see the introduction of Astro Rewards, a new programme that will enable our Pay-TV customers to enjoy a variety of exclusive rewards and privileges at participating merchants and stores. In conjunction with the 2019 Chinese New Year celebrations, Astro Rewards campaigns were launched featuring financial and retail offers. We have since included offers on smartphones, as well as concert tickets for Jason Mraz, K-Pop band Super Junior, Leon Lai and Hins Cheung. We will continue to foster strategic partnerships with key merchants to deliver more exciting rewards to our customers.



Our VR app offered an immersive World Cup viewing experience for football fans

DIGITALISATION



Astro has progressed well in our digital transformation journey, having concluded the second year of our three-year partnership with AWS. With the foundations for becoming a cloud and mobile-first company now firmly established, Team Astro is working in an innovative and iterative manner to delight customers by leveraging contemporary and emerging technologies.

Digital transformation goes beyond digitalising organisational processes and adopting cutting-edge technologies, it also encompasses cultivating a change in mindset and culture to drive workplace transformation.



PEOPLE

Cross-team structures and industry-leading training empower our people to better collaborate in shaping the future of Astro by constantly aligning customers' needs with agile practices.



CULTURE

By changing our mindset and dispelling preconceived notions that perfect ideas require large one-off investments, to one rooted in business agility where ideas can be democratised via small iterative processes for fast go-to-market improvements, we are able to quickly adapt to customers' changing expectations.



TECHNOLOGY

With technology as an enabler, we are enhancing asset efficiency and automating processes by embracing cloud, analytics, and machine learning ("ML").

PEOPLE

Cross-functional teams and scaling digital talents

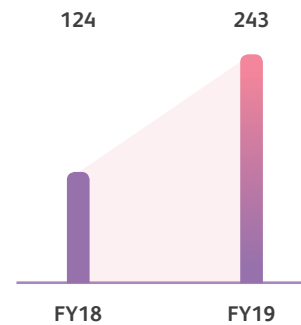
Working closely with AWS, Astro piloted the restructuring of selected teams into customer-centric cross-functional teams to remove silos and cultivate an agile and innovative culture driven by iterative improvements and rapid experimentation through prototyping.

The Cloud COE is one of our first cross-functional teams that was established to manage and oversee cloud products and services, ensuring cloud best practices are adopted across the organisation. Since its setup in May 2018, we have recorded a reduction in time-to-market of new products and features, improvements in applications' stability, enhancements in security compliance and a reduction in overall cost-to-serve. In FY20, we will continue to scale this initiative to teams across Astro.

In parallel, Astro is building a pool of digital talents with the necessary capabilities to design, build, operate and optimise cloud and emerging technologies for faster time-to-market. We are equipping digital talents with the necessary technical skills to drive our digital transformation. In FY19, more than 200 professionals and specialists across different technology areas such as cloud, data analytics, DevOps and cyber security were trained under the CTP

programme. Through this initiative, we have developed a strong pool of AWS certified architects, developers, system engineers and scrum masters to help lay a strong foundation for Astro to operate in the cloud, with documented standards, quality assurance and automation. As one of the largest users of public cloud services in Malaysia, these initiatives are essential to ensure we continue to operate in an optimised and efficient manner.

No. of CTP skill sets trained



Astro is building a pool of innovators via our CTP and CIP programmes

CULTURE

Innovation to compound customer value

In FY19, Astro continued to establish support mechanisms to nurture and manage ideas to propel the organisation innovatively using design thinking and lean methods. The CIP training has been transitioned from being conducted by AWS to being internally led by Astro's innovation champions, with more than 300 talents completing CIP Levels One and Two in FY19 under the guidance of seven Astro trainers. CIP Level One focuses on innovation frameworks and tools whereas Level Two emphasises incubation of qualified ideas with executive sponsorship. This enables us to experiment and validate potentially viable ideas and make prompt decisions to shelve unsuccessful projects at an early stage, thus avoiding unnecessary costs.

A robust external ecosystem was established to contribute a pipeline of ideas and expose Team Astro to new frontiers. Our talents excelled at AWS hackathon events by developing prototypes of automated football highlights and subtitling. Having won first place at AWS Hackdays Malaysia, we emerged second runner-up in the grand finale of AWS Hackdays 2018, the biggest offline hackathon in Southeast Asia which was held in Jakarta in September 2018. We also teamed up with one of our partners to organise a hackathon event, leveraging their extensive global employee network and expertise to generate ideas to deliver better products and services to Astro's customers. Driven by a culture of innovation, management teams across Astro business units assembled to reimagine our business and services in the ANT Workshop series.

Championing sustainability through digitalisation

We are streamlining processes to improve productivity through the adoption of digital tools in areas including human capital management, IT service solutions, content management, and customer relationship management. To encourage customers to switch to e-billing, we introduced a RM3 fee for each paper statement issued since June 2018, in line with our commitment to go digital and deliver a fast and convenient billing experience to our customers while reducing paper waste.

In championing equal access to quality education, we collaborated with local media and telco partners to launch JomStudi – a digital learning platform aggregating quality educational material for students. Astro's educational content is made available on the JomStudi platform and is accessible to students including those in remote areas, hence reducing the need for printed materials.



Astro's educational content is easily accessible to students via the JomStudi platform

The ANT Workshop series: Cross-organisational workshops to reimagine our business

We conducted a series of ANT Workshops in FY19 to ensure Astro's priority areas are aligned to the needs of customers. Team Astro was asked to reimagine business models, rethink the way we serve customers, and change fundamental business rules to augment customer value.

"We picked the humble ant for its qualities of being great team players, efficient and hardworking. Despite its size, the ant is able to conquer bigger predators through collaborative efforts and perseverance. Team Astro must be like ants in the new borderless world, small yet immensely powerful when we work as one," emphasised Astro's then CEO Designate, Henry Tan.

Intentionally introducing talents from different parts of the organisation to look at priority areas and opportunities, the workshops were orchestrated using Amazon's working-backward methodology and structured with leading standard of innovation activities to spur debates, ideation, and feedback from various lenses, especially the customers'. Every team had an assigned customer role – an individual whose task was to probe and challenge thinking.

Insights garnered from the workshop were taken forward by business teams to test and incorporate as strategies. Ideas to shift business enablement have since been put into practice, including a revised group annual planning process that promotes cross-organisational visibility and support in achieving common goals. We are confident that the resulting customer-first initiatives will deliver positive experiences across Astro's ecosystem, allowing us to capture adjacent opportunities within the households we serve.



A series of ANT Workshops were held in FY19 to align priority areas to customer needs



TECHNOLOGY

Magnifying customer insights and business efficiencies through ML

Acceleration into cloud-based services has helped us overcome capacity limitations inherent in on-premise IT infrastructure while reducing our IT infrastructure footprint and maintenance costs. The flexibility of cloud solutions allows us to shift from a capital-intensive model to one which is asset light and pay-as-you-go, enabling us to harness emerging technologies available on cloud to continue strengthening our core business.

In FY19, we enhanced business efficiencies and insights through the use of data analytics to further automate processes and support key business goals such as personalisation, upselling, retention and cross-selling.

We started tapping into new opportunities, leveraging on emerging technologies such as ML, computer vision and Natural Language Processing (“NLP”) to enhance content search and recommendations for customers. We further digitalised through Robotic Process Automation (“RPA”) to automate manual tasks and boost work efficiencies.



Astro won third place in the grand finale of AWS Hackdays 2018, the biggest offline hackathon in Southeast Asia

Highlights of our FY19 digitalisation accomplishments

Content acquisition, processing & recommendation

To unlock the value of our extensive in-house content library, we initiated the migration of our core content archives comprising over 500,000 hours of content into the cloud. By integrating automation capabilities into our core operations, we shaved content turnaround time from our archives by half, thus increasing content delivery efficiency. We also started exploring content acquisition with immediate simultaneous review capability, even at remote production locations, to help us deliver the right content faster based on a customer's profile. Combining analytics with ML, we updated the content recommendations from tag-based to AI-based for some of our digital brands, which has contributed to a significant increase in the click-through rate as well as average page views.

Efforts to localise our content include deployment of a cloud-based subtitle automation platform utilising deep neural machine translation which can double our subtitle production efficiency by halving the time required to generate local language subtitles compared to purely manual endeavours.

With unified metadata publishing capabilities in the cloud, connections were established between our assets which enabled quick recommendations of more personalised content to our viewers. Our cloud-based AI and RPA also enhanced our content processing abilities by automating content scheduling and ensuring relevant content information is displayed to viewers in a timely manner.

Sales conversion

We integrated our sales platforms and optimised our end-to-end process to allow for better conversions from the point when leads are received to order creation, hence reducing redundancies and the need for multiple data entry.

Additionally, our call centre system has been enhanced to effectively flag out potential sales leads from the respective omnichannel sales team in a shorter amount of time to further nurture leads, resulting in higher conversions. We also applied predictive analytics to drive take-up rates of sales campaigns across the board.

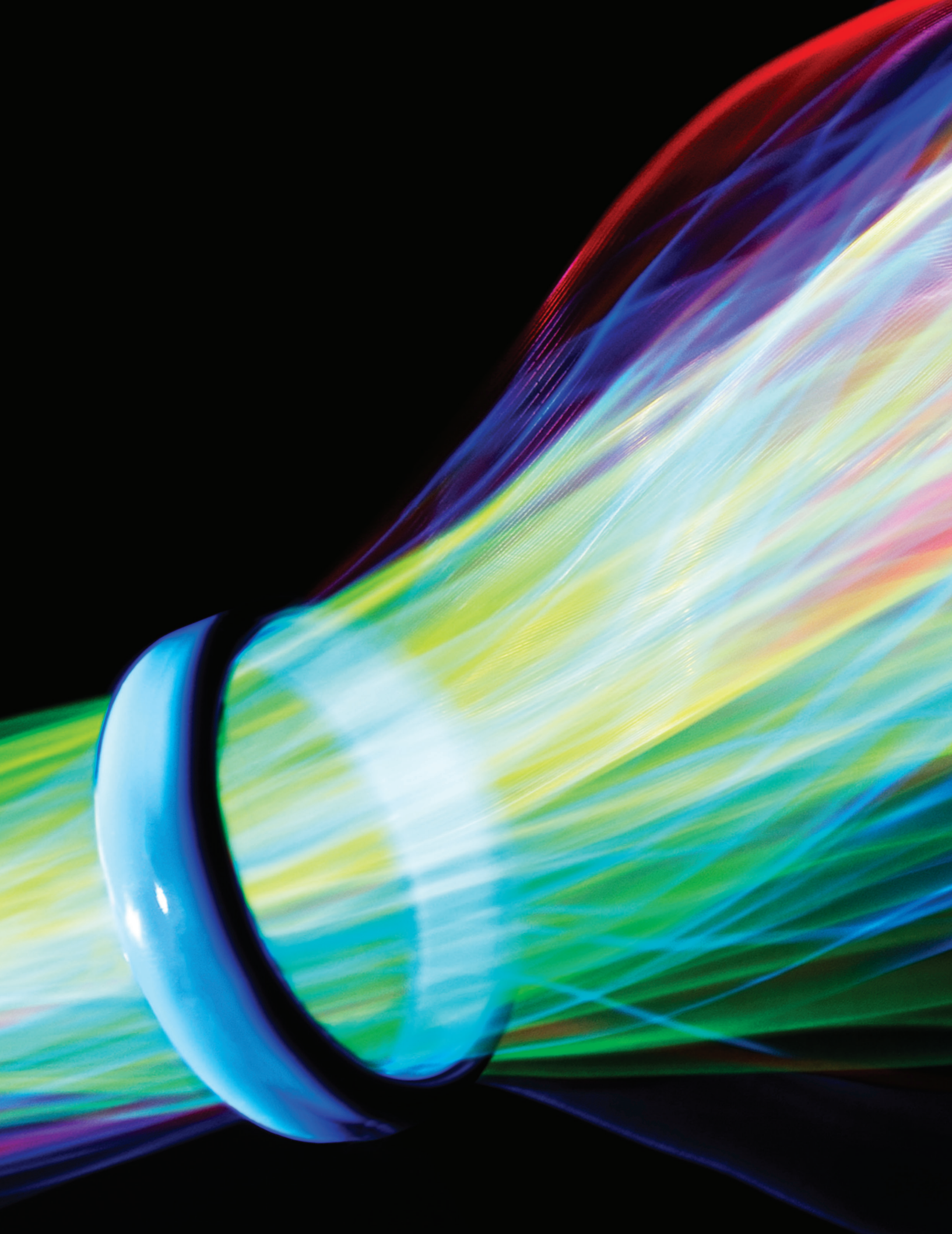
Customer care

Through progressive digitalisation of our call centres, we enhanced our capabilities with technologies that include digital interactive voice response while further driving customer engagement and experience through chatbot, social media and self-serve portals.

Technical operations

To improve the operational resilience and stability of core customer relationship management and billing systems, next-generation monitoring capabilities were introduced utilising trend analysis and analytics to predict and pre-empt possible service disruptions, resulting in a dramatic reduction in system outages since its introduction.

The use of AI and NLP technology has also allowed for automation of service requests received by the technical operations service desk, reducing resolution time of high-frequency technical requests from an average of 48 hours to under an hour, and leading to an improvement in overall customer experience.





TALENT

**SHAPING ART,
CULTURE,
ENTERTAINMENT**

and lifestyle, our talents leave a lasting
impact on our fans

TALENT



Through the Astro Champs Awards, we celebrate the academic success of our talents' children in national examinations

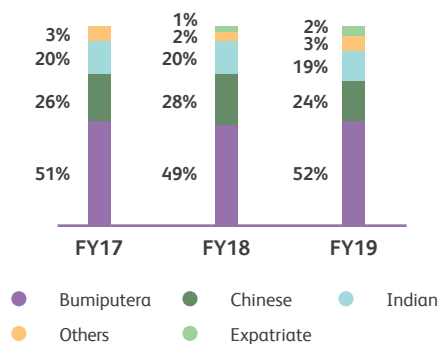
Astro's ability to serve Malaysians as the nation's content and consumer provider of choice draws upon the diversity of Team Astro's talents numbering 4,671 in terms of cultural background, age demographics and gender composition. Astro views talent diversity as crucial to driving innovation within the company and we practise an equal opportunity hiring policy without discrimination on grounds of race, religion, gender, age, sexual orientation and disability.

As at the end of FY19, 49% of our talents are women, with 43% of Senior Leadership roles being held by women. The average age of our talents is 34 and 98% are Malaysians. The increase in headcount seen in FY19 is primarily due to the conversion of certain contract employees to permanent status. As at the end of FY19, around 10% of our workforce are contract employees. Our annual permanent staff turnover rate is 12.5%.

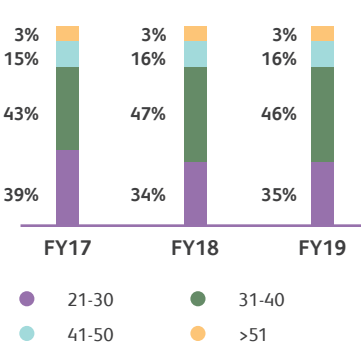
Astro is committed to attracting, developing and retaining top talents from diverse backgrounds, both experienced hires and graduates alike. In this age of increasing digitalisation and disruption, our priority is to inculcate an innovation-driven and growth mindset in our talents through various learning and development programmes. Our employee benefits are structured to be flexible and tailor-made to our talents' needs while our scholarship programme is focused on STEM fields to ensure a sustainable talent pipeline for Astro.

Our Group undertook a strategic business review at the end of 2018, which included a reassessment of our overall talent strategy to allow for a sufficiently nimble, lean and agile workforce that is able to effectively address the vibrant competitive landscape. In December 2018, we announced an ESS that was taken up by around 10% of our workforce. This exercise, which was completed at the end of February 2019 allowed us to redesign our organisational structure, consolidate roles, and streamline processes.

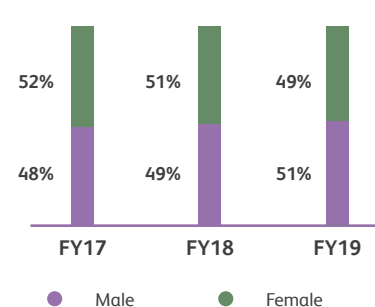
Ethnic composition*



Age composition*



Gender composition*



* Based on pre-ESS headcount of 5,302 as at 31 January 2019. Headcount post-ESS as at 28 February 2019 numbered 4,671



Digital

We delivered the CTP programme that imparts a structured approach to building capabilities around cloud technology and analytics. Our focused efforts led to Astro winning the Talent Accelerator Award for Malaysia by IDC in 2018.



Innovation

The CIP programme challenges our talents to innovate from within, working with mentors in specialised CIP workshops that provide the support framework necessary to incubate product innovations.

Continuous learning and development

In line with the organisation’s digital transformation journey, Astro continues to provide learning opportunities to upskill, reskill and develop the capabilities of our talents. FY19 marks a strong shift towards building a culture of learning enabled and supported by digital learning assets. Programmes in FY19 focused on learning and development themes relating to digital and innovation.

Our annual three-day Astro Learning Fest engaged 2,373 participants in a total of 65 learning sessions. More than 3,900 hours of learning were recorded, an 84% increase year-on-year, in the fields of science, technology, engineering, arts and mathematics.

All employees are also required to complete internal training modules covering areas of business ethics, OSHE, risk, IT security and protection, and handling of RPTs. Learning hours in FY19 totalled 51,820, averaging more than nine hours per employee.

Building a sustainable talent pipeline

Astro Scholarship Awards

The Astro Scholarship Awards continues to recognise and reward outstanding students with a total of RM31 million extended since its inception in 2005, benefiting 68 high-achieving graduates to date. In FY19, we awarded two deserving students full scholarships to pursue their tertiary education in actuarial science and civil engineering respectively, joining a further 14 Astro scholars who are currently studying abroad.

Propelling industry talent

As the talent management arm of Astro, Rocketfuel continues its specialised focus on influencer marketing, music IPs and digital content creation. Rocketfuel currently manages 147 talents with over 42 million fans on social media, and 20 million music streams and digital downloads. In addition, Rocketfuel has 38 talent-driven digital IPs on YouTube with over 1.5 million subscribers and 274 million views collectively.

Rocketfuel offers marketers end-to-end solutions and access to popular social influencers with the right brand fit and relevance. In FY19, Rocketfuel continued to develop new digital IPs and talents for eventual regional expansion including 16 Baris, Harvinth Skin, Hael Husaini, Chaleeda, Syamel and Ernie Zakri.

Our Talent Programmes

1

Management Associate Programme (MAP)

Astro continuously seeks to build a sustainable organisation by grooming young Malaysian talents. We welcomed 12 graduates into the seventh and eighth cohorts of MAP in FY19. The 24-month programme is designed to hone their capabilities through rotations across various key business units based on their development needs and interests. To date, we have 14 exceptional individuals who have graduated, and 22 future leaders currently enrolled in the programme.

FY19 marks our fifth year of partnership with Teach For Malaysia. Our MAP candidates were posted as teaching assistants in high-needs schools across Malaysia for three months, providing exposure to diverse communities and building their leadership skills in classrooms. MAP candidates undergo a series of learning checkpoints and training sessions to hone the necessary skills required for classroom teaching that are also applicable to their professional development.

2

Technology Associate Programme (TAP)

FY19 marks our second year of TAP, where we welcomed onboard three new graduates who are passionate about technology. There is a total of nine graduates currently enrolled in the programme. TAP candidates undergo job rotations in our Technology COE to sharpen their business and technical acumen with the aim of becoming well rounded specialists in the technology space.

3

Leadership Exploration and Development (LEAD) Programme

Astro collaborated with the United Kingdom & Eire Council of Malaysian Students (UKEC) to host the LEAD programme, an intensive three-day boot camp for Malaysian tertiary students held in January 2019. 61 participants attended this programme, including 10 Astro scholars. Held in Manchester, these promising young Malaysians honed their leadership skills through solving business challenges within a simulated real-world context. Our CEO Henry Tan was present and shared his insights with LEAD participants on the interpersonal qualities that are essential to achieve business success in today's environment.

4

Internship Programme

Under the Astro Internship Programme, placements were offered to over 90 tertiary students in FY19. Outstanding performers are earmarked for graduate recruitment upon completion of their tertiary studies.

5

Astro Champs Awards

To encourage academic excellence, 25 children were awarded prizes during the Astro Champs Awards held in September 2018. This award is open to the children of Astro's employees to celebrate their success in national examinations across all levels from UPSR to A-Levels.

MANAGEMENT & TECHNOLOGY ASSOCIATES



From left to right

Brianna Chang Pei Shan

BSc Mathematics with Statistics
- Imperial College London

"I have the opportunity to initiate projects that could be a game changer."

Ahmad Akmaluddin bin Ahmad

MEng Computer Science & Electronics
- University of Bristol

"My journey has been rewarding and amazing."

Thavakumaran a/l Jeyanathan

MEng (Honours) Mechanical Engineering
- University of Manchester

"I am on my way to becoming a full stack developer."

Siti Farhana binti Sheikh Yahya

MA Conflict, Security and Development
- King's College London

"I am able to pursue my passion in helping the underprivileged community."

Natalie Chang Siu-Ying

Bar Professional Training Course
- City, University of London

"My experience will equip me to take on future challenges with confidence."

Lemuel Ong Chin Shan

BA Film and Media Studies
- Calvin College, Michigan

"There is never a dull moment in Astro!"

TALENT

Rewarding talents through attractive employee benefits

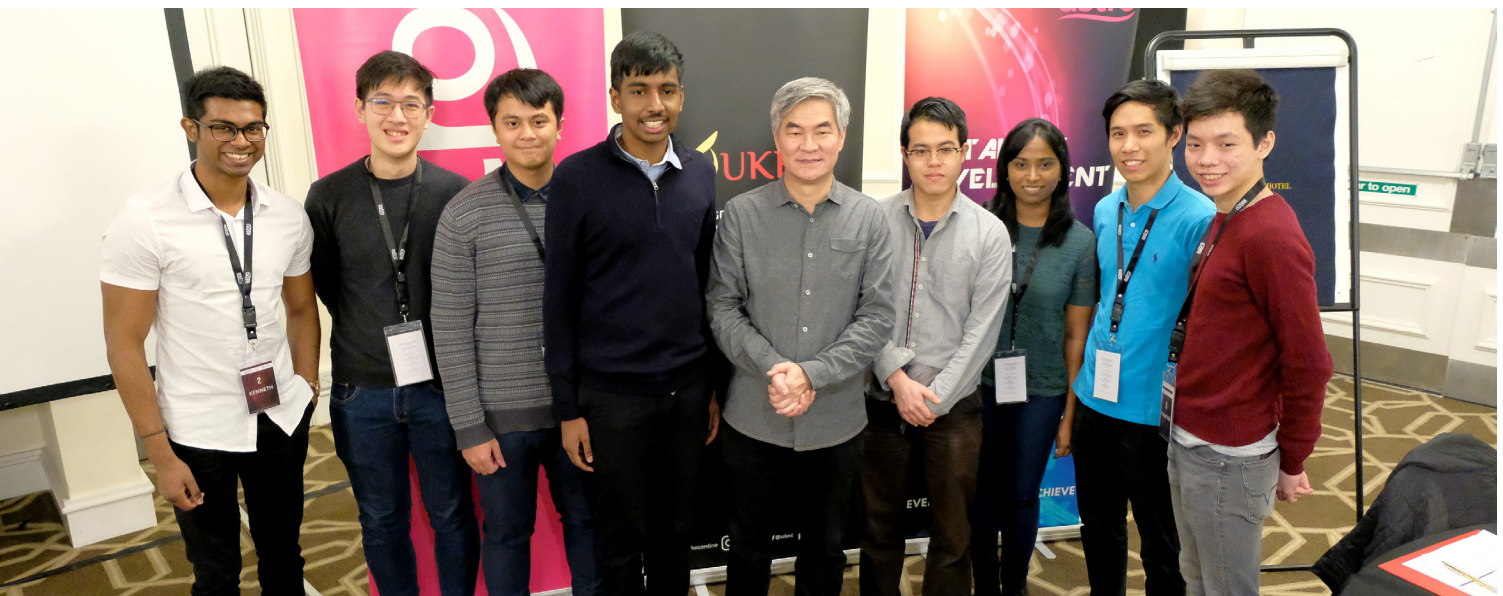
We provide flexible and customisable employee benefits to attract and retain talents in Astro. myChoice@Astro offers a flexible benefit arrangement encompassing a range of core and flexible benefits. Core benefits include medical coverage, life, health and personal accident insurance while the flexible spending account can be utilised for various means including health and wellness, technology, annual leave as well as medical leave incentives. Our talents are also entitled to a subsidised Pay-TV subscription.

To ensure our pay scale is reflective of current market trends, Astro's annual remuneration review provides an avenue for an increase in the base pay of eligible employees. In FY19, the average increment rate accruing to our workforce was competitive in relation to the national average. This yearly exercise is also used as a tool to gradually equalise pay variances between employees performing similar job functions, helping to reduce inequality across our workforce.

The welfare of our talents is a priority with multiple channels established for employees to report any untoward incident such as bullying and harassment. Management is also trained to manage such incidents in a professional manner. We conduct an annual employee engagement survey to gather actionable feedback from our talents.

Awards

In FY19, we were awarded the Most Popular Graduate Employer in the Broadcasting/Media sector in Malaysia's 100 Leading Graduate Employers Award for the seventh time and maintained our ranking in the top 20 of Leading Graduate Employer Brands. Astro was also awarded the Talent Accelerator Award for Malaysia at the IDC Digital Transformation Awards 2018, which recognises outstanding organisations that have made critical breakthroughs in digital transformation across the Asia Pacific region.



Our CEO Henry Tan shared his insights with our scholars and Malaysian students during the LEAD Programme, UK in January 2019

Nurturing and empowering our talents

Our efforts to incorporate sustainable practices in talent acquisition and management include:

- Prioritising learning and development to nurture digital comprehension and innovation, upskilling and enriching our talents via in-house and external training programmes.
- Investing to sustain a pipeline of high calibre talents through multiple initiatives including scholarship awards, internships, and associate programmes.
- Promoting a healthy lifestyle among our talents by hosting monthly physiotherapy sessions, organising quarterly blood donation drives and weekly exercise classes, and through partnerships with health professionals and health-related entities.



PERSONALITIES & INFLUENCERS



From left to right

Usop Singer

Ernie Zakri Singer

Ashwad Ismail Astro AWANI Presenter/Producer

Lisa Surihani Actress/Social Influencer/Humanitarian

Lil J Rapper

Zizan Razak Actor/Singer/Social Influencer

Radin Radio Announcer/Social Influencer

Faraz eGG Network Host

Nicole Lai Actress/Singer/Social Influencer

Geraldine Gan Actress/Singer/Social Influencer





TOUCHING LIVES AND PROTECTING THE ENVIRONMENT

with effective, sustainable programmes
that make a real difference

COMMUNITY & ENVIRONMENT



We aspire to serve and empower our community through our Astro Kasih programmes

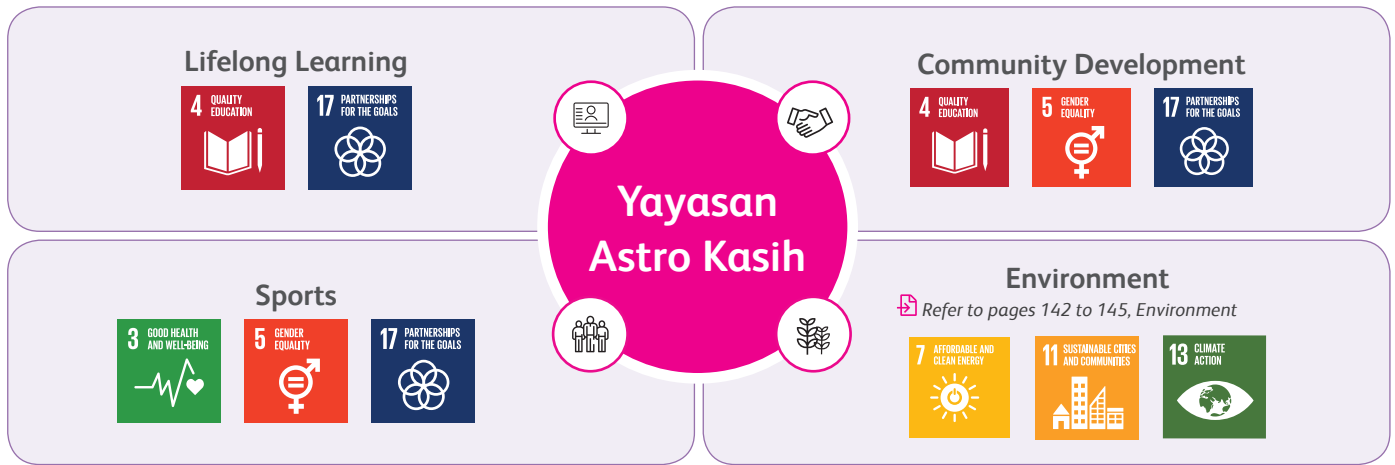
Empowering our community and advocating an inclusive society

Highlights:

- RM10.2 million – Total community investment in FY19
- Total of 16,369 hours contributed by Team Astro for 175 community programmes in FY19



Our foundation, Yayasan Astro Kasih serves as Astro's platform to enrich and inspire the community through its four pillars: Lifelong Learning, Community Development, Sports, and Environment. Yayasan Astro Kasih has evolved from charitable giving and is now focused on developing programmes that make a lasting difference by addressing seven of the 17 United Nations SDGs.



Astro within the Community

At Astro, our various community projects are thoughtfully designed and executed to meet the long-term needs of the community and nation. Our talents continue to participate in our outreach activities to create real and ongoing positive social change through various community empowerment programmes throughout the year.

Lifelong Learning

Being a multiplatform content player, Astro is able to reach out and positively impact communities, including those living in less accessible areas. Working together with the Ministry of Education, our Kampus Astro programme has provided 10,507 schools, Teacher Activity Centres and State Education Offices across the country with free access to 17 learning channels in FY19. Our Kampus Astro programme is also present in 75 pediatric and oncology wards, Schools in Hospitals and military hospitals, aiding students who are unfit to attend school to keep up with their studies.

The Astro Kasih Knowledge Zone, another initiative to support lifelong learning has helped set up mini libraries in 89 underprivileged homes throughout the country since its inception in 2012. In FY19, Astro partnered with Big Bad Wolf Books to run a book drive at their annual book sale in December 2018. Team Astro contributed 1,058 hours to man the 24-hour book drive for 12 days, collecting more than 16,000 books to be distributed to mini libraries in such homes.

Community Development

Astro Kasih Hostels were established to help primary school students in the deep interiors of Sabah and Sarawak learn in a more conducive environment and empower them to excel academically. The first hostel built in 2010 was for SK Magandai with two other hostels subsequently built for SK Malinsau in Sabah and SK Sg. Paku in Sarawak.

To prepare Standard Six students of all three schools prior to their UPSR examination, we organised workshops to tutor students and conducted after-school revision classes. The collaborative efforts between Astro Kasih and the school teachers have contributed to a continual improvement in the students' results since the first camp held at SK Magandai in 2011. In 2018, for the first time ever, three students from SK Malinsau, Sabah successfully scored straight A's in the UPSR examination.

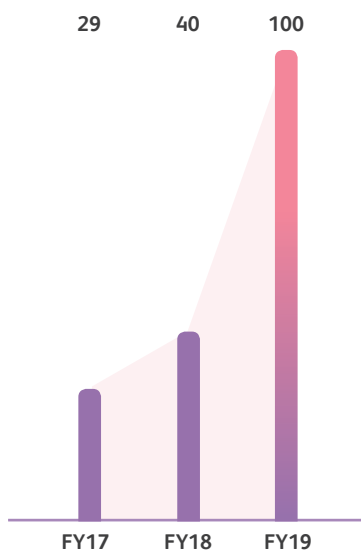
For the second year running, Astro collaborated with WEDU, a global social enterprise to develop future women leaders from marginalised communities in Cambodia, the Philippines and Vietnam through the Astro-WEDU mentorship programme. Over the course of six months, eight mentors from Team Astro guided their mentees towards achieving their personal and professional goals while empowering them to make a difference within their communities.

COMMUNITY

Ujian Penilaian Sekolah Rendah* (UPSR) results from 2016 to 2018

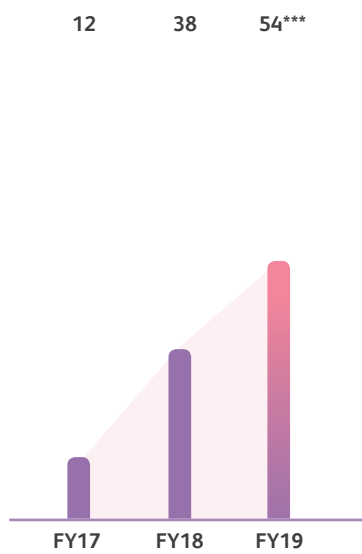
SK Sg. Paku, Sarawak

Overall passing rate (%)



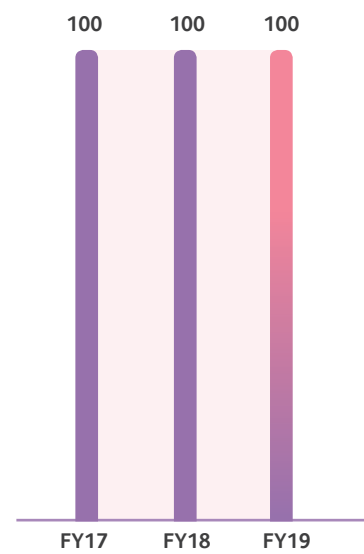
SK Malinsau, Sabah

Students scoring a minimum of 1A (%)



SK Magandai, Sabah

Passing rate for English (Comprehension) and Science (%)**



* UPSR is a national examination taken by all students in Malaysia at the end of their sixth year in primary school

** SK Magandai also recorded a 100% passing rate for Bahasa Malaysia (Comprehension) for the first time in FY19

*** Three students scored 6As in FY19



Rocketfuel talent Lisa Surihani during a storytelling session at the Astro Kasih book donation drive

Sports



Outstanding Kem Badminton participants attended a two-week Overseas Intensive Training Programme in Tokyo, Japan

As a content company focused on delivering quality sports content to our customers, it was a natural decision for us to invest in identifying and training children aged 10 to 12 in football and badminton – the two favourite sports of Malaysians. Over the years, both our flagship programmes; Kem Bola and Kem Badminton, have seen an increase in grassroots participation, in line with our belief that sports should be inclusive.

In FY19, more than 3,400 children participated in the Kem Badminton selection camps held across six locations in Malaysia as well as in Bogor, Indonesia. Organised in collaboration with the Badminton Association of Malaysia (“BAM”), 70 participants were shortlisted to attend a week-long Intensive Training Programme in Kuala Lumpur in September 2018. During the final stage of this event, 29 outstanding participants were selected to undergo a two-week Overseas Intensive Training Programme conducted by the Japan National Junior Team coaches at the National Training Centre in Tokyo, Japan in December 2018.

Our badminton programmes have progressed from intensive training camps to regional competitive tournaments since its inception in 2012. In September 2018, Astro successfully organised the first national and regional level Astro Junior Championship, a Under 15 (U-15) mixed-team badminton tournament. The national level Astro Junior Championship, co-organised with BAM, saw an overwhelming response with 320 children from all over Malaysia competing for the title.

The regional level of Astro Junior Championship, co-organised with Badminton Asia and BAM, was a huge success, with the participation of 14 prominent teams. In total, 160 participants from Malaysia, China, Chinese Taipei, Hong Kong, Japan, Indonesia, Singapore, Thailand and Vietnam competed to be crowned the champion of the first ever U-15 mixed-team badminton tournament in Asia.

We collaborated with the Football Association of Malaysia (“FAM”) to organise our 2018 Kem Bola Selection Camps in seven locations across Malaysia and Singapore. 36 girls and 36 boys were shortlisted from among the 2,222 participants for the Advanced Camp where coaches from the prestigious Barca Academy were brought on board to lead the training sessions. 32 children, comprising 16 girls and 16 boys were eventually selected from the Advanced Camp for a 10-day Overseas Training Programme in Barcelona, Spain in November 2018 where participants benefited from daily world-class coaching sessions conducted by Barca Academy coaches.

Our investment into the community over the years has consistently borne fruits. As these communities grow and develop towards realising their own potential in a sustainable manner, Astro will continue to invest in key areas aligned with our business pillars for the betterment of our community and nation.

Our efforts in relation to Yayasan’s fourth pillar of Environment is outlined in the subsequent section.

ENVIRONMENT



Driving eco-friendly initiatives

Astro implements various initiatives as an environmentally responsible enterprise. By adopting greener practices and championing environment-friendly processes and services, we reduced our carbon footprint, and water and electricity consumption, allowing us to operate in a more sustainable manner.

Continuous tracking of our carbon footprint

Carbon footprint assessments are regularly commissioned from a third-party vendor across our operations and main offices within the Klang Valley. The scope of the assessment covers our six main operating premises as follows:

- AABC, Bukit Jalil
- MEASAT Teleport and Broadcast Centre (“MTBC”) and Astro Cyberjaya Broadcast Center (“ACBC”), Cyberjaya
- Menara ICON, Kuala Lumpur
- Bangsar South Contact Centre (“BSCC”)
- Wisma Ali Bawal (“WAB”), Petaling Jaya
- Bursa Malaysia, Kuala Lumpur

The latest assessment, completed in February 2019, measured our total GHG emissions under the following scopes as defined in the GHG Protocol:

Scope	Description	Emissions (tCO ₂ e)			Total by Scope
		2016	2017	2018	
1	Direct GHG emissions from sources that are owned or controlled by the reporting company Example: Electricity generators for Uninterrupted Power Supply (“UPS”), company-owned vehicles	1,375	1,177	751	3,303
2	Indirect emissions associated with the generation of imported/purchased electricity, heat or steam Example: Electricity supply from TNB	29,892	29,421	26,725	86,038
3	Other indirect GHG emissions from transport means that are not company-owned Example: Flights, business travel	9,494	8,202	6,946	24,642
Total Emissions		40,761	38,800	34,422	113,983

Scope 1, 2 and 3 emissions declined by 36.2%, 9.2% and 15.3% respectively in 2018. Over the 2016 to 2018 period, emissions registered a CAGR of -26.1%, -5.4% and -14.5% respectively. Scope 1 emissions saw a sizeable decline resulting from more stringent controls on fuel card usage for company vehicles in line with group-wide cost optimisation efforts. Scope 2 emissions decreased largely due to the installation of solar panels at AABC and overall energy conservation efforts across all premises. The reduction in Scope 3 emissions was primarily due to the streamlining of business travel, as we engaged with business partners and suppliers through digital and voice interactions as much as possible.

Water usage

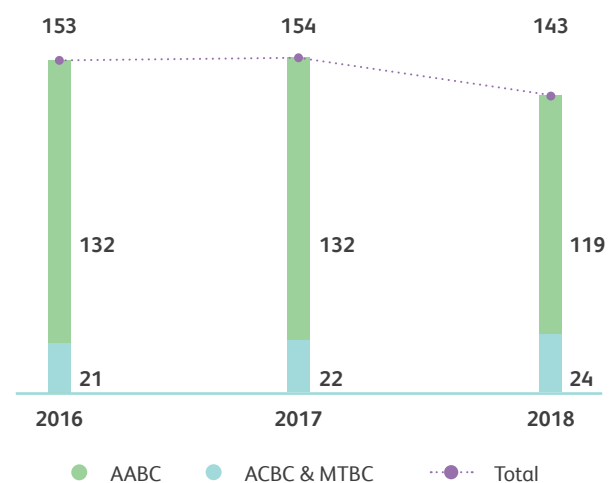
We are committed to efficiently managing our water resources and have employed the 3R principles of Reuse, Reduce & Recycle. We have installed motion-sensor taps and toilet flushing systems, aerated the water supply to reduce water consumption, and upgraded our chiller operations for better efficiency.

We are also incorporating a rainwater harvesting system within our new building at AABC that is currently under construction. The building, which is over 90% complete is scheduled to be occupied by the second half of FY20 and will have the capacity to collect and store 13,500 litres of water.

The following analysis on the trend of water usage (and electricity consumption in the subsequent section) focuses on AABC, ACBC and MTBC as we are able to track and control resource utilisation in these buildings, whereas other regional offices are rented spaces located in buildings with common amenities.

The water consumption trend shows an overall reduction of 7.1% from FY18, and a CAGR of -3.3% from 2016 to 2018 due to water conservation practices introduced throughout.

Water consumption trend ('000 m³)



ENVIRONMENT



We installed more than 4,700 solar panels at Astro headquarters with the ability to generate 1.8 million kWh of electricity per annum

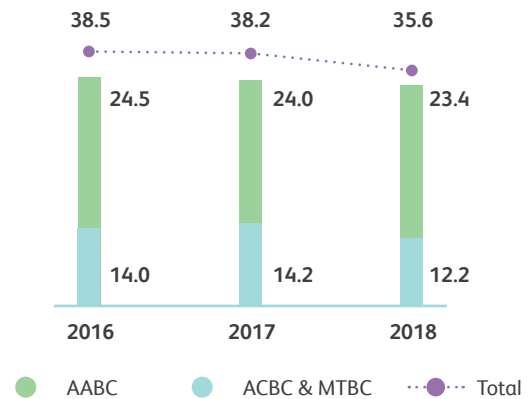
Electricity consumption

We have improved energy usage over the years by adopting various energy efficient solutions for our three main buildings. At AABC, we upgraded the air-conditioning system in stages and refurbished our air handling unit, cooling towers and chilled water pumps. To improve energy efficiency and reduce our carbon footprint, we adopted green building features such as optimising natural light and ventilation in the construction of our soon-to-be-completed new building at AABC.

In October 2018 we installed a total of 4,780 solar panels on the rooftop of AABC, covering an area of over 100,000 sqft which converts sunlight directly into electricity for the building. Depending on factors such as sun intensity, cloud cover, relative humidity and heat build-up, the total peak capacity of the solar panel system is 1.5MW with the ability to generate 1,800,000 kWh of electricity per annum. We are looking to extend this initiative to ACBC in FY20. Additionally, two electric vehicle charging stations were installed at AABC in an effort to reduce carbon dioxide emissions and promote use of energy efficient vehicles among our talents.

Our energy conservation efforts have led to a reduction in electricity use of 6.8% versus FY18, and a CAGR of -3.8% from 2016 to 2018.

Electricity usage trend (m kWh)



e-Waste management

We also employ the 3R principle in relation to our used STBs. STBs found to be beyond economic repair are disposed of via an e-Waste disposal and recycling partner certified by the Department of Environment. Working closely with our suppliers, we continue to innovate to improve the design, life span and energy efficiency of our STBs. As far as possible, STBs are refurbished and redeployed in the market to reduce the company's environmental footprint.

Occupational Safety and Health (“OSH”)

The safety and health of Astro’s talents and suppliers remains a top priority. OSH is governed by an internally established occupational safety, health and environmental management system compliant with OHSAS18001 and ISO14001 international standards. The management system has been digitalised over the last two years and is continuously being improved to facilitate company operations. Astro recently initiated a system upgrade to meet ISO45001 standards in the near future as the OHSAS18001 management system will be discontinued in 2020.

It is compulsory for all talents to undertake an annual OSH training module online and pass the online assessment, where the passing mark is 80%. Other training provided include modules on fire safety, first-aid, ergonomics as well as specific on-the-job safety. All installers are required to undergo OSH training before commencing employment and attend a refresher course before their annual contract renewal.

To ensure preparedness during emergencies, annual fire drills are conducted at Astro’s six main offices as listed earlier, as well as Wisma SSP in Seri Kembangan. A bomb threat emergency exercise was successfully conducted at AABC in December 2018 involving the Royal Malaysian Police, Fire and Rescue Department and nearby hospital personnel.

In FY19, the accident rate per 1,000 employees at Astro remained low at 0.19, compared to the national average of 2.93 according to the Ministry of Human Resources. There were no fatal accidents reported in the last three years.

There was one occupational lost time injury reported in FY19. Unfortunately, this incident occurred due to the non-compliance of safety procedures by a contractor during the installation of an Astro outdoor dish at a customer’s home. We continue to reinforce a compliance culture among our talents to ensure such incidents are avoided in the future.



Electric vehicle charging stations were installed at our headquarters to promote usage of energy efficient vehicles among our talents

Caring for our environment

To reduce paper and ink usage, we intentionally set our printers to a default of double-sided, black and white printing and recently redesigned our corporate template to feature a white background instead of magenta, our corporate colour. We support the use of public transport by having dedicated shuttle buses for our talents to commute to and from light rail transit stations, thus helping to reduce the general carbon footprint. We have also installed energy-efficient hand dryers in our washrooms to reduce the use of paper towels. In an effort to encourage our talents to bring their own reusable bottles and containers, our cafeteria no longer provides straws and polystyrene food boxes to patrons.



DIRECTORS' RESPONSIBILITY STATEMENT

The Companies Act 2016 (“the Act”) requires the Directors to prepare financial statements for each financial year in accordance with the requirements of the Act, Malaysian Financial Reporting Standards (“MFRS”), the International Financial Reporting Standards (“IFRS”) and the Main Market Listing Requirements of Bursa Securities (“MMLR”) and to present these before the Company at its Annual General Meeting.

The Directors are responsible for the preparation of financial statements that give a true and fair view of the financial position of the Group and the Company as at 31 January 2019 and of their financial performance and cash flows for the financial year then ended.

The Act also requires the Directors to keep such accounting and other records that will enable them to sufficiently explain the transactions and financial position of the Group and the Company, and to prepare true and fair financial statements and any documents required to be attached thereto, as well as to keep such records in such manner as to enable them to be conveniently and properly audited.

In preparing the FY19 financial statements in conformity with MFRS, the Directors have used certain critical accounting estimates and assumptions. In addition, the Directors have exercised their judgement in the process of applying the appropriate and relevant accounting policies.

The Directors have also relied on the accounting and internal control systems to ensure that the assets of the Company are safeguarded against loss from unauthorised use or disposition and the information generated for the preparation of the financial statements are true and fair and are free from material misstatement.

DIRECTORS' REPORT

For The Financial Year Ended 31 January 2019

The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2019.

Principal Activities

The principal activity of the Company is investment holding. The Group is primarily engaged in the provision of television services; radio services; film library licensing; content creation, aggregation and distribution; talent management; multimedia interactive services; digital media and home shopping.

There were no significant changes in the nature of these activities of the Group and the Company during the financial year.

The Company and its subsidiaries are collectively referred to as the Group. The details of the subsidiaries are set out in Note 14 to the financial statements.

Financial Results

	Group	Company
	RM'000	RM'000
Profit for the financial year	460,824	443,560
Attributable to:		
Equity holders of the Company	462,921	443,560
Non-controlling interests	(2,097)	-
	460,824	443,560

Dividends

The dividends on ordinary shares paid or declared by the Company since 31 January 2018 were as follows:

	RM'000
In respect of the financial year ended 31 January 2018:	
Fourth interim single-tier dividend of RM0.03 per share on 5,213,883,600 ordinary shares, declared on 28 March 2018 and paid on 27 April 2018	156,416
Final single-tier dividend of RM0.005 per share on 5,213,883,600 ordinary shares, approved by shareholders at the Annual General Meeting on 7 June 2018 and paid on 6 July 2018	26,070
	182,486

DIRECTORS' REPORT

For The Financial Year Ended 31 January 2019

Dividends (Cont'd.)

	RM'000
In respect of the financial year ended 31 January 2019:	
First interim single-tier dividend of RM0.025 per share on 5,213,883,600 ordinary shares, declared on 6 June 2018 and paid on 6 July 2018	130,347
Second interim single-tier dividend of RM0.025 per share on 5,213,883,600 ordinary shares, declared on 26 September 2018 and paid on 26 October 2018	130,347
Third interim single-tier dividend of RM0.025 per share on 5,214,314,500 ordinary shares, declared on 5 December 2018 and paid on 4 January 2019	130,358
	<hr/> 391,052 <hr/>

Subsequent to the financial year, on 26 March 2019, the Directors declared a fourth interim single-tier dividend of RM0.015 per share on 5,214,314,500 ordinary shares in respect of the financial year ended 31 January 2019, estimated at RM78,214,718, which will be payable on 25 April 2019.

The Directors do not recommend any final dividend to be paid for the financial year ended 31 January 2019.

Reserves and Provisions

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

Share Capital

During the financial year, the total number of issued shares of the Company has increased from 5,213,883,600 ordinary shares to 5,214,314,500 ordinary shares. The increase in the issued ordinary shares of the Company arose from the vesting of share awards granted to eligible employees pursuant to the Management Share Scheme ("Share Scheme") of the Company, details of which are disclosed in Note 7(a) to the financial statements. The abovementioned new ordinary shares rank pari-passu in all respects with the existing ordinary shares of the Company.

Management Share Scheme

The Company established the Share Scheme, which came into effect on 20 September 2012. An eligible executive or eligible employee who accepts an offer under the Share Awards ("Grantee") shall pay a sum of RM1.00 as consideration for acceptance of that offer. Subject to the terms and conditions of the By-Laws governing the Share Scheme, the Grantees shall be entitled to receive new ordinary shares to be issued pursuant to the Share Awards, on the scheduled vesting dates without further payment, subject to meeting the vesting conditions as set out in their respective letters of offer for their Share Awards, which comprise the performance targets stipulated by the Remuneration Committee of the Company.

The Share Scheme shall be in force for a period of ten years commencing from the date on which the Share Scheme becomes effective and no share under a share award shall vest beyond the expiry of the duration of the Share Scheme. The Company's Share Scheme consists of Restricted Share Units ("RSU") and Performance Share Units ("PSU").

Details of the Share Scheme are disclosed in Note 7(a) to the financial statements.

Directors

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

Tun Dato' Seri Zaki bin Tun Azmi
 Datuk Yvonne Chia
 Renzo Christopher Viegas
 Richard John Freudenstein
 Lim Ghee Keong
 Simon Cathcart
 Shahin Farouque bin Jammal Ahmad
 Tunku Alizakri bin Raja Muhammad Alias (appointed on 15 February 2019)
 Mazita binti Mokty (appointed on 15 February 2019)
 Vernon Das (appointed as Alternate Director to Lim Ghee Keong on 15 February 2019)
 Dato' Rohana binti Tan Sri Datuk Haji Rozhan (resigned on 31 January 2019)

The names of the Directors of the Company's subsidiaries are set out in the respective subsidiaries' financial statements and the information is deemed incorporated herein by such reference and made a part thereof.

Directors' Benefits

Save as disclosed in Note 7(a) to the financial statements, during and at the end of the financial year ended, there are no other arrangements that subsisted to which the Company is a party, being arrangements with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits shown under Directors' remuneration below) 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.

Directors' Interests in Shares and Debentures

According to the Register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, particulars of interest of Directors who held office at the end of the financial year in the shares in the Company ("AMH Shares") are as follows:

	Number of ordinary shares			
	As at 1.2.2018	Acquired/vested	Disposed	As at 31.1.2019
Tun Dato' Seri Zaki bin Tun Azmi	1,000,000	50,000	-	1,050,000
Datuk Yvonne Chia	50,000	50,000	-	100,000
Renzo Christopher Viegas*	-	100,000	-	100,000
Lim Ghee Keong	1,000,000	-	-	1,000,000
Dato' Rohana binti Tan Sri Datuk Haji Rozhan	6,000,000	-	-	6,000,000

* Subsequent to the financial year end, he disposed 50,000 AMH Shares on 12 February 2019.

Other than as disclosed above, according to the Register of Directors' shareholdings, none of the Directors in office at the end of the financial year held any interest in shares, grants and options over shares in the Company or in its related corporations during the financial year.

DIRECTORS' REPORT

For The Financial Year Ended 31 January 2019

Directors' Remuneration

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Fees and meeting allowances	2,409	2,062	2,399	2,052
Salaries and bonus	32,229	31,583	-	-
Defined contribution plans	4,981	4,554	-	-
Estimated money value of benefits-in-kind	118	79	30	35
Share-based payments	141	6,138	-	-
Separation scheme	6,252	-	-	-
Total Directors' remuneration	46,130	44,416	2,429	2,087

Included in the analysis above is remuneration for Directors of the Company and its subsidiaries in accordance with the requirements of Companies Act 2016. Expenses incurred on indemnity given or insurance effected for any Director and officer of the Company and its subsidiaries during the financial year amounted to RM380,000 (2018: RM433,000).

Statutory Information on the Financial Statements

Before the financial statements of the Group and Company were prepared, the Directors took reasonable steps:

- 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
- to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- which would render the values attributed to the current assets in the financial statements of the Group and Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

At the date of this report, there does not exist:

- any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- any contingent liability of the Group or Company which has arisen since the end of the financial year.

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 substantially affect the ability of the Group or the Company to meet their obligations when they fall due.

Statutory Information on the Financial Statements (Cont'd.)

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) 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 operations of the Group or Company for the financial year in which this report is made.

Significant and Post Balance Sheet Events

The significant events during the year and post balance sheet events are as disclosed in Note 37 and Note 42 respectively to the financial statements.

Auditors and Auditors' remuneration

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

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

Signed on behalf of the Board of Directors in accordance with the approval granted by the Board of Directors on 19 April 2019.



RENZO CHRISTOPHER VIEGAS
DIRECTOR



LIM GHEE KEONG
DIRECTOR

Kuala Lumpur

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Renzo Christopher Viegas and Lim Ghee Keong, the Directors of Astro Malaysia Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 159 to 297 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2019 and financial performance of the Group and of the Company for the financial year ended 31 January 2019 in accordance with the 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 the approval granted by the Board of Directors on 19 April 2019.



RENZO CHRISTOPHER VIEGAS
DIRECTOR



LIM GHEE KEONG
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, Shafiq Abdul Jabbar, the officer primarily responsible for the financial management of Astro Malaysia Holdings Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 159 to 297, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



SHAFIQ ABDUL JABBAR
(MIA Number: 23405)

Subscribed and solemnly declared by the above named Shafiq Abdul Jabbar at Kuala Lumpur in Malaysia on 19 April 2019, before me.



COMMISSIONER FOR OATHS



Suite 6.08, 6th Floor
Semua House Jalan Bunus 6
50100 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To the members of Astro Malaysia Holdings Berhad
(Incorporated in Malaysia)
(Company No. 932533 V)

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the financial statements of Astro Malaysia Holdings 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 January 2019, and of their financial performance and their cash flows for the 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 balance sheets as at 31 January 2019 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 159 to 297.

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’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

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

INDEPENDENT AUDITORS' REPORT

To the members of Astro Malaysia Holdings Berhad
(Incorporated in Malaysia)
(Company No. 932533 V)

Report on the Audit of the Financial Statements (Cont'd)

Key audit matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
<p>Goodwill, brands and spectrum impairment assessment</p> <p><i>Refer to Note 3E – Summary of significant accounting policies – Intangible assets, Note 4 – Critical accounting estimates and judgements and Note 19 – Intangible assets.</i></p> <p>We focused on this area due to the size of the goodwill, brands and spectrum balance of RM1,508 million as at 31 January 2019, and because management's assessment of the VIU of the Group's cash generating units ("CGUs") involves significant judgements and estimates about the future results of the business and key assumptions applied to future cash flow projections. The goodwill has been allocated to the Television and Radio segments. The brands and spectrum have been allocated to the Radio segment.</p> <p>For the year ended 31 January 2019, management performed an impairment assessment over the goodwill, brands and spectrum balance, as well as a sensitivity analysis over the VIU calculations, by varying the key assumptions used (compound revenue growth rates in the projection periods, terminal growth rates and discount rates) to assess the impact on the impairment assessment.</p>	<p>We performed the following audit procedures on the value in use ("VIU") calculation which was based on the approved financial budget for 2020 and cash flow projections for the next 2 years with terminal values at the end of year 3:</p> <ul style="list-style-type: none">• Agreed the VIU cash flows to the financial budget and cash flow projections approved by the Directors;• Compared the 2019 actual results with the figures included in the prior year VIU cash flows for 2019 to consider whether these forecasts included key assumptions that, with hindsight, had been optimistic;• Discussed with management the basis of the key assumptions being applied in the VIU cash flows and performed the following in respect of the key assumptions used in the Television and Radio CGUs:<ul style="list-style-type: none">(i) compared the compounded revenue growth rates in the projection periods to historical results and industry forecasts;(ii) assessed the components used in determining discount rates used in the model by taking into consideration risks associated with the cash flows and comparing them to market data and industry research;(iii) compared the terminal growth rates used in determining the terminal value to market forecast; and• Checked management's sensitivity analysis on the key assumptions used in the impairment assessment to assess the possible changes to any of the key assumptions that would cause the recoverable amount to be less than the carrying amount. <p>Based on the procedures performed above, we did not find any material exceptions to the Directors' conclusion that no impairment is required for goodwill, brands and spectrum rights as at 31 January 2019.</p>

INDEPENDENT AUDITORS' REPORT

To the members of Astro Malaysia Holdings Berhad
(Incorporated in Malaysia)
(Company No. 932533 V)

Report on the Audit of the Financial Statements (Cont'd)

Key audit matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
<p>Subscription revenue recognition</p> <p><i>Refer to Note 3Q – Summary of Significant Accounting Policies – Revenue recognition and Note 5 – Revenue.</i></p> <p>The Group recorded subscription revenue of RM4,002 million for the financial year ended 31 January 2019 and it represents a significant component of the Group's revenue.</p> <p>Given the complexity of the billing and accounting systems, there is an increased level of inherent risk due to error in revenue recognition, in particular surrounding the accuracy and recognition period of the subscription revenue transactions.</p> <p>We focused on this area as the accuracy and recognition period of subscription revenue involved the use of complex billing and accounting systems to process large volume of data which include multiple subscription packages.</p> <p>In addition, we focused on the assessment performed by management during the year following the Group's application of MFRS 15 "Revenue from contracts with customers" ("MFRS 15"). The Group elected to apply the modified retrospective transition approach where no restatement to comparative period is required. There is no impact to the opening balance of retained earnings as at 1 February 2018 in relation to subscription revenue.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none">• Reviewed management's assessment on the application of MFRS 15;• Tested the overall IT general controls of the billing and accounting systems of the revenue data recorded;• Tested the application controls on the accounting system of the revenue data recorded;• Recomputed contract liabilities on a sample basis and compared the calculation to the general ledger to assess proper revenue recognition period;• Tested automated controls over pricing changes in relation to subscription packages; and• Used Computer Assisted Audit Techniques to assess whether subscription revenue transactions are captured accurately in the appropriate periods by performing the following:<ul style="list-style-type: none">(i) compared on sample basis the revenue captured in the billing system to the accounting system;(ii) reconciled the charges billed to the subscriber to the services delivered; and(iii) profiled data to identify any potential unusual manual journals entries in subscription revenue account for further analysis. <p>Based on our procedures, we noted no material exceptions in the accuracy and recognition period of the subscription revenue.</p>

INDEPENDENT AUDITORS' REPORT

To the members of Astro Malaysia Holdings Berhad
(Incorporated in Malaysia)
(Company No. 932533 V)

Report on the Audit of the Financial Statements (Cont'd)

Key audit matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
<p>Assessment of funding requirements and ability to meet the short term obligations</p> <p><i>Refer to Note 36(b) - Financial Instruments - Liquidity Risk.</i></p> <p>As at 31 January 2019, the Group had short term borrowings of RM475 million and payables and accruals of RM1,258 million. We focused on the Group's funding and ability to meet their short term obligations due to the significant amount of the short term borrowings and payables and accruals, which resulted in the current liabilities of the Group exceeding current assets by RM438 million at that date.</p> <p>The Group's ability to obtain funding is disclosed in Note 36(b) to the financial statements.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none">• Checked management's cash flow forecasts for the Group over the next 12 months to the financial budget which includes operating, investing and financing cash flows approved by the Directors;• Discussed with management on key assumptions used in the cash flow forecasts comprising cash collection trends for subscription revenue, expected foreign exchange rates being used to project payments to vendors and significant transactions included in developing the cash flow forecasts for the Group;• Checked the borrowing repayment terms of the Group against the loan agreements; and• Checked management's sensitivity analysis on the assumptions used in the cash flow forecast to assess the possible changes to key assumptions that would cause a deficit in the cash flow forecast. <p>Based on the procedures performed above, we did not note material exceptions to management's assessment of the Group's ability to meet their short term obligations.</p>

There are no key audit matters in relation to the Financial Statements of the Company.

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 and other sections of the 2019 Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

INDEPENDENT AUDITORS' REPORT

To the members of Astro Malaysia Holdings Berhad
(Incorporated in Malaysia)
(Company No. 932533 V)

Report on the Audit of the Financial Statements (Cont'd)

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.

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 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 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 Astro Malaysia Holdings Berhad
(Incorporated in Malaysia)
(Company No. 932533 V)

Report on the Audit of the Financial Statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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

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

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

Report On Other Legal And Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

Other Matters

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



PRICEWATERHOUSECOOPERS PLT

LLP 0014401-LCA & AF 1146
Chartered Accountants



PAULINE HO

02684/11/2019 J
Chartered Accountant

Kuala Lumpur
19 April 2019

INCOME STATEMENTS

For The Financial Year Ended 31 January 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	5	5,479,048	5,530,753	496,632	742,251
Cost of sales		(3,534,266)	(3,269,886)	-	-
Gross profit		1,944,782	2,260,867	496,632	742,251
Other operating income		10,109	20,377	43	449
Marketing and distribution costs		(491,098)	(507,468)	(311)	(394)
Administrative expenses		(532,037)	(633,767)	(24,069)	(29,333)
Finance income	9(a)	37,812	171,522	40,261	70,425
Finance costs	9(b)	(317,077)	(236,772)	(69,009)	(96,837)
Share of post tax results from investments accounted for using the equity method		796	(1,608)	-	-
Impairment of investments accounted for using the equity method		(2,142)	-	-	-
Profit before tax	6	651,145	1,073,151	443,547	686,561
Tax expense	10	(190,321)	(309,175)	13	(74)
Profit for the financial year		460,824	763,976	443,560	686,487
Attributable to:					
Equity holders of the Company		462,921	770,636	443,560	686,487
Non-controlling interests		(2,097)	(6,660)	-	-
		460,824	763,976	443,560	686,487
Earnings per share attributable to equity holders of the Company (RM):					
- Basic	11	0.09	0.15		
- Diluted	11	0.09	0.15		

The accompanying notes on pages 171 to 297 form part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 January 2019

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit for the financial year	460,824	763,976	443,560	686,487
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
Net change in derivatives used for hedging	68,469	(138,627)	(1,609)	4,552
Net change in available-for-sale financial assets	-	(364)	-	143
Foreign currency translation	(9,683)	9,401	-	-
Taxation	(17,430)	35,252	-	-
Other comprehensive income/(loss), net of tax	41,356	(94,338)	(1,609)	4,695
Total comprehensive income	502,180	669,638	441,951	691,182
Attributable to:				
Equity holders of the Company	504,277	676,298	441,951	691,182
Non-controlling interests	(2,097)	(6,660)	-	-
	502,180	669,638	441,951	691,182

The accompanying notes on pages 171 to 297 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As At 31 January 2019

	Note	Group	
		2019 RM'000	2018 RM'000
Non-Current Assets			
Property, plant and equipment	13	2,233,114	2,400,846
Investment in associates	15	-	663
Investment in joint ventures	16	2,127	2,044
Other investments	17	4,085	4,085
Receivables	21	180,054	136,036
Derivative financial instruments	24	83,171	116,901
Deferred tax assets	26	123,510	106,957
Intangible assets	19	2,091,910	2,039,303
		4,717,971	4,806,835
Current Assets			
Inventories	20	16,284	19,678
Receivables	21	808,430	1,011,530
Contract assets	5	9,625	-
Derivative financial instruments	24	64,869	45,682
Other investments	17	348,680	728,447
Tax recoverable		10,213	2,167
Deposits, cash and bank balances	22	283,486	233,608
		1,541,587	2,041,112
Current Liabilities			
Payables	23	1,257,841	1,652,490
Contract liabilities	5	208,720	-
Derivative financial instruments	24	11,557	88,618
Borrowings	25	474,949	645,728
Tax liabilities		26,757	16,809
		1,979,824	2,403,645
Net Current Liabilities		(438,237)	(362,533)

The accompanying notes on pages 171 to 297 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As At 31 January 2019

	Note	Group	
		2019 RM'000	2018 RM'000
Non-Current Liabilities			
Payables	23	411,619	389,519
Derivative financial instruments	24	4,045	2,737
Borrowings	25	3,095,721	3,319,454
Deferred tax liabilities	26	89,441	79,263
		3,600,826	3,790,973
NET ASSETS			
		678,908	653,329
Capital and reserves attributable to equity holders of the Company			
Share capital	27	6,727,947	6,726,845
Exchange reserve		3,368	13,051
Capital reorganisation reserve	28	(5,470,197)	(5,470,197)
Hedging reserve	29	1,857	(49,182)
Fair value reserve	30	-	(369)
Share scheme reserve	31	312	10,362
Accumulated losses		(678,019)	(576,918)
		585,268	653,592
Non-controlling interests		93,640	(263)
TOTAL EQUITY			
		678,908	653,329

The accompanying notes on pages 171 to 297 form part of these financial statements.

COMPANY BALANCE SHEET

As At 31 January 2019

	Note	Company	
		2019 RM'000	2018 RM'000
Non-Current Assets			
Property, plant and equipment	13	33	24
Investment in subsidiaries	14	7,169,297	7,017,657
Receivables	21	-	24,360
Advances to subsidiaries	18	51,785	253,875
Derivative financial instruments	24	80,989	114,318
Deferred tax assets	26	258	245
Intangible assets	19	-	-
		7,302,362	7,410,479
Current Assets			
Receivables	21	76,540	299,196
Derivative financial instruments	24	54,618	45,224
Advances to subsidiaries	18	108,691	844,159
Other investments	17	-	170,709
Tax recoverable		486	361
Deposits, cash and bank balances	22	65,752	18,480
		306,087	1,378,129
Current Liabilities			
Payables	23	12,205	24,842
Derivative financial instruments	24	-	2,019
Borrowings	25	281,894	502,465
		294,099	529,326
Net Current Assets			
		11,988	848,803
Non-Current Liabilities			
Derivative financial instruments	24	-	2,737
Borrowings	25	416,136	1,228,733
		416,136	1,231,470
NET ASSETS			
		6,898,214	7,027,812

The accompanying notes on pages 171 to 297 form part of these financial statements.

COMPANY BALANCE SHEET

As At 31 January 2019

	Note	Company	
		2019 RM'000	2018 RM'000
Capital and reserves attributable to equity holders of the Company			
Share capital	27	6,727,937	6,726,845
Hedging reserve	29	1,350	2,959
Fair value reserve	30	-	39
Share scheme reserve	31	312	10,362
Retained earnings		168,615	287,607
TOTAL EQUITY		6,898,214	7,027,812

The accompanying notes on pages 171 to 297 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 January 2019

	Attributable to equity holders of the Company									
	Share capital (Note 27) RM'000	Exchange reserve RM'000	Capital reorganisation reserve (Note 28) RM'000	Hedging reserve (Note 29) RM'000	Fair value reserve (Note 30) RM'000	Share scheme reserve (Note 31) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
Year ended 31 January 2019	6,726,845	13,051	(5,470,197)	(49,182)	(369)	10,362	(576,918)	653,592	(263)	653,329
At 31 January 2018, as reported	-	-	-	-	-	-	-	5,170	-	5,170
Effects arising from adoption of:										
- MFRS 15 (Note 41)	-	-	-	-	369	-	(6,591)	(6,222)	-	(6,222)
- MFRS 9 (Note 41)	-	-	-	-	-	-	-	-	-	-
At 1 February 2018, as adjusted	6,726,845	13,051	(5,470,197)	(49,182)	-	10,362	(578,339)	652,540	(263)	652,277
Profit/(loss) for the financial year	-	-	-	-	-	-	462,921	462,921	(2,097)	460,824
Other comprehensive (loss)/income for the year	-	(9,683)	-	51,039	-	-	-	41,356	-	41,356
Total comprehensive (loss)/income for the year	-	(9,683)	-	51,039	-	-	462,921	504,277	(2,097)	502,180
Ordinary shares dividends declared (Note 12)	-	-	-	-	-	-	(573,538)	(573,538)	-	(573,538)
Issuance of shares to non-controlling interest (Note 40)	-	-	-	-	-	-	-	-	96,000	96,000
Redemption of redeemable preference share ("RPS") by a subsidiary (Note 14)	10	-	-	-	-	-	(10)	-	-	-
Transfer of lapsed share options	-	-	-	-	-	(10,947)	10,947	-	-	-
Share grant exercised	1,092	-	-	-	-	(1,092)	-	-	-	-
Share-based payment transaction	-	-	-	-	-	1,989	-	1,989	-	1,989
Transactions with owners	1,102	-	-	-	-	(10,050)	(562,601)	(571,549)	96,000	(475,549)
At 31 January 2019	6,727,947	3,368	(5,470,197)	1,857	-	312	(678,019)	585,268	93,640	678,908

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 January 2019

Year ended 31 January 2018	Attributable to equity holders of the Company										Total RM'000
	Share capital (Note 27) RM'000	Exchange reserve RM'000	Capital			Share scheme reserve (Note 31) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000	
			reorganisation reserve (Note 28) RM'000	Hedging reserve (Note 29) RM'000	Fair value reserve (Note 30) RM'000						
At 1 February 2017	6,715,704 [^]	3,650	(5,470,197)	54,193	(5)	25,051	(704,981)	623,415	6,397	629,812	
Profit/(loss) for the financial year	-	-	-	-	-	-	770,636	770,636	(6,660)	763,976	
Other comprehensive income/(loss) for the year	-	9,401	-	(103,375)	(364)	-	-	(94,338)	-	(94,338)	
Total comprehensive income/(loss) for the year	-	9,401	-	(103,375)	(364)	-	770,636	676,298	(6,660)	669,638	
Ordinary shares dividends declared (Note 12)	-	-	-	-	-	-	(651,321)	(651,321)	-	(651,321)	
Cash settlement of share options	-	-	-	-	-	(3,217)	-	(3,217)	-	(3,217)	
Transfer of lapsed share options	-	-	-	-	-	(8,748)	8,748	-	-	-	
Share grant exercised	11,141	-	-	-	-	(11,141)	-	-	-	-	
Share-based payment transaction	-	-	-	-	-	8,417	-	8,417	-	8,417	
Transactions with owners	11,141	-	-	-	-	(14,689)	(642,573)	(646,121)	-	(646,121)	
At 31 January 2018	6,726,845 [^]	13,051	(5,470,197)	(49,182)	(369)	10,362	(576,918)	653,592	(263)	653,329	

[^] Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserves became part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM6,194,751,323.61 for purposes as set out in Sections 618 (3) and the capital redemption reserve of RM677.50 for bonus issue pursuant to Section 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The accompanying notes on pages 171 to 297 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 January 2019

	Share capital (Note 27) RM'000	Hedging reserve (Note 29) RM'000	Fair value reserve (Note 30) RM'000	Share scheme reserve (Note 31) RM'000	Retained earnings RM'000	Total RM'000
Year ended 31 January 2019						
At 31 January 2018, as reported	6,726,845	2,959	39	10,362	287,607	7,027,812
Effect arising from adoption of MFRS 9 (Note 41)	-	-	(39)	-	39	-
At 1 February 2018, as adjusted	6,726,845	2,959	-	10,362	287,646	7,027,812
Profit for the financial year	-	-	-	-	443,560	443,560
Other comprehensive loss for the year	-	(1,609)	-	-	-	(1,609)
Total comprehensive (loss)/income for the year	-	(1,609)	-	-	443,560	441,951
Ordinary shares dividends declared (Note 12)	-	-	-	-	(573,538)	(573,538)
Transfer of lapsed share options	-	-	-	(10,947)	10,947	-
Share grant exercised	1,092	-	-	(1,092)	-	-
Share-based payment transaction	-	-	-	1,989	-	1,989
Transactions with owners	1,092	-	-	(10,050)	(562,591)	(571,549)
At 31 January 2019	6,727,937	1,350	-	312	168,615	6,898,214
Year ended 31 January 2018						
At 1 February 2017	6,715,704 [^]	(1,593)	(104)	25,051	243,693	6,982,751
Profit for the financial year	-	-	-	-	686,487	686,487
Other comprehensive income for the year	-	4,552	143	-	-	4,695
Total comprehensive income for the year	-	4,552	143	-	686,487	691,182
Ordinary shares dividends declared (Note 12)	-	-	-	-	(651,321)	(651,321)
Cash settlement of share options	-	-	-	(3,217)	-	(3,217)
Transfer of lapsed share options	-	-	-	(8,748)	8,748	-
Share grant exercised	11,141	-	-	(11,141)	-	-
Share-based payment transaction	-	-	-	8,417	-	8,417
Transactions with owners	11,141	-	-	(14,689)	(642,573)	(646,121)
At 31 January 2018	6,726,845 [^]	2,959	39	10,362	287,607	7,027,812

[^] The Act, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserves became part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM6,794,751,323.61 for purposes as set out in Sections 618 (3) and the capital redemption reserve of RM670 for bonus issue pursuant to Section 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The accompanying notes on pages 171 to 297 form part of these financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 January 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash Flows From Operating Activities					
Profit before tax		651,145	1,073,151	443,547	686,561
Adjustments for:					
Bad debts written off		8,172	11,147	-	-
Barter transactions – revenue		(21,896)	(10,350)	-	-
Contract cost amortisation		56,108	-	-	-
Dividend income – unit trusts	9(a)	(29,379)	(19,967)	(3,885)	(1,996)
Dividend income		-	-	(492,482)	(738,485)
Event licence rights					
- amortisation		9,132	2,315	-	-
Fair value (gain)/loss on unit trusts		(369)	-	1,602	-
Fair value loss on derivatives recycled to income statement arising from:					
- Foreign exchange risk		53,355	211,594	19,625	161,845
- Interest rate risk		11,670	20,149	10,307	16,746
Film library and programme rights					
- amortisation		382,532	390,786	-	-
- impairment		7,448	10,130	-	-
Impairment of receivables		32,550	114,704	-	11
Impairment of investments accounted for using the equity method		2,142	-	-	-
Impairment of advances		-	-	1,254	7,650
Interest expense	9(b)	239,609	209,919	57,061	80,091
Interest income	9(a)	(8,064)	(7,277)	(36,376)	(68,429)
Inventories written off		1,335	1,867	-	-
Loss on disposal of unit trusts		2,589	14	39	545
Property, plant and equipment					
- depreciation		506,910	523,457	10	104
- gain on disposal		(202)	(200)	-	-
- impairment		1,053	114	-	-
- written off		57	244	-	-
Share-based payments	7	1,989	8,417	103	339
Share of post tax results from investments accounted for using the equity method		(796)	1,608	-	-
Software					
- amortisation		139,169	154,024	-	5
- impairment		16,725	-	-	-
Unrealised foreign exchange losses/(gains), net		41,856	(389,591)	(19,621)	(161,851)
Write back of bad debts		(2,078)	(2,301)	-	-
Operating profit/(loss) before changes in working capital		2,102,762	2,303,954	(18,816)	(16,864)

The accompanying notes on pages 171 to 297 form part of these financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 January 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash Flows From Operating Activities (Cont'd.)					
Changes in working capital:					
Inventories		2,059	(1,179)	-	-
Receivables and prepayments		57,083	(122,745)	(6,331)	21,251
Payables		(50,430)	95,078	(13,143)	(15,819)
Cash from operations:		2,111,474	2,275,108	(38,290)	(11,432)
Dividend received		-	-	749,434	795,451
Interest received		5,028	8,890	1,375	884
(Tax paid)/tax refund		(221,532)	(267,832)	(125)	122
Net cash generated from operating activities		1,894,970	2,016,166	712,394	785,025
Cash Flows From Investing Activities					
Advances to subsidiaries		-	-	(50,615)	(49,234)
Financial assets:					
- disposal/(purchase)of unit trusts		407,295	(438,443)	172,914	(136,392)
Intangible assets:					
- purchase of software		(117,159)	(143,900)	-	-
- acquisition of film library and programme rights		(386,706)	(413,917)	-	-
Interest received on:					
- advances to subsidiaries		-	-	35,004	168,447
Investment in associates:					
- purchase		(780)	-	-	-
Investment in subsidiaries	14	-	-	(56,650)	-
Other investments:					
- proceeds from maturity		-	5,000	-	-
- purchase		-	(4,085)	-	-
Property, plant and equipment:					
- purchase		(99,379)	(95,245)	(22)	(13)
- proceeds from disposal		466	213	3	-
Redemption of RPS by a subsidiary	14	-	-	10	-
Repayment from subsidiaries		-	-	890,985	423,616
(Placement)/withdrawal of fixed deposits with maturity of more than 3 months		(43,000)	113,024	-	2,018
Net cash (used in)/generated from investing activities		(239,263)	(977,353)	991,629	408,442

The accompanying notes on pages 171 to 297 form part of these financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 January 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash Flows From Financing Activities					
Dividends paid	12	(573,538)	(651,321)	(573,538)	(651,321)
Interest paid		(121,468)	(98,935)	(71,277)	(94,408)
Payment for set-top boxes		(325,982)	(270,485)	-	-
Payment of finance lease interest		(104,652)	(95,053)	-	-
Net (repayment)/drawdown of borrowings		(325,561)	156,939	(1,011,936)	(449,436)
Repayment of finance lease liabilities		(187,945)	(118,982)	-	-
Net cash used in financing activities		(1,639,146)	(1,077,837)	(1,656,751)	(1,195,165)
Net increase/(decrease) in cash and cash equivalents		16,561	(39,024)	47,272	(1,698)
Effects of foreign exchange rate changes		(9,683)	9,401	-	-
Cash and cash equivalents at beginning of the financial year		233,608	263,231	18,480	20,178
Cash and cash equivalents at end of the financial year	22	240,486	233,608	65,752	18,480

The principal non-cash transactions are as disclosed in Note 32.

The accompanying notes on pages 171 to 297 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

1 General Information

The principal activity of the Company is investment holding. The Group is primarily engaged in the provision of television services; radio services; film library licensing; content creation, aggregation and distribution; talent management; multimedia interactive services; digital media and home shopping. The principal activities of the subsidiaries are as disclosed in Note 14 to the financial statements.

There were no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The Company and its subsidiaries are collectively referred to as the Group.

The Company is incorporated and domiciled in Malaysia and is listed and quoted on the Official List of the Main Market of Bursa Malaysia Securities Berhad.

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

3rd Floor, Administration Building
All Asia Broadcast Centre
Technology Park Malaysia
Lebuhraya Puchong-Sungai Besi
Bukit Jalil, 57000, Kuala Lumpur

2 Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity and cash flow risk, price risk and capital risk. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

The Group uses derivative financial instruments such as forward foreign currency exchange contracts and a mixture of fixed and floating interest rate instruments to hedge certain exposures.

(a) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of the foreign currency transactions entered into by the Group in currencies other than its functional currency. Forward foreign currency exchange contracts and foreign currency options are used to limit exposure to currency fluctuations on foreign currency payables and on cash flows generated from anticipated transactions denominated in foreign currencies. Cross-currency interest rate swaps are used to limit exposure to currency fluctuations on borrowings and vendor financing.

(b) Interest rate risk

The Group's interest rate exposure arises principally from the Group's trade payables and borrowings. The interest rate risk is managed through the use of fixed and floating interest rate instruments.

(c) Credit risk

The Group has no significant concentrations of credit risk. Customer credit risk exposure is managed with a combination of credit limits and arrears monitoring procedures. Deposits of cash are placed only with financial institutions with strong credit ratings and investment in unit trusts are made only in cash/money market i.e. very liquid funds.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

2 Financial Risk Management Objectives and Policies (Cont'd.)

(d) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group's treasury aims to maintain flexibility in funding by keeping committed credit facilities available and if necessary, obtain additional debt and equity funding.

(e) Price risk

The Group is exposed to price risk resulting from investment in unit trusts classified as fair value through profit or loss on the balance sheet. To manage its price risk arising from investment in unit trusts, the Group diversifies its portfolio in various financial institutions. The Group is not exposed to commodity price risk.

(f) Capital risk

The Group'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.

The Group and Company will balance their overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt or the repayment of existing borrowings.

(g) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Estimated discounted cash flows are used to determine the fair value of financial instruments. The fair value of forward foreign exchange contracts and foreign currency options are determined using quoted forward exchange rates at the balance sheet date. The fair values of cross-currency interest rate swaps and interest rate swaps are calculated using observable market interest rate and yield curves with estimated future cash flows being discounted to present value. The fair value of other investments is determined by reference to recent sales price of a comparable transaction with a third party.

Further details on financial risks are disclosed in Note 36.

3 Summary of Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

A Basis of preparation

The financial statements of the Group and Company have been prepared under the historical cost convention.

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

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

3 Summary of Significant Accounting Policies (Cont'd.)

A Basis of preparation (Cont'd.)

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 year. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and judgement 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 4 to the financial statements.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and Company have applied the following amendments for the first time for the financial year beginning on 1 February 2018:

- Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 128 Investments in Associates and Joint Ventures
- Amendments to MFRS 140 Transfers of Investment Property
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- MFRS 9 Financial Instruments

The Group and the Company applied MFRS 9 for the first time in the 2019 financial statements with the date of initial application of 1 February 2018. The standard is applied retrospectively.

In accordance with the transitional provisions provided in MFRS 9, comparative information for 2018 was not restated and continued to be reported under the previous accounting policies governed under MFRS 139. The cumulative effects of initially applying MFRS 9 were recognised as an adjustment to the opening balance of retained earnings as at 1 February 2018.

The detailed impact of the change in accounting policy on financial instruments is disclosed in Note 41.

- MFRS 15 Revenue from Contracts with Customers

The Group applied MFRS 15 for the first time in the 2019 financial statements with the date of initial application of 1 February 2018 by using the modified retrospective transition method.

Under the modified retrospective transition method, the Group applies the new policy retrospectively only to contracts that are not completed contracts at the date of initial application. Accordingly, the 2018 comparative information was not restated and the cumulative effects of initial application of MFRS 15 were recognised as an adjustment to the opening balance of retained earnings as at 1 February 2018. The comparative information continued to be reported under the previous accounting policies governed under MFRS 118 and MFRS 111. Financial impact on the financial statements if MFRS 15 is applied retrospectively is disclosed in Note 41 to the financial statements.

In addition, the Group has elected the practical expedient not to retrospectively restate contracts that were modified before the date of initial application.

The detailed impact of the change in accounting policy on revenue is disclosed in Note 3(Q), 3(AC), 3(AD) and 41.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

A Basis of preparation (Cont'd.)

(b) Standards, amendments to published standards and interpretations to existing standards that have been issued but not yet effective

A number of new standards, amendments to published standards and interpretations are effective for financial year beginning on/after 1 February 2019. None of these is expected to have significant impact on the financial statements of the Group and Company, except the following set out below:

(i) Financial years beginning on/after 1 February 2019

- MFRS 16 Leases (effective from 1 January 2019) supersedes MFRS 117 Leases and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in income statement.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

Based on the assessment undertaken to-date, the adoption of this standard would impact on the Group's balance sheet with the recognition of right-of-use assets and lease liabilities by less than 3% of total assets and total liabilities.

- IC Interpretation 23 Uncertainty over Income Tax Treatments (effective 1 January 2019) provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

IC Interpretation 23 will be applied retrospectively.

- Amendments to MFRS 9 Prepayment Features with Negative Compensation (effective 1 January 2019) allow companies to measure some prepayable financial assets with negative compensation at amortised cost. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than the unpaid amounts of principal and interest. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract, and the asset must be held within a 'held to collect' business model.

The amendments will be applied retrospectively.

3 Summary of Significant Accounting Policies (Cont'd.)

A Basis of preparation (Cont'd.)

(b) Standards, amendments to published standards and interpretations to existing standards that have been issued but not yet effective (Cont'd.)

(i) Financial years beginning on/after 1 February 2019 (Cont'd.)

- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures (effective from 1 January 2019) clarify that an entity should apply MFRS 9 Financial Instruments (including the impairment requirements) to long-term interests in an associate or joint venture, which are in substance form part of the entity's net investment, for which settlement is neither planned nor likely to occur in the foreseeable future.

In addition, such long-term interest are subject to loss allocation and impairment requirements in MFRS 128.

The amendments will be applied retrospectively.

- Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement (effective from 1 January 2019)
- Annual improvements to MFRS Standards 2015-2017 cycle (effective from 1 January 2019)

(ii) Financial years beginning on/after 1 February 2020

- Amendments to References to the Conceptual Framework in MFRS Standards (effective from 1 January 2020)

(iii) Effective date yet to be determined by Malaysian Accounting Standards Board

- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of the above applicable standards, amendments to published standards and interpretations to existing standards are not expected to have a material impact on the financial statements of the Group and Company except for MFRS 16.

There are no other standards, amendments to published standards and interpretations to existing standards that are not effective that would be expected to have a material impact on the Group and Company.

B Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured 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.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

B Consolidation (Cont'd.)

(a) Subsidiaries (Cont'd.)

Under the acquisition method of accounting, as adopted on acquisition of commonly controlled companies, the cost of an acquisition is measured as the fair value of the assets acquired and liabilities incurred or assumed at the date of exchange. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, and any gains or losses arising from such re-measurement are recognised in the income statement. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of the non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is 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 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 other comprehensive income are reclassified to the income statement.

(b) Non-controlling interests

Non-controlling interests are measured at their share of the post acquisition fair values of the identifiable assets and liabilities of the invested entities. Total comprehensive income of subsidiaries is attributable to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence over their operating and financial policies, but over which it does not have control.

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 (net of accumulated impairment) on acquisition. Under this method, the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred legal or constructive obligations or made payment on behalf of the associate.

3 Summary of Significant Accounting Policies (Cont'd.)

B Consolidation (Cont'd.)

(c) Associates (Cont'd.)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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 arising in investments in associates are recognised in the income statement.

(d) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group's interests in joint ventures are accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

B Consolidation (Cont'd.)

(d) Joint arrangements (Cont'd.)

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

C Property, plant and equipment

Property, plant and equipment are stated at cost (inclusive of sales and services tax), net of the amount of goods and services tax ("GST") recoverable, less accumulated depreciation and impairment losses. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of acquisition of property, plant and equipment.

Depreciation is calculated on a straight line basis to write off the cost of each asset to the residual value over its estimated useful life. Leased assets capitalised are depreciated over their estimated useful lives or lease period, whichever is shorter.

The estimated useful lives of the assets are as follows:

Buildings	40 years
Satellite transponders	15 years
Equipment, fixtures and fittings	3 - 10 years
Broadcast and transmission equipment	3 - 10 years

Freehold land is not depreciated as it has an unlimited useful life.

Included in broadcast and transmission equipment are set-top boxes and outdoor dish units (collectively called "HD set-top boxes") used to provide the Astro High Definition Services ("Astro Beyond") to Astro subscribers. These HD set-top boxes remain the property of the Group after installation. The HD set-top boxes are capitalised and depreciated over their useful economic life of 3 years.

No depreciation is calculated on assets under construction until the assets are completed and are ready for their intended use.

At each balance sheet date, the Group assesses 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. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(G) on impairment of non-financial assets.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement.

3 Summary of Significant Accounting Policies (Cont'd.)

D Leases

(a) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included as part of borrowings.

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term. Assets acquired under finance leases are depreciated according to the basis set out in Note 3(C).

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease expense.

(b) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the leases.

E Intangible assets

(a) Goodwill

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred of an acquisition of a subsidiary/associate/joint venture, the amount of any non-controlling interest in the subsidiary/associate/joint venture and the acquisition-date fair value of any previous equity interest in the subsidiary/associate/joint venture over the fair value of the Group's share of the net identifiable assets acquired and liabilities assumed of the acquired subsidiary/associate/joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of investments accounted for using the equity method is included in the investments. Goodwill is not amortised, but is subject to an annual review for impairment and carried at cost less accumulated impairment losses. Any impairment is recognised immediately as an expense and is not subsequently reversed. The calculation of the gains and losses on the disposal takes into account the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Computer software

Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

E Intangible assets (Cont'd.)

(b) Computer software (Cont'd.)

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software costs recognised as assets are amortised using the straight line method over their estimated useful economic lives of 3 – 4 years. Amortisation is included in cost of sales, administrative expenses and marketing and distribution costs as appropriate.

(c) Software development

No amortisation is calculated on software development until the software is completed and is ready for its intended use.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

At each balance sheet date, 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 3(G) on impairment of non-financial assets.

(d) Brands

Brands acquired in a business combination relating to the radio business are recognised at fair value at the acquisition date. The brands have an indefinite useful life and are not amortised, but are subject to annual review for impairment and carried at cost less accumulated impairment losses. Any impairment is charged to the income statement as it arises.

The useful lives of the brands are estimated to be indefinite based on a strong position in the market and the clear precedence of similar radio companies which have adopted an indefinite life for the radio brands. Management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group.

(e) Film library and programme rights

The film library comprises acquired films and films produced for the Group with the primary intention to exploit the library through release and licensing of such films as part of the Group's long-term operations. The film library is stated at cost less accumulated amortisation.

Amortisation of film library is on an individual film basis based on the proportion of the actual revenue earned during the financial year over the estimated total revenue expected to be earned over the revenue period, not exceeding three years, commencing from the date when revenue is first generated. Estimated ultimate revenue expected to be earned is reviewed periodically and additional impairment losses are recognised if appropriate. Amortisation is included in cost of sales.

The cost of film under production comprises expenditure incurred in the production of films and is stated at cost. The amortisation of the cost incurred for the production in progress will commence in the period that the motion pictures are screened in the cinemas.

The programme rights comprise rights licensed from third parties and programmes produced for the Group and production in progress with the primary intention to broadcast in the normal course of the Group's operating cycle. The rights are stated at cost less accumulated amortisation.

3 Summary of Significant Accounting Policies (Cont'd.)

E Intangible assets (Cont'd.)

(e) Film library and programme rights (Cont'd.)

The Group amortises programme rights based on an accelerated basis over the license period, or estimated useful life if shorter, from the date of first transmission, to match the costs of consumption with the estimated benefits to be received. Amortisation is included in cost of sales. The amortisation period is not more than three years.

The cost of programme rights for sports are amortised on a straight-line basis over a season or annually, depending on the expected consumption of the rights. Live and one-off events are fully amortised on the date of first transmission.

At each balance sheet date, the Group assesses 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 3(G) on impairment of non-financial assets.

(f) Event licence rights

Events license rights are stated at cost less accumulated amortisation and any impairment losses. These rights are amortised over the remaining term of the rights agreements and are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

(g) Spectrums

Spectrums relating to the radio business are recognised at cost at the acquisition date. The spectrums have an indefinite useful life and are not amortised, but are subject to annual review for impairment and carried at cost less accumulated impairment losses. Any impairment is charged to the income statement as it arises.

The useful lives of the spectrums are estimated to be indefinite as management intends to utilise the spectrums to broadcast and generate net cash inflows for the Group indefinitely. Also, the costs associated to the renewal process is insignificant to the future economic value of the business.

(h) Intellectual properties

Intellectual properties relating to the digital and print media businesses are recognised at cost at the acquisition date. The intellectual properties have an indefinite useful life and are not amortised, but are subject to annual review for impairment and carried at cost less accumulated impairment losses. Any impairment is charged to the income statement as it arises.

The useful lives of the intellectual properties are estimated to be indefinite on the basis that there is no foreseeable limit to the period over which the intellectual properties are expected to generate net cash inflows for the Group.

F Turnaround channel transmission rights

The cost of turnaround channels (programme provider fees), where the Group has immediate transmission rights, is expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

G Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation or depreciation 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell 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 (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 the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

H Inventories

Inventories which principally comprise set-top boxes used in the provision of non-subscription services, merchandise and other materials are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts.

Costs of purchased inventory (inclusive of sales and services tax) are determined after deducting rebates, discounts and the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of purchased inventory.

Cost is determined based on the weighted average cost method. Where appropriate, allowance is made for obsolete or slow-moving inventories based on management's analysis of inventory levels and future sales forecasts.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

I Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. 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 facility will be drawn down. In this case, the fee is capitalised as prepayment until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period for the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the borrowings that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in income statement within finance costs.

3 Summary of Significant Accounting Policies (Cont'd.)

J Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

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. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, 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 affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled 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.

K Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the financial period in which the associated services are rendered by employees of the Group. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(b) Defined contribution plans

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

The Group pays contributions to publicly administered pension plans on a mandatory, contractual or voluntary basis, that are charged to income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions are accounted for on the accruals basis.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

K Employee benefits (Cont'd.)

(c) Termination benefits/ Separation Scheme

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 Provision, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Share-based payment transactions

The Group and Company operate an equity settled share-based compensation plan under which the Group and Company receive services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the share awards is recognised as an expense with a corresponding increase to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted, excluding the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, is recognised in the income statement, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

The fair value of the share awards is measured using the Monte Carlo Simulation Model. Measurement inputs include share price on measurement date, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), expected dividends, and the risk-free interest rate (based on Malaysian Government Securities yield).

(e) Gratuity payments

Gratuity payments to employees are recognised when the eligibility criteria have been met and are paid when the eligible employees retire.

L Foreign currencies

(a) 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 RM, which is the Company's functional and presentation currency.

3 Summary of Significant Accounting Policies (Cont'd.)

L Foreign currencies (Cont'd.)

(b) Transactions and balances

Foreign currency transactions are translated into RM using the exchange rates prevailing at the transaction dates. 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 income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income or separate income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

M Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, cash at bank and deposits with banks that have maturity periods 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.

N Contingent liabilities and assets

The Group does not recognise a contingent liability 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 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 circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group discloses the existence of contingent assets where inflows of economic benefits are probable, but not virtually certain.

O Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

O Provisions (Cont'd.)

Provisions are measured at the present value 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.

P Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(b) Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

(c) Dividends

Dividends on ordinary shares are recognised as liabilities when declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period, other than final dividends which are recognised when approved by the members at the Annual General Meeting.

Q Revenue recognition

Accounting policies applied from 1 February 2018

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. 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 substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Performance obligations by type of good or service are as follows:

(i) Subscription

The Group provides subscription-based satellite television services to customers. HD set-top boxes are not sold as ownership of these boxes remain with the Group, as disclosed in Note 3(C). Subscription revenue is recognised over the period in which the services are rendered. The Group's obligation to provide service to a customer for which the Group has received consideration in advance from customer is presented as contract liabilities.

3 Summary of Significant Accounting Policies (Cont'd.)

Q Revenue recognition (Cont'd.)

Accounting policies applied from 1 February 2018 (Cont'd.)

(ii) Advertising airtime sales and digital advertising sales

The Group provides advertising services over multiple platforms – TV, Radio and Digital. Advertising revenue for TV and Radio is recognised over the period in which the advertisement is broadcasted or published. Digital advertising revenue is recognised over the period in which fulfillment in accordance with the contract with customer is completed.

Certain advertising revenues are generated in barter transactions in exchange for goods or services, delivered or provided by the advertisers. Such revenues are measured at the estimated fair market value of the goods or services received. The fair market value of the goods received is recorded as an asset when they qualify for assets recognition or is otherwise expensed to income statement. Services received in exchange are expensed to income statement over the service period fulfilled by advertisers.

(iii) Non-subscription based set-top boxes and prepaid subscription revenue

The Group sells non-subscription based set-top boxes with pre-determined channels at a one-time fee. Customers can benefit from the usage of the non-subscription set-top boxes by viewing the channels transmitted by the Group over the life of the set-top boxes. The revenue and cost attributable to the sale of non-subscription based set-top boxes are recognised over an estimated period of 12 months.

The Group offers customers of non-subscription based set-top boxes the ability to purchase channels that are not pre-determined in the set-top boxes via prepaid voucher. Prepaid subscription revenue is recognised upon utilisation of prepaid voucher by the customers or upon expiry, whichever is earlier. Unutilised credits of prepaid voucher that have been deferred are presented as contract liabilities.

(iv) Provision of programme broadcast rights

Revenue from provision of programme broadcast rights consists of provision of film library, programme rights and theatrical sales. Provision of film library and programme rights is recognised at a point in time when the rights are available to the licensee. Theatrical sales of motion pictures is recognised at a point in time the tickets for the motion pictures are sold in cinemas.

(v) Production service revenue

The Group provides production services, encompassing everything from pre-production, production to post-production works, of which rights of content produced are held by customers. Production service revenue is recognised over the period in which the services are rendered.

(vi) Licensing income

Licensing income is recognised over the period the content or channel is being provided.

(vii) Interactive services

Fees from the development of multimedia and interactive applications (interactive services) are recognised over the contractual period in which the development takes place. Fees from the right to access multimedia and interactive applications are recognised over the period in which the services are provided.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

Q Revenue recognition (Cont'd.)

Accounting policies applied from 1 February 2018 (Cont'd.)

(viii) Sales of merchandise

The Group operates a home shopping business through various platforms including but not limited to TV, internet/online shopping and mobile shopping. Revenue from the sales of merchandise is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the product and takes delivery. It is the Group's policy to sell its products to the end customer with a right of return within 10 days. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) are 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.

Revenue from other sources are recognised as follows:

- (i) Dividend income from subsidiaries is recognised when the right to receive payment is established. Dividend income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments.
- (ii) Interest income is recognised using the effective interest method.

Accounting policies applied until 31 January 2018

Revenue is measured at 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 is shown net of goods and services tax, returns, rebates and discounts and amounts collected on behalf of third parties and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Dividend income of the Company is recognised when the right to receive payment is established.

Subscription fees derived from satellite television services are recognised as earned over the financial period the services are provided, net of goods and services taxes, discounts and rebates. Subscription fees received prior to services being provided are recognised as unearned revenue.

Airtime revenues, derived from the placement of commercials on television and broadcast of commercials on radio stations, are recognised in the period during which the commercials are aired, net of goods and services taxes, discounts and rebates.

Advertising revenues from sale of advertising space in magazines are recognised in the period during which advertisements are published, net of goods and services taxes, discounts and rebates.

Certain advertising revenues are generated in barter transactions in exchange for equipment, goods or services, provided by the advertisers. Such revenues are recorded at the estimated fair market value of the equipment and goods received. The revenue is recognised over the period of the contracts as the commercials are aired. The fair market value of the equipment and goods received is recorded as an asset when they qualify for assets recognition or is otherwise expensed. Services received in exchange are expensed over the service period.

3 Summary of Significant Accounting Policies (Cont'd.)

Q Revenue recognition (Cont'd.)

Accounting policies applied until 31 January 2018 (Cont'd.)

Licensing income is recognised over the contracted years based on a fixed fee, that is adjusted according to various drivers such as the number of channel subscribers or number of linear channels available.

Revenue from sale of set-top boxes for non-subscription services is recognised in the period it is delivered as ownership is transferred to the customer upon delivery. HD set-top boxes are not sold as ownership of these boxes remain with the Group, as disclosed in Note 3(C).

Revenue from provision of programme broadcast rights consists of provision of film library, programme rights and theatrical sales. Provision of film library and programme rights is recognised in the period the rights are available to the licensee. Theatrical sales of motion pictures is recognised in the period the motion pictures are screened in cinemas.

Fees from the development of multimedia and interactive applications (interactive services) are recognised over the contractual period in which the development takes place. Fees from the right to access multimedia and interactive applications are recognised over the period in which the services are provided.

Revenue from sales of merchandise is recognised upon goods delivered to customers, net of returns.

Interest income is recognised using the effective interest method.

Production service revenue is recognised by providing production services to other parties or related companies. The production company has no rights to the content produced after the production. The services include lighting, recording, camera, etc.

Prepaid subscription revenue for DTH customers and NJOI packages is recognised over the period in which the services are provided.

Loyalty points under the customer loyalty programmes are accounted for as a separately identifiable component of the transaction in which they are granted. The fair value of the consideration received in respect of the initial sale is allocated between the cost of loyalty points and the other components of the sale. The consideration allocated to loyalty points is recognised in the income statements under the caption of 'revenue' when loyalty points are redeemed.

R Financial instruments

(a) Financial instruments recognised on the balance sheet

Financial instruments carried on the balance sheet include cash and bank balances, deposits, receivables, borrowings and other investments. The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy statements associated with each item.

(b) Fair value estimation for disclosure purposes

In assessing the fair value of financial instruments, the Group makes certain assumptions that are based on market conditions existing at each balance sheet date and applies the discounted cash flow method to discount the future cash flows to determine the fair value of the financial instruments.

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

S Financial assets

Accounting policies applied from 1 February 2018

(a) Classification

From 1 February 2018, the Group and the Company classify its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss), and
- those to be measured at amortised cost.

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

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit 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 have transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“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 income statement.

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s and the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in respective income statement lines together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement.

3 Summary of Significant Accounting Policies (Cont'd.)

S Financial assets (Cont'd.)

Accounting policies applied from 1 February 2018 (Cont'd.)

(c) Measurement (Cont'd.)

Debt instruments (Cont'd.)

(b) Fair value through other 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 respective income statement lines. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in respective income statement lines and impairment expenses are presented as separate line item in the income statement.

(c) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in income statement and presented net within respective income statement lines in the period which it arises.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have 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 income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in income statement as revenue or other income when the Group's and the Company's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in respective income statement lines in the income statement as applicable.

(d) Impairment

(i) Impairment for debt instruments

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group and the Company have six types of financial instruments that are subject to the ECL model:

- Trade receivables
- Loans to subsidiaries and amount due from subsidiaries
- Contract assets
- Other receivables
- Amount due from related parties
- Amount due from associate

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

S Financial assets (Cont'd.)

Accounting policies applied from 1 February 2018 (Cont'd.)

(d) Impairment (Cont'd.)

(i) Impairment for debt instruments (Cont'd.)

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 the 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.

(a) Simplified approach for trade receivables, contract assets, amounts due from related parties and amount due from associate

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, contract assets, amounts due from related parties and amount due from associate.

Note 36(a) sets out the measurement details of ECL.

(b) General 3-stage approach for other receivables and loans to subsidiaries

At each reporting date, the Group and the 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.

Note 36(a) sets out the measurement details of ECL.

(ii) Significant increase in credit risk

The Group and the 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 the 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;
- external credit rating (as far as available);
- 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;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

3 Summary of Significant Accounting Policies (Cont'd.)

S Financial assets (Cont'd.)

Accounting policies applied from 1 February 2018 (Cont'd.)

(d) Impairment (Cont'd.)

(iii) Definition of default and credit-impaired financial assets

The Group and the 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 the Company define a financial instrument as default, when the counterparty fails to make contractual payment within the credit term.

Qualitative criteria:

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

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

(iv) Groupings of instruments for ECL measured on collective basis

(a) Collective assessment

To measure ECL, trade receivables arising from television services and advertising business have been grouped respectively based on shared credit risk characteristics and the days past due.

(b) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Loans to subsidiaries in the Company's separate financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each loan to subsidiary.

(v) Write-off

(a) Trade receivables, contract assets, amounts due from related parties and amount due from associate

Trade receivables, contract assets, amounts due from related parties and amount due from associate 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 the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

S Financial assets (Cont'd.)

Accounting policies applied from 1 February 2018 (Cont'd.)

(d) Impairment (Cont'd.)

(v) Write-off (Cont'd.)

(a) Trade receivables, contract assets, amounts due from related parties and amount due from associate (Cont'd.)

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

(b) Other receivables and loan to subsidiaries

The Group and the 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 the 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.

Accounting policies applied until 31 January 2018

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale ("AFS") and held-to-maturity ("HTM"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at FVTPL

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. The Group has not elected to designate any financial assets at FVTPL.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. They are included in 'Receivables and prepayments' and 'Deposits, cash and bank balances' in the balance sheet.

(iii) AFS investments

AFS financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within twelve months of the end of the reporting period.

3 Summary of Significant Accounting Policies (Cont'd.)

S Financial assets (Cont'd.)

Accounting policies applied until 31 January 2018 (Cont'd.)

(a) Classification (Cont'd.)

(iv) HTM investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intent and ability to hold it to maturity. They are classified as non-current assets when the remaining maturities are more than twelve months and as current assets when the remaining maturities are less than twelve months. They are included in financial assets in the balance sheet at amortised cost. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

(b) Recognition and measurement

Purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at FVTPL. Financial assets carried at FVTPL are initially recognised at fair value, and transaction costs are expensed in the income statement. FVTPL are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method. AFS are subsequently carried at fair value. Any gains or losses from changes in fair value of AFS are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments, interest and dividends are recognised in the income statement.

(c) Subsequent measurement - Impairment of financial assets

Financial assets carried at amortised cost are impaired when there is objective evidence as a result of one or more events that the present value of estimated discounted future cash flows is lower than the carrying value. Any impairment losses are recognised immediately in the income statement. Financial assets are continuously monitored and allowances are applied against financial assets on a collective basis based on the Group's and Company's historical loss experiences for the relevant aged category.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the income statement.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If 'loans and receivables' have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The Group may measure impairment on the basis of an instrument's fair value using an observable market price.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

S Financial assets (Cont'd.)

Accounting policies applied until 31 January 2018 (Cont'd.)

(c) Subsequent measurement - Impairment of financial assets (Cont'd.)

In the case of equity securities classified as AFS, in addition to the criteria for financial assets carried at amortised cost above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for AFS financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in income statement. The amount of cumulative loss that is reclassified to income statement is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as AFS are not reversed through the income statement.

(d) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When AFS are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to the income statement.

T Financial liabilities

Financial liabilities within the scope of MFRS 9 and MFRS 139 Financial Instruments: Recognition and Measurement are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value at the end of the reporting period. Other financial liabilities (except for financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. 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 income statement.

3 Summary of Significant Accounting Policies (Cont'd.)

U Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for at fair value through profit or loss. Changes in the fair value are recognised immediately in income statement.

Since adoption of MFRS 9, the Group documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. Prior to 1 February 2018, the Group documented at the inception of the transaction, the relationship between hedging instruments and hedged items and its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that were used in hedging transactions have been, and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in the financial statements. Movements on the hedging reserve in shareholders' equity are shown in the Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

MFRS 9 introduces the concept of 'cost of hedging' which are seen as cost of achieving the risk mitigation inherent in the hedge. The changes in these 'cost of hedging' are initially recognised within OCI as a hedging reserve in equity. Subsequently, these 'cost of hedging' is removed from equity and recognised in income statement.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instruments. Since adoption of MFRS 9, gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in other comprehensive income and accumulated in cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised in other comprehensive income and accumulated in costs of hedging reserve within equity.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

U Derivative financial instruments and hedging activities (Cont'd.)

Cash flow hedges (Cont'd.)

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Since adoption of MFRS 9, gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income and accumulated in cash flow hedge reserve within equity. The changes in the forward element of the contract that relate to the hedged item ('aligned forward element') is recognised in other comprehensive income and accumulated in costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

V Earnings per ordinary share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise share awards granted to employees.

W Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker comprising the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3 Summary of Significant Accounting Policies (Cont'd.)

X Trade and other receivables

Trade receivables are amounts due from customers for merchandise 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 and other receivables are recognised initially at fair value, with the amount of GST included. The net amount of GST recoverable from the government is included in other receivables.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows which are recoverable from, or payable to, the government are classified as operating cash flows.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. See accounting policy Note 3S(c) on impairment of financial assets.

Y Trade and other payables

Trade payables represent liabilities for goods or services provided to the Group and Company prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, with the amount of GST included. The net amount of GST payable to the government is included in other payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows which are recoverable from, or payable to, the government are classified as operating cash flows.

Trade payables are subsequently measured at amortised cost using the effective interest method.

Z Non-current assets held-for-sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

AA Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

3 Summary of Significant Accounting Policies (Cont'd.)

AB Loans to subsidiaries

Loans to subsidiaries are recognised initially at fair value. If there is any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary as it reflects the substance of the transaction.

Loans to subsidiaries are subsequently measured at amortised cost using the effective interest method, less loss allowance. Details on the Company's impairment policies of loans to subsidiaries are provided in Note 3(S).

AC Contract assets and liabilities

Contract asset is the satisfied obligation by the Group for which billings have not been raised.

Contract liability is the unsatisfied obligation by the Group to transfer goods or service to customer for which the Group has received the consideration in advance or has billed the customers. Contract liabilities include deferred income where the Group has billed or collected before the services are provided to customers.

AD Contract cost assets

The Group capitalises sales commissions and non-subscription based set-top boxes as costs to obtain a contract as these are incremental costs that would not have been incurred by the Group if the respective contracts had not been obtained. The Group expects to recover these costs over the service period.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relates to.

Amortisation of contract cost assets incurred to obtain or fulfil a contract is presented within the income statement.

An impairment loss is recognised to income statement to the extent that the carrying amount of the contract cost asset recognised exceeds the remaining amount of considerations that the Group expects to receive for the specific contract that the cost relate to less additional costs required to complete the specific contract.

4 Critical Accounting Estimates and Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, 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.

(a) Programme rights

The Group amortises programme rights over the license period, or estimated useful life if shorter, from the date of first transmission, to match the costs of consumption with the estimated benefits to be received as disclosed in Note 3E(e). The estimated benefits to be received are based on management's estimates of the consumption pattern and period a programme will be broadcast.

(b) Impairment test for goodwill, brands, spectrum and intellectual properties

Goodwill, brands, spectrum and intellectual properties which are indefinite life intangible assets, are allocated to the Group's cash-generating units ("CGUs") identified according to operating segment. The CGUs that have been allocated goodwill, brands, spectrum and intellectual properties are disclosed in Note 19 to the financial statements.

The recoverable amount of the CGUs was determined based on a value in use basis and no impairment was identified during the financial year.

The recoverable amount reflects historical results for the related CGUs taking into consideration market forecast and strategic plans of the CGUs. The cash flow projections are based on the Board approved budget for the next financial year and the strategic plan covering a three (2018: five) year period, after which a long term growth rate of the respective segments has been applied. Management has considered external information in completing the budget and strategic plan, including forecast economic indicators for the Malaysian market as well as the competitive landscape and potential changes in technology.

Further details of the carrying value, the key assumptions applied in the impairment assessment and sensitivity analysis to changes in the assumptions are as disclosed in Note 19.

(c) 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 the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of reporting period. Details of the key assumptions and inputs used are disclosed in Note 36(a).

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

5 Revenue and contract assets/(liabilities)

Financial year ended 31 January 2019

	Group RM'000	Company RM'000
Revenue from contract with customers (Note a)	5,477,407	4,150
Revenue from other sources:		
Dividend income from subsidiaries	-	492,482
Rental income	1,641	-
	5,479,048	496,632

(a) Disaggregation of the Group's revenue from contracts from customers

	Television RM'000	Radio RM'000	Home- shopping RM'000	Others RM'000	Total RM'000
Major goods and services					
Television services:					
- Subscription	4,002,137	-	-	-	4,002,137
- Prepaid subscription	62,057	-	-	-	62,057
- Non-subscription based set-top boxes	51,549	-	-	-	51,549
- Others*	72,440	-	-	-	72,440
Advertising airtime sales:					
- barter	6,538	12,653	-	-	19,191
- non-barter	362,103	255,728	-	-	617,831
Digital advertising:					
- barter	-	2,705	-	-	2,705
- non-barter	25,486	21,696	-	-	47,182
Sales of merchandise	1,575	-	371,157	-	372,732
Programme and channel sales:					
- Provision of programme broadcast rights	39,403	-	-	-	39,403
- Production service revenue	73,107	-	211	-	73,318
- Licensing income	91,034	-	-	-	91,034
- Others	7,735	-	-	-	7,735
Others	14,705	83	2,597	708	18,093
	4,809,869	292,865	373,965	708	5,477,407
Timing of revenue recognition					
At a point in time	83,948	-	371,157	-	455,105
Over time	4,725,921	292,865	2,808	708	5,022,302
	4,809,869	292,865	373,965	708	5,477,407

Revenue from contract with customers of the Company comprise management fees, recognised over time.

* Comprise interactive services, set up fees revenue, activation fee, and technical service fee.

5 Revenue and contract assets/(liabilities) (Cont'd.)

(b) Assets and liabilities related to contracts with customers:

The Group has recognised the following assets and liabilities related to contracts with customers:

Contract assets

	Group 2019 RM'000
At beginning of financial year	-
Effect arising from adoption of MFRS 15	5,107
At beginning of financial year, as adjusted	5,107
Transfer to receivables	(5,107)
Additions due to revenue recognised during the year	9,625
At end of financial year	9,625

Contract assets represent completed performance obligation in relation to television services and programme and channels sales for which billings have not been raised.

Contract liabilities

	Group 2019 RM'000
At beginning of financial year	-
Effect arising from adoption of MFRS 15	222,110
At beginning of financial year, as adjusted	222,110
Increases due to cash received	234,787
Revenue recognised in income statement during the year	(248,177)
At end of financial year	208,720

Contract liabilities mainly comprise subscription fees billed prior to services being provided and allocation of non-subscription based set-top boxes revenue over the period.

Contract liabilities represent the aggregate amount of the transaction price allocated to the remaining performance obligation and the Group will recognise this revenue as and when service is provided, which is expected to occur over the next 1 to 12 months.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

5 Revenue and contract assets/(liabilities) (Cont'd.)

Financial year ended 31 January 2018

	Group	Company
	RM'000	RM'000
Subscription	4,199,424	-
Advertising airtime sales:		
- barter	10,350	-
- non-barter	681,132	-
Prepaid subscription revenue	51,766	-
Provision of programme broadcast rights	33,506	-
Production service revenue	96,881	-
Licensing income	32,601	-
Non-subscription based set-top boxes	52,677	-
Interactive services	31,612	-
Dividend income from subsidiaries	-	738,485
Magazine advertising sales	1,555	-
Sales of merchandise	287,571	-
Playout channel service fees	6,821	-
Set up fee revenue	12,631	-
Others**	32,226	3,766
	5,530,753	742,251

** Comprise management fees, talent revenue, activation fee, technical service fee and income from rental of building for the Group and management fees for the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

6 Profit Before Tax

(a) The following items have been expensed off in arriving at profit before tax (excluding finance costs and finance income):

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Amortisation:				
- film library and programme rights	382,532	390,786	-	-
- event license rights	9,132	2,315	-	-
- contract costs assets	56,108	-	-	-
- software	139,169	154,024	-	5
Auditors' remuneration:				
- audit	2,079	1,842	573	550
- over provision of audit fees	-	(46)	-	-
- audit related services (including quarterly reviews)	873	1,001	735	970
- other services*	1,157	402	-	-
Bad debts written off	8,172	11,147	-	-
Set-top boxes related costs	45,996	105,001	-	-
Corporate management costs	-	-	6,620	6,880
Corporate responsibility programme costs	11,293	10,816	-	-
Depreciation:				
- property, plant and equipment	506,910	523,457	10	104
Fair value loss on derivatives recycled to income statement arising from foreign exchange risk	34,186	-	-	-
Impairment:				
- film library and programme rights	7,448	10,130	-	-
- software	16,725	-	-	-
- property, plant and equipment	1,053	114	-	-
- receivables	32,550	114,704	-	11
- advances to subsidiaries	-	-	1,254	7,650
- investments accounted for using equity method	2,142	-	-	-
Insurance	6,346	8,464	82	130
Inventories written off	1,335	1,867	-	-
Maintenance expenses	97,688	86,473	290	301
Marketing and market research expenses	136,833	140,038	310	394
Professional, consultancy and other related expenses	133,324	140,167	851	696
Programme provider fees	1,248,009	1,138,751	-	-
Property, plant and equipment written off	57	244	-	-
Realised foreign exchange losses (net)	-	3,340	240	246

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

6 Profit Before Tax (Cont'd.)

(a) The following items have been expensed off in arriving at profit before tax (excluding finance costs and finance income)(Cont'd.):

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Rental:				
- buildings	16,123	22,970	141	126
- equipment	9,700	9,984	19	24
- land	2,435	5,189	-	-
- storage	614	747	8	4
Staff costs (Note 7)	702,359	589,897	7,769	6,237
Selling and distribution expenses**	145,464	183,774	-	-
Unrealised foreign exchange loss (net)	1,108	-	4	-

Included in cost of sales are programme provider fees, set-top boxes related costs, staff costs, amortisation of film library and programme rights, attributable portion of depreciation of property, plant and equipment and other direct expenses.

* Fees for other services were incurred in connection with performance of agreed upon procedures, regulatory compliance reporting, tax and advisory services paid or payable to PwC Malaysia, auditors of the Group and Company, member firms of PwC Malaysia and member firms of PwC International Limited.

** Included in selling and distribution expenses are sales incentive and warehousing and distribution costs.

(b) The following amounts have been credited in arriving at profit before tax (excluding finance costs and finance income):

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Gain on disposal of property, plant and equipment	(202)	(200)	-	-
Realised foreign exchange gains (net)	(5,287)	-	-	-
Unrealised foreign exchange gains (net)	-	(20,749)	-	(6)
Write back of bad debts	(2,078)	(2,301)	-	-
Fair value gain on derivatives recycled to income statement arising from foreign exchange risk	-	(15,218)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

7 Staff Costs (including Directors' salaries and other short-term employees' benefits)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Wages and salaries	502,758	475,213	5,191	4,912
Employee benefits-in-kind	26,650	22,158	179	159
Social security costs	4,462	3,634	24	22
Defined contribution plans	74,269	68,841	773	723
Staff welfare and allowances	9,685	11,634	66	82
Share-based payments (Note (a))	1,989	8,417	103	339
Separation scheme*	82,546	-	1,433	-
	702,359	589,897	7,769	6,237

Directors fees, meeting allowances, estimated money value of benefits-in-kind paid to non-executive directors is disclosed in Note 8 to the financial statements.

The Group and Company contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group and Company have no further payment obligations.

* Represents the charge in relation to the Employee Separation Scheme accepted by certain employees within the Group and Company.

(a) Share-based payments

The Company established a Share Scheme, which came into effect on 20 September 2012. An eligible executive or eligible employee who accepts an offer under the Share Awards ("Grantee") shall pay a sum of RM1.00 as consideration for acceptance of that offer. Subject to the terms and conditions of the By-Laws governing the Share Scheme, the Grantees shall be entitled to receive new ordinary shares to be issued pursuant to the Share Awards, on the scheduled vesting dates without further payment, subject to meeting the vesting conditions as set out in their respective letters of offer for their Share Awards, which comprise the performance targets stipulated by the Remuneration Committee of the Company.

The Share Scheme shall be in force for a period of ten years commencing from the date on which the Share Scheme became effective and no share under a share award shall vest beyond the expiry of the duration of the Share Scheme. The Company's Share Scheme consists of two types of share awards namely, Restricted Share Units ("RSU") and Performance Share Units ("PSU").

RSU

On 11 October 2012, 19 October 2015 and 19 October 2016, the Company granted share awards in respect of 21,927,000, 629,200 and 511,100 new ordinary shares respectively to the eligible executives and eligible employees of the Group and Company as part of the RSU award.

Key features of the RSU are as follows:

- The RSU granted will vest upon the fulfilment of predetermined vesting conditions including company and individual performance targets.
- The Grantees shall be entitled to receive new ordinary shares in the Company to be issued, on the scheduled vesting dates without further payment.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

RSU (Cont'd.)

The movement in the number of RSU is as follows:

Financial year ended 31 January 2019

	Group	
	3 rd RSU '000	2 nd RSU '000
At 1 February	366	419
Forfeited	(26)	(64)
Vested	(76)	(355)
At 31 January	264	-

	Company
	2 nd RSU '000
At 1 February	7
Vested	(7)
At 31 January	-

Financial year ended 31 January 2018

	Group		
	3 rd RSU '000	2 nd RSU '000	1 st RSU '000
At 1 February	417	559	4,479
Forfeited	(9)	(18)	(281)
Vested	(42)	(122)	(4,198)
At 31 January	366	419	-

	Company	
	2 nd RSU '000	1 st RSU '000
At 1 February	9	180
Vested	(2)	(180)
At 31 January	7	-

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

RSU (Cont'd.)

Details of the RSU granted:

Grant date	Vesting Date	Group	
		2019 Share grants '000	2018 Share grants '000
19 October 2015 ("2 nd RSU")	19 October 2016 – 19 October 2018	-	419
19 October 2016 ("3 rd RSU")	19 October 2017 – 19 October 2019	264	366

Grant date	Vesting Date	Company	
		2019 Share grants '000	2018 Share grants '000
19 October 2015 ("2 nd RSU")	19 October 2016 – 19 October 2018	-	7

2nd RSU

Vesting tranche	Vesting Date	Group	
		2019 Share grants '000	2018 Share grants '000
2 nd Tranche	19 October 2017	-	-
3 rd Tranche	19 October 2018	-	419
		-	419

Vesting tranche	Vesting Date	Company	
		2019 Share grants '000	2018 Share grants '000
2 nd Tranche	19 October 2017	-	-
3 rd Tranche	19 October 2018	-	7
		-	7

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

RSU (Cont'd.)

3rd RSU

Vesting tranche	Vesting Date	Group	
		2019 Share grants '000	2018 Share grants '000
1 st Tranche	19 October 2017	-	-
2 nd Tranche	19 October 2018	-	74
3 rd Tranche	19 October 2019	264	292
		264	366

The fair value of the RSU were estimated by an external valuer using the Monte Carlo Simulation Model with the following inputs:

2nd RSU

	Group and Company 2019/2018
Fair value at grant date	RM2.53 – RM2.81
Share price at grant date	RM2.96
Expected volatility	25.71%
Expected dividends	5.43%
Risk-free interest rate (based on Malaysian Government Securities yield)	3.35%

3rd RSU

	Group and Company 2019/2018
Fair value at grant date	RM2.43 – RM2.67
Share price at grant date	RM2.80
Expected volatility	26.19%
Expected dividends	4.82%
Risk-free interest rate (based on Malaysian Government Securities yield)	2.99%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the available trading dates of the Company's shares.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

PSU

On 1 August 2013, 1 August 2014 and 7 August 2015, the Company granted share awards in respect of 8,624,000, 7,889,600 and 9,093,900 new ordinary shares respectively to eligible executives and eligible employees of the Group and Company as part of the PSU award.

Key features of the PSU are as follows:

- The PSU granted will vest upon fulfilment of predetermined vesting conditions including the Company's performance over a three-year period and individual performance rating.
- The Grantees shall be entitled to receive new ordinary shares in the Company to be issued, on the scheduled vesting dates without further payment.

Details of the PSU granted:

Grant date	Vesting Date	Group	
		2019 Share grants '000	2018 Share grants '000
1 August 2014 ("2 nd PSU")	1 August 2017	-	-
7 August 2015 ("3 rd PSU")	7 August 2018	-	8,205

Grant date	Vesting Date	Company	
		2019 Share grants '000	2018 Share grants '000
1 August 2014 ("2 nd PSU")	1 August 2017	-	-
7 August 2015 ("3 rd PSU")	7 August 2018	-	329

The movement in the number of PSU is as follows:

Financial year ended 31 January 2019

	Group 3 rd PSU '000
At 1 February	8,205
Lapsed	(8,205)
At 31 January	-

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

PSU (Cont'd.)

The movement in the number of PSU is as follows (Cont'd.):

Financial year ended 31 January 2019 (Cont'd.)

	<u>Company</u>
	3 rd PSU '000
At 1 February	329
Lapsed	(329)
At 31 January	-

Financial year ended 31 January 2018

	<u>Group</u>	
	3 rd PSU '000	2 nd PSU '000
At 1 February	8,787	6,362
Forfeited	(582)	-
Lapsed	-	(6,362)
At 31 January	8,205	-

	<u>Company</u>	
	3 rd PSU '000	2 nd PSU '000
At 1 February	329	283
Lapsed	-	(283)
At 31 January	329	-

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

PSU (Cont'd.)

The fair value of the PSU awards were estimated by an external valuer using the Monte Carlo Simulation Model with the following inputs:

2nd PSU

	Group and Company 2019/2018
Fair value at grant date	RM3.011 – RM3.524
Share price at grant date	RM3.35
Expected volatility	23.28%
Expected dividends	3.63%
Risk-free interest rate (based on Malaysian Government Securities yield)	3.46%

3rd PSU

	Group and Company 2019/2018
Fair value at grant date	RM2.526 – RM2.598
Share price at grant date	RM3.00
Expected volatility	25.80%
Expected dividends	4.84%
Risk-free interest rate (based on Malaysian Government Securities yield)	3.48%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the available trading dates of the Company's shares.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

8 Directors' Remuneration

The aggregate amount of emoluments receivable by Directors during the financial year was as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-Executive Directors				
Fees and meeting allowances	2,409	2,062	2,399	2,052
Estimated money value of benefits-in-kind	30	35	30	35
	2,439	2,097	2,429	2,087
Executive Directors*				
Salaries and bonus	32,229	31,583	-	-
Defined contribution plans	4,981	4,554	-	-
Estimated money value of benefits-in-kind	88	44	-	-
Share-based payments (Note 7(a))	141	6,138	-	-
Separation scheme	6,252	-	-	-
	43,691	42,319	-	-
Total Directors' remuneration	46,130	44,416	2,429	2,087

* Includes Executive Directors of subsidiary companies to comply with the requirements of Companies Act 2016 (as disclosed in the Directors' Report)

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

9 Finance Income and Finance Costs

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(a) Finance income:				
Interest income	8,064	7,277	36,376	68,429
Dividend income – unit trusts	29,379	19,967	3,885	1,996
Unrealised foreign exchange gains (net)	-	368,842	19,625	161,845
Fair value loss on derivatives recycled to income statement arising from foreign exchange risk	-	(224,564)	(19,625)	(161,845)
Fair value gain on unit trusts (net)	369	-	-	-
	37,812	171,522	40,261	70,425
(b) Finance costs:				
Interest expense:				
- Bank borrowings	102,984	82,736	50,161	73,229
- Finance lease liabilities	101,008	90,805	-	-
- Vendor financing	27,576	26,979	-	-
- Debt service and other finance costs	8,041	9,399	6,900	6,862
	239,609	209,919	57,061	80,091
Realised foreign exchange losses (net)	3,292	4,456	-	-
Unrealised foreign exchange losses (net)	40,748	-	-	-
Loss on disposal of unit trusts	2,589	-	39	-
Fair value loss on unit trusts (net)	-	-	1,602	-
Fair value loss on derivatives recycled to income statement arising from:				
- Foreign exchange risk	19,169	2,248	-	-
- Interest rate risk	11,670	20,149	10,307	16,746
	317,077	236,772	69,009	96,837

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

10 Tax Expense

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax:				
- Malaysian income tax	214,324	256,896	-	-
- Foreign tax	4,443	2,029	-	-
- Under accrual in prior year	4,667	4,610	-	50
	223,434	263,535	-	50
Deferred tax (Note 26):				
- Origination and reversal of temporary differences	(33,113)	45,640	(13)	24
	190,321	309,175	(13)	74

The reconciliation between tax expense and accounting profit multiplied by the Malaysian corporate tax rate is as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit before tax	651,145	1,073,151	443,547	686,561
Tax at the Malaysian corporate tax rate of 24% (2018: 24%)	156,275	257,556	106,451	164,775
Share of post tax results from investments accounted for using the equity method	(191)	386	-	-
Expenses not deductible for tax purposes	27,618	31,487	12,999	13,046
Income not subject to tax	(7,074)	(5,585)	(119,450)	(177,797)
Effect of tax rates in foreign jurisdictions	2,159	1,968	-	-
Recognition and utilisation of previously unrecognised temporary differences	(1,173)	-	-	-
Under accrual in prior year	4,667	4,610	-	50
Over accrual in prior year deferred tax	(13,862)	-	(13)	-
Unrecognised deferred tax assets	21,902	18,753	-	-
Tax expense	190,321	309,175	(13)	74

11 Earnings per Ordinary Share

The calculation of basic earnings per ordinary share for the financial year ended 31 January 2019 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per ordinary shares for the financial year ended 31 January 2019 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Group	
	2019 RM'000	2018 RM'000
Profit for the year attributable to ordinary shareholders used in the computation of basic/diluted earnings per share	462,921	770,636

(a) Basic earnings per share

Weighted average number of ordinary shares for basic earnings per share computation:

	Group	
	2019	2018
Weighted average number of ordinary shares for basic earnings per share* ('000)	5,214,006	5,210,777
Basic earnings per ordinary share (RM)	0.09	0.15

(b) Diluted earnings per share

Weighted average number of ordinary shares for basic earnings per share* ('000)	5,214,006	5,210,777
Adjustment for:		
Grant of share award under the management share scheme ('000)	109	4,185
Weighted average number of ordinary shares for diluted earnings per share ('000)	5,214,115	5,214,962
Diluted earnings per ordinary share (RM)	0.09	0.15

* The weighted average number of shares takes into account the weighted average effect of ordinary shares issued during the year.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

12 Dividends

The followings dividends were declared and paid by the Group and the Company:

	2018 RM'000
In respect of the financial year ended 31 January 2017:	
Fourth interim single-tier dividend of RM0.03 per share on 5,209,522,200 ordinary shares, declared on 28 March 2017 and paid on 27 April 2017	156,286
Final single-tier dividend of RM0.005 per share on 5,209,522,200 ordinary shares, approved by shareholders at the Annual General Meeting on 15 June 2017 and paid on 14 July 2017	26,047
	182,333
In respect of the financial year ended 31 January 2018:	
First interim single-tier dividend of RM0.03 per share on 5,209,522,200 ordinary shares, declared on 14 June 2017 and paid on 14 July 2017	156,286
Second interim single-tier dividend of RM0.03 per share on 5,209,522,200 ordinary shares, declared on 14 September 2017 and paid on 13 October 2017	156,286
Third interim single-tier dividend of RM0.03 per share on 5,213,883,600 ordinary shares, declared on 6 December 2017 and paid on 5 January 2018	156,416
	468,988
	651,321
	2019 RM'000
In respect of the financial year ended 31 January 2018:	
Fourth interim single-tier dividend of RM0.03 per share on 5,213,883,600 ordinary shares, declared on 28 March 2018 and paid on 27 April 2018	156,416
Final single-tier dividend of RM0.005 per share on 5,213,883,600 ordinary shares, approved by shareholders at the Annual General Meeting on 7 June 2018 and paid on 6 July 2018	26,070
	182,486
In respect of the financial year ended 31 January 2019:	
First interim single-tier dividend of RM0.025 per share on 5,213,883,600 ordinary shares, declared on 6 June 2018 and paid on 6 July 2018	130,347
Second interim single-tier dividend of RM0.025 per share on 5,213,883,600 ordinary shares, declared on 26 September 2018 and paid on 26 October 2018	130,347
Third interim single-tier dividend of RM0.025 per share on 5,214,314,500 ordinary shares, declared on 5 December 2018 and paid on 4 January 2019	130,358
	391,052
	573,538

Subsequent to the financial year, on 26 March 2019, the Directors declared a fourth interim single-tier dividend of RM0.015 per share on 5,214,314,500 ordinary shares in respect of the financial year ended 31 January 2019, amounting to RM78,214,718, which will be payable on 25 April 2019.

The Directors do not recommend any final dividend to be paid for the financial year ended 31 January 2019.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

13 Property, Plant and Equipment

	⁽¹⁾ Freehold land RM'000	Buildings RM'000	⁽²⁾ Satellite transponders RM'000	⁽²⁾ Equipment, fixtures and fittings RM'000	Broadcast and transmission equipment RM'000	Assets under construction RM'000	Total RM'000
Group							
Net book value							
At 1 February 2018	10,586	136,978	1,496,419	101,858	609,871	45,134	2,400,846
Additions	-	-	76,594 ⁽³⁾	19,801	180,876 ⁽⁴⁾	64,216	341,487
Adjustments	-	(488)	-	-	-	-	(488)
Disposal	-	-	-	(260)	(4)	-	(264)
Transfers between classes	-	-	-	2,059	34,801	(36,860)	-
Reclassification to intangible assets (Note 19)	-	-	-	(468)	-	-	(468)
Impairment	-	-	-	(390)	(663)	-	(1,053)
Written off	-	-	-	(12)	(45)	-	(57)
Exchange differences	-	-	-	19	2	-	21
Depreciation charge	-	(5,797)	(169,335)	(31,672)	(300,106)	-	(506,910)
At 31 January 2019	10,586	130,693	1,403,678	90,935	524,732	72,490	2,233,114
At 31 January 2019							
Cost	10,586	170,513	2,367,906	548,064	4,107,807 ⁽⁵⁾	72,490	7,277,366
Accumulated depreciation and impairment	-	(39,820)	(964,228)	(457,129)	(3,583,075)	-	(5,044,252)
Net book value	10,586	130,693	1,403,678	90,935	524,732⁽⁶⁾	72,490	2,233,114

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

13 Property, Plant and Equipment (Cont'd.)

	⁽¹⁾ Freehold land RM'000	Buildings RM'000	⁽²⁾ Satellite transponders RM'000	⁽²⁾ Equipment, fixtures and fittings RM'000	Broadcast and transmission equipment RM'000	Assets under construction RM'000	Total RM'000
Group (Cont'd.)							
Net book value							
At 1 February 2017	10,586	142,778	834,636	125,608	643,775	60,481	1,817,864
Additions	-	-	806,191 ⁽³⁾	16,076	233,284 ⁽⁴⁾	45,832	1,101,383
Disposal	-	-	-	(2)	(11)	-	(13)
Transfers between classes	-	-	-	5,050	55,476	(60,526)	-
Reclassification (to)/ from intangible assets (Note 19)	-	-	-	(254)	6,364	(653)	5,457
Impairment	-	-	-	-	(114)	-	(114)
Written off	-	-	-	(244)	-	-	(244)
Exchange differences	-	-	-	(30)	-	-	(30)
Depreciation charge	-	(5,800)	(144,408)	(44,346)	(328,903)	-	(523,457)
At 31 January 2018	10,586	136,978	1,496,419	101,858	609,871	45,134	2,400,846
At 31 January 2018							
Cost	10,586	171,001	2,291,312	539,369	3,973,980 ⁽⁵⁾	45,134	7,031,382
Accumulated depreciation and impairment	-	(34,023)	(794,893)	(437,511)	(3,364,109)	-	(4,630,536)
Net book value	10,586	136,978	1,496,419	101,858	609,871⁽⁶⁾	45,134	2,400,846

⁽¹⁾ The Selangor State Authority's approval is required for any disposal of the land or pledging of the land as collateral or security for the benefit of third parties.

⁽²⁾ Includes assets held under a finance lease liability as disclosed in Note 25(a).

⁽³⁾ Includes significant non-cash transactions of RM76,594,000 (2018: RM806,191,000) as disclosed in Note 32.

⁽⁴⁾ Includes significant non-cash transactions of RM165,514,000 (2018: RM199,947,000) as disclosed in Note 32.

⁽⁵⁾ Includes fully depreciated HD set-top boxes of RM2,266,674,000 (2018: RM2,012,190,000) that are still in use.

⁽⁶⁾ Includes net book value of HD set-top boxes of RM236,425,000 (2018: RM278,335,000).

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

13 Property, Plant and Equipment (Cont'd.)

	Equipment, fixtures and fittings	
	2019 RM'000	2018 RM'000
Company		
Net book value		
At 1 February	24	115
Additions	22	13
Disposal	(3)	-
Depreciation charge	(10)	(104)
At 31 January	33	24
At 31 January		
Cost	786	769
Accumulated depreciation	(753)	(745)
Net book value	33	24

14 Investment in Subsidiaries

	Company	
	2019 RM'000	2018 RM'000
Unquoted shares, at cost	6,955,879	6,804,229
Investment in Redeemable Preference Shares ("RPS")	214,400	214,410
	7,170,279	7,018,639
Less: Impairment of investment in RPS	(982)	(982)
	7,169,297	7,017,657

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

14 Investment in Subsidiaries (Cont'd.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2019 %	2018 %	
Directly held by the Company				
Astro (Brunei) Sdn. Bhd. ("ABSB")	Malaysia	100	100	Investment holding
Astro Digital Sdn. Bhd. ("ADSB")	Malaysia	100	100	Investment holding
Astro Entertainment Sdn. Bhd. ("AESB")	Malaysia	100	100	Organising trade related projects, marketing, soliciting and sale of airtime
Astro Group Services Sdn. Bhd. ("AGS")	Malaysia	100	100	Management services
Astro Productions Sdn. Bhd. ("APSB")	Malaysia	100	100	Production and distribution of television programmes and rental of building
Astro Production Services Sdn. Bhd. ("APSSB")	Malaysia	100	100	Production and distribution of television programmes and related services
Astro Shaw Sdn. Bhd. ("ASSB")	Malaysia	100	100	Production and distribution of films
Astro GTS Sdn. Bhd. (formerly known as MBNS Multimedia Technologies Malaysia Sdn. Bhd.) ("GTS")	Malaysia	100	100	Inactive
MEASAT Broadcast Network Systems Sdn. Bhd. ("MBNS")	Malaysia	100	100	Provision of television services
Astro Retail Ventures Sdn. Bhd. ("ARV")	Malaysia	100	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

14 Investment in Subsidiaries (Cont'd.)

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2019 %	2018 %	
Directly held by the Company (Cont'd.)				
Tribe Network Asia Pacific Limited (registered as a foreign company in Malaysia) ("Tribe")	Hong Kong	100	100	Creation, aggregation, distribution and monetisation of content
Subsidiaries held by MBNS				
Astro Radio Sdn. Bhd. ("ARSB")	Malaysia	100	100	Management of commercial radio broadcasting stations, content and programming provider and provision of multimedia and advertising agency services
Maestra Broadcast Sdn. Bhd. ("MBSB")	Malaysia	100	100	Operation of commercial radio broadcasting stations
MEASAT Digicast Sdn. Bhd. ("MDIG")	Malaysia	100	100	Inactive
MEASAT Radio Communications Sdn. Bhd. ("MRC")	Malaysia	100	100	Operation of commercial radio broadcasting stations
Perfect Excellence Waves Sdn. Bhd. ("PEW")	Malaysia	100	100	Operation of commercial radio broadcasting stations
Radio Lebuhraya Sdn. Bhd. ("RLSB")	Malaysia	100	100	Operation of commercial radio broadcasting stations
Capital FM Sdn. Bhd. ("CFSB")	Malaysia	100	100	Operation of commercial radio broadcasting stations

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

14 Investment in Subsidiaries (Cont'd.)

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2019 %	2018 %	
Subsidiaries held by MBNS (Cont'd.)				
Yayasan Astro Kasih ("Yayasan")	Malaysia	-	-	Advancing and benefitting the community
Subsidiary held by ARSB				
DVR Player.Com Sdn. Bhd. ("DVRSB")	Malaysia	100	100	Provision of radio services via internet
Subsidiaries held by AESB				
Astro Arena Sdn. Bhd. ("AASB")	Malaysia	100	100	Creation and production of Malaysian sports programming and acquisition and packaging of related sports content
Astro Awani Network Sdn. Bhd. ("AANSB")	Malaysia	80	80	Provision of news content
Maestro Talent and Management Sdn. Bhd. ("MTAM")	Malaysia	100	100	Provision of training and related services
Astro Sports Marketing Sdn. Bhd. ("ASM")	Malaysia	100	100	Investment holding
Subsidiaries held by ASSB				
Karya Anggun Sdn. Bhd. ("KASB")	Malaysia	100	100	Provision of consultancy services
Nusantara Retail Sdn. Bhd. ("NRSB")	Malaysia	100	100	Retailing and sales of merchandise

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

14 Investment in Subsidiaries (Cont'd.)

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2019 %	2018 %	
Subsidiaries held by ASSB (Cont'd.)				
Tayangan Unggul Sdn. Bhd. ("TUSB")	Malaysia	100	100	Film production, acquisition, commissioning and distribution as well as the provision of contact centre services
Subsidiaries held by ADSB				
Astro Digital 5 Sdn. Bhd. ("AD5SB")	Malaysia	100	100	Development and licensing of multimedia and interactive applications
Rocketfuel Entertainment Sdn. Bhd. ("RFESB")	Malaysia	100	100	Talent Management, creative services, music sound recording, music publishing, film production and related business
Nu Ideaktiv Sdn. Bhd. ("NISB")	Malaysia	34	-	Creation and monetisation of content verticals in Malaysia and the Nusantara region
Subsidiary held by ASM				
Asia Sports Ventures Pte. Ltd. ("ASV")	Singapore	100	100	Development and operation of live streaming platform, production, marketing, sales and distribution of programmes and provision of management consultancy and IT services

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

14 Investment in Subsidiaries (Cont'd.)

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2019 %	2018 %	
Subsidiary held by ARV				
Astro GS Shop Sdn. Bhd. ("Go Shop")	Malaysia	60	60	Home shopping business
Subsidiary held by Go Shop				
Astro GS Shop Singapore Pte. Ltd. ("Go Shop Singapore")	Singapore	60	60	Home shopping business

All the subsidiaries are audited by PricewaterhouseCoopers PLT Malaysia, except for Tribe, ASV and Go Shop Singapore which are audited by member firms of PricewaterhouseCoopers International Limited.

The Group's effective equity interest in the subsidiaries, the respective principal activities and countries of incorporation are listed above. Other than Yayasan and NISB, which is consolidated in the Group's financial results, the proportion of the Group's voting rights in the subsidiaries held by the Group do not differ from the proportion of ordinary shares held or the Group's effective equity interest in the subsidiaries.

Yayasan is a company limited by guarantee. The Group has de facto control over Yayasan due to control over the source of funding. During the year, subsidiaries of the Company have made donations of RM Nil (2018: RM12,000,000) to Yayasan for activities advancing and benefitting the community. The subsidiaries intend to continue providing such support to Yayasan.

During the year, the Company subscribed for the following:

- Additional 6,650,000 ordinary share in ASSB for a total cash consideration of RM6,650,000. The subscription of the new share did not result in any change of the Company's equity interest in ASSB.
- Additional 50,000,104 ordinary share in ADSB for a total cash consideration of RM50,000,104. Correspondingly, ADSB subscribed for 104 Class A ordinary shares in NISB which carry one vote for each share and 50,000,000 Class B ordinary shares in NISB which carry two votes for each share, representing 51% voting rights. Details on the acquisition are disclosed in Note 40 to the financial statements.
- Additional 95,000,000 ordinary share in AESB for RM95,000,000. Details are disclosed in Note 32 to the financial statements.

During the year, a wholly-owned subsidiary of the Company, MBNS, redeemed 10,000 RPS by paying in cash RM10,000 to the Company.

The Company performed impairment assessment on its investment in subsidiaries from the television and radio segments. The impairment assessment involved comparison of its carrying amount against its recoverable amount which was determined based on VIU calculation. No impairment charge was recognised as its recoverable amount exceeded its carrying amount.

Sensitivity analysis has been performed around the base case assumptions with the conclusion that no reasonably possible changes in key assumptions would cause the recoverable amount to be less than the carrying amount. Based on the sensitivity analysis performed, if compound revenue growth rates for television and radio segments are nil respectively, its recoverable amount will continue to be higher than its carrying amount.

14 Investment in Subsidiaries (Cont'd.)

Non-controlling interests ("NCI") in subsidiaries

Group – 2019	NISB RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest	66%		
NCI percentage of voting interest	49%		
Carrying amount of NCI	96,283	(2,643)	93,640
Profit/(loss) allocated to NCI	283	(2,380)	(2,097)

Set out below are summarised financial information for subsidiary that has NCI that are material to the Group:

	NISB RM'000
Summarised balance sheet	
As at 31 January 2019	
Non-current assets	106,826
Current assets	58,369
Non-current liabilities	(9,793)
Current liabilities	(9,022)
Summarised income statement	
Year ended 31 January 2019	
Revenue	18,032
Expenses	(17,653)
Profit/total comprehensive profit for the financial year	379
Summarised cash flow	
Cash flow from operating activities	2,526
Net cash used in investing activities	(50,450)
Net cash flow from financing activity	50,000
Net increase in cash and cash equivalents	2,076

The information above is the amount before inter-company eliminations.

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15 Investment in Associates

	Group	
	2019 RM'000	2018 RM'000
Share of net assets and reserves	-	663

The associates are not material to the Group.

Income statements

Revenue	81,082	86,142
Expenses	(99,979)	(90,059)
Loss/total comprehensive loss for the financial year	(18,897)	(3,917)
Share of profit/(loss) for the financial year	713	(1,496)

The Group has not recognised losses related to Kristal-Astro Sdn. Bhd. amounting RM10,984,000 in respect of the current financial year (total unrecognised accumulated losses of RM29,373,000) (2018: RM18,389,000), since the Group has no obligation in respect of these losses and the carrying value of the investment is Nil (2018: Nil).

Details of the associates are as follows:

Name of associates	Country of incorporation and place of business	Group's effective interest		Principal activities
		2019 %	2018 %	
Associate held by ABSB				
Kristal-Astro Sdn. Bhd.	Brunei	48.9	48.9	Provision of television services
Associate held by AESB				
Turner Astro Limited ("TAL") (Note (a))	Hong Kong	20	20	Provision of television services

- (a) On 25 April 2018, AESB subscribed for an additional 200,000 ordinary shares in TAL, a 20% owned associate company principally engaged in the provision of television services, for a cash consideration of USD200,000. Following the subscription, the Company's shareholding interest of 20% in TAL remains unchanged.

As at year end, the Group intends to dispose the stake held in TAL for a nominal consideration of HKD 2.00 and to terminate the Joint Venture Agreement dated 14 October 2016. Pursuant to this, an impairment charge of RM2,142,000 was recognised in the Group's income statement.

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16 Investment in Joint Ventures

	Group	
	2019 RM'000	2018 RM'000
Share of net assets and reserves	2,127	2,044

The joint ventures are not material to the Group.

Income statements

Revenue	5,326	6,913
Expenses	(5,038)	(7,299)
Profit/(loss)/ total comprehensive profit/(loss) for the financial year	288	(386)
Share of profit/(loss) for the financial year	83	(112)

Commitment and contingent liabilities in respect of joint ventures

There are no commitments and contingent liabilities relating to the Group's interest in joint ventures.

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation and place of business	Group's effective interest		Principal activities
		2019	2018	
		%	%	
Joint Ventures held by AESB				
Spark Asia TV Pte Ltd ("Spark") (Note (a))	Singapore	-	-	Production, commissioning and distribution of content for an Asian documentary channel
Red Communications Sdn. Bhd.	Malaysia	28.9	28.9	Provision of services in communication and organising media related events

- (a) On 20 February 2017, AESB, Spark GmbH and TMV entered into a settlement agreement to make an application to strike off Spark from the Register of Companies in Singapore, for which AESB has agreed to bear all costs and expenses related to such application. AESB has also agreed to reimburse TMV and Spark GmbH their original capital contribution and expenses. On 5 April 2018, Spark was officially struck off from the Register of the Accounting and Corporate Regulatory Authority of Singapore.

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17 Other investments

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current				
Financial assets at FVOCI (2018: Available-for-sale financial assets)				
- Preference shares in an unquoted company (Note (a))	4,085	4,085	-	-
	4,085	4,085	-	-
Current				
Financial assets at FVTPL (2018: Available-for-sale financial assets)				
- Investment in unit trusts (Note (b))	348,680	728,447	-	170,709
	348,680	728,447	-	170,709
	352,765	732,532	-	170,709

(a) Preference shares

On 15 December 2017, ADSB subscribed to 186,219 Series A-3 Preferred Stock of Catalyst IT Services, Inc., a Delaware corporation. The Series A-3 Preferred Stock are convertible to ordinary shares on a 1:1 ratio.

For non-trading equity securities above, the Group has irrevocably elected at initial recognition to present its fair value changes in OCI. The Group considers this classification to be more relevant as these instruments are strategic investments of the Group and are not held for trading purpose.

In the prior financial year, the Group had designated this investment as AFS. Refer to Note 41 for explanation of changes in accounting policy and reclassification of investment in non-trading equities from AFS to FVOCI.

(b) Investment in unit trusts

Investment in unit trusts made by the Group and the Company can be purchased or liquidated with one day's notice.

In the prior financial year, the Group had designated this investment as AFS. Refer to Note 41 for explanation of changes in accounting policy and reclassification of investment in unit trusts from AFS to FVTPL.

These financial assets are neither past due nor impaired.

18 Advances to Subsidiaries

Non-current

Advances to subsidiaries are unsecured, with no fixed terms of repayment. (2018: Advances to subsidiaries are unsecured and repayable on the expiry of a 10-year term effective from the date of disbursement or such later date as may be agreed). The effective interest rate during the financial year ranges from 4.9% to 5.5% (2018: 4.9% to 5.5%) per annum.

Included in advances to subsidiaries is an impairment of RM50,037,000 (2018: RM48,783,000). The impairment amount recognised in the current financial year was RM1,254,000 (2018: RM7,650,000). The impairment amount was recognised pursuant to MFRS 9 impairment assessment (2018 : MFRS 139 impairment assessment).

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18 Advances to Subsidiaries (Cont'd.)

Current

Advances to subsidiaries are unsecured, with no fixed terms of repayment and are subject to interest ranging from 4.9% to 5.5% (2018: 4.9% to 5.5%) per annum.

19 Intangible Assets

Group	Goodwill RM'000	Intellectual properties RM'000	Brands and spectrums RM'000	Event licence rights RM'000	Film library and programme rights RM'000	Computer software RM'000	Software development RM'000	Total RM'000
Net book value								
As 31 January 2018, as reported	1,075,129	-	368,263	10,722	245,668	272,281	67,240	2,039,303
Effect arising from adoption of MFRS 15 (Note 41)	-	-	-	-	(2,543)	-	-	(2,543)
At 1 February 2018, as adjusted	1,075,129	-	368,263	10,722	243,125	272,281	67,240	2,036,760
Additions	-	-	-	-	386,706	41,528	75,631	503,865
Acquisition of a subsidiary (Note 40)	64,988	40,805	-	-	-	-	-	105,793
Reclassification from/ (to) property, plant and equipment (Note 13)	-	-	-	-	-	845	(377)	468
Transfer between classes	-	-	-	-	-	53,820	(53,820)	-
Impairment	-	-	-	-	(7,448)	(16,725)	-	(24,173)
Exchange differences	-	-	-	57	(7)	(26)	6	30
Amortisation charge	-	-	-	(9,132)	(382,532)	(139,169)	-	(530,833)
At 31 January 2019	1,140,117	40,805	368,263	1,647	239,844	212,554	88,680	2,091,910
At 31 January 2019								
Cost	1,140,117	40,805	368,263	20,597	2,994,203	1,353,850	88,680	6,006,515
Accumulated amortisation and impairment	-	-	-	(18,950)	(2,754,359)	(1,141,296)	-	(3,914,605)
Net book value	1,140,117	40,805	368,263	1,647	239,844	212,554	88,680	2,091,910

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

19 Intangible Assets (Cont'd.)

Group (Cont'd.)	Goodwill RM'000	Brands and spectrums RM'000	Event licence rights RM'000	Film library and programme rights RM'000	Computer software RM'000	Software development RM'000	Total RM'000
Net book value							
At 1 February 2017	1,075,129	368,263	13,350	232,729	286,325	68,775	2,044,571
Additions	-	-	-	413,917	104,671	39,229	557,817
Reclassification from/ (to) property, plant and equipment (Note 13)	-	-	-	-	1,151	(6,608)	(5,457)
Transfer between classes	-	-	-	-	34,156	(34,156)	-
Impairment	-	-	-	(10,130)	-	-	(10,130)
Exchange differences	-	-	(313)	(62)	2	-	(373)
Amortisation charge	-	-	(2,315)	(390,786)	(154,024)	-	(547,125)
At 31 January 2018	1,075,129	368,263	10,722	245,668	272,281	67,240	2,039,303
At 31 January 2018							
Cost	1,075,129	368,263	20,313	2,834,128	1,263,791	67,240	5,628,864
Accumulated amortisation and impairment	-	-	(9,591)	(2,588,460)	(991,510)	-	(3,589,561)
Net book value	1,075,129	368,263	10,722	245,668	272,281	67,240	2,039,303

Company	Computer software	
	2019 RM'000	2018 RM'000
Net book value		
At 1 February	-	5
Amortisation charge	-	(5)
At 31 January	-	-
At 31 January		
Cost	12	12
Accumulated amortisation	(12)	(12)
Net book value	-	-

The remaining amortisation period of film library and programme rights at the end of the financial year ranged from 1 month to 3 years (2018: 1 month to 3 years).

The remaining amortisation period of software at the end of the financial year ranged from 1 month to 4 years (2018: 1 month to 4 years).

The remaining amortisation period of event licence rights at the end of the financial year is 9 years (2018: ranged from 5 years to 10 years).

19 Intangible Assets (Cont'd.)

Intellectual properties

Intellectual properties relate to thirty eight (38) titles and trademarks acquired in the business combination exercise as disclosed in Note 40 to the financial statements. As explained in Note 3E(h), the useful life of these intellectual properties is estimated to be indefinite.

Brands

Brands relate to the nine FM terrestrial radio stations and additional themed music channels that are broadcast on the ASTRO satellite television platform. As explained in Note 3E(d), the useful life of these brands is estimated to be indefinite.

Spectrums

Spectrums relate to two FM terrestrial radio stations. As explained in Note 3E(g), the useful life of these spectrums is estimated to be indefinite.

Impairment testing of goodwill, intellectual properties, brands and spectrums

Goodwill arising from business combinations, intellectual properties, brands and spectrums have been allocated to three individual cash-generating units ("CGU") for impairment testing as follows:

- Television
- Radio
- Others

The carrying amounts of goodwill, intellectual properties, brands and spectrums allocated to each CGU are as follows:

	Television RM'000	Radio RM'000	Others RM'000	Total RM'000
As at 31 January 2019				
Goodwill	539,605	600,512	-	1,140,117
Intellectual properties	-	-	40,805	40,805
Brands	-	328,000	-	328,000
Spectrums	-	40,263	-	40,263

	Television RM'000	Radio RM'000	Total RM'000
As at 31 January 2018			
Goodwill		474,617	1,075,129
Brands		-	328,000
Spectrums		-	40,263

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19 Intangible Assets (Cont'd.)

Impairment testing of goodwill, intellectual properties, brands and spectrums (Cont'd.)

The recoverable amounts of the CGUs have been determined based on value in use (“VIU”) calculations using cash flow projections from financial budgets and the strategic plan approved by the Board covering a three-year (2018: five-year) period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the three-year (2018: five-year) period are as follows:

	Television %	Radio %	Others %
As at 31 January 2019			
Pre-tax discount rates	11.0	10.0	15.8-12.3
Terminal growth assumption	1.0	1.0	1.0
Compound revenue growth rate in the projection period	0.7	2.3	8.5-12.3
		Television %	Radio %
As at 31 January 2018			
Pre-tax discount rates		8.9	8.3
Terminal growth assumption		2.0	2.0
Compound revenue growth rate in the projection period		4.6	7.5

The projection assumes the renewal of all current licences granted to the Group.

Pre-tax discount rates reflect the current market assessment of the risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for each CGU, regard has been given to the Malaysian 20-year risk free rate and Malaysia’s long term consumer price index (“CPI”).

Terminal growth and compound revenue growth rate assumptions represent management’s assessment of future trends in the regional media and entertainment industry, expectation of growth of new businesses and business segments and are based on both external and internal sources.

Sensitivity analysis has been performed around the base case assumptions with the conclusion that no reasonably possible changes in key assumptions would cause the recoverable amount to be less than the carrying amount. Based on the sensitivity analysis performed, if compound revenue growth rates for television and radio segments are nil respectively, the recoverable amount will continue to be higher than the carrying amount of the respective CGU.

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20 Inventories

	Group	
	2019 RM'000	2018 RM'000
At cost		
Set-top boxes	8,790	7,991
Merchandise	3,868	3,898
Other materials	3,621	7,779
	16,279	19,668
At net realisable value		
Set-top boxes	5	10
	16,284	19,678

Included in cost of sales is cost of inventories charged to the income statement amounting to RM309,395,000 (2018: RM236,110,000).

21 Receivables

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current				
Deposits	56,344	54,228	-	-
Downpayments and prepayments	121,804	81,808	-	-
Contract cost assets	1,906	-	-	-
Amount due from a subsidiary	-	-	-	24,360
	180,054	136,036	-	24,360
Current				
Trade receivables	530,239	526,737	-	-
Impairment of trade receivables (Note 36(a))	(44,248)	(57,415)	-	-
	485,991	469,322	-	-
Other receivables, net of impairment	33,993	46,038	857	798
Contract cost assets	29,206	-	-	-
Deposits	10,976	10,764	36	36
Amounts due from related parties, net of impairment	9,137	5,725	7	65
Amount due from associate, net of impairment	-	-	-	-
Amounts due from subsidiaries	-	-	75,614	298,189
Downpayments and prepayments	239,127	479,681	26	108
	808,430	1,011,530	76,540	299,196

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

21 Receivables (Cont'd.)

The Group's non-current and current amounts due from related companies and related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Company's non-current and current amounts due from subsidiaries and related parties are unsecured, non-interest bearing, have no fixed terms of repayment and includes dividend receivable of RM25,950,000 (2018: RM282,902,000).

Included in deposits of the Group are deposits paid to related parties of RM56,343,000 (2018: RM54,228,000) which are neither past due nor impaired.

Included in other receivables of the Group is GST receivables amounting RM32,393,000 (2018: RM6,767,000).

Credit terms of trade receivables range from payment in advance to 60 days (2018: payment in advance to 60 days).

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group's historical experience in the collection of account receivables falls within the recorded allowances.

Movements in impairment of trade receivables, other receivables, amounts due from related parties and amount due from associate are as disclosed in Note 36(a).

Contract cost assets

	Group 2019 RM'000
Sales commission included in selling and distribution expenses	8,651
Non-subscription based set-top boxes costs	22,461
	31,112

The amortisation of contract cost assets is as disclosed in Note 6.

22 Deposits, Cash and Bank Balances

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Deposits with licensed banks	147,373	79,682	65,589	18,060
Cash and bank balances	136,113	153,926	163	420
Deposits, cash and bank balances	283,486	233,608	65,752	18,480
Less : Deposits with maturity more than 3 months	(43,000)	-	-	-
Cash and cash equivalents	240,486	233,608	65,752	18,480

Deposits of the Group and Company have an average maturity of 116 days and 24 days respectively (2018: 50 days and 77 days) for RM deposits and average maturity of 4 days (2018: 7 days) for USD deposits. Please refer to Note 36(c) for deposits denominated in USD. The deposits are placed in financial institutions for investment purposes.

The effective interest rates on RM deposits for the Group and Company range from 2.50% to 4.20% (2018: 3.05% to 3.66%) per annum, and on USD deposits for the Group is 0.4% (2018: 0.07%) per annum.

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23 Payables

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current				
Trade payables and accruals	516,355	814,242	-	-
Other payables and accruals	670,886	588,067	4,026	3,847
Amounts due to related parties	70,600	51,590	173	145
Amounts due to subsidiaries	-	-	8,006	20,850
Unearned revenue	-	198,591	-	-
	1,257,841	1,652,490	12,205	24,842
Non-current				
Trade payables and accruals	411,619	389,519	-	-
	411,619	389,519	-	-

Credit terms granted by vendors generally range from 0 to 90 days (2018: 0 to 90 days). Vendors of set-top boxes have granted extended payment terms of 36 months ("vendor financing") on Usance Letter of Credit Payable at Sight ("ULCP") and also Promissory Notes ("PN") basis to the Group as set out below:

- (i) Interest is charged for ULCP at the USD LIBOR or Ringgit Cost of Fund + margin of between 0.5% and 1.25% (2018: USD LIBOR or Ringgit Cost of Fund + margin of between 0.7% and 1.25%) per annum calculated at 360 or 365 days respectively from delivery date.
- (ii) Interest is charged for PN at the USD LIBOR or Ringgit Cost of Fund + margin of between 0.85% and 1.0% (2018: USD LIBOR or Ringgit Cost of Fund + margin of between 0.85% and 1.0%) per annum calculated at 360 or 365 days respectively from issuance date.

As at 31 January 2019, the Group had a total of RM326,688,000 (2018: RM370,425,000) in undrawn multi-trade facilities to facilitate ULCP issuance.

The effective interest rates at the end of the financial year ranged between 4.5% and 4.9% (2018: 2.2% and 4.9%) per annum.

Included in trade payables is vendor financing of RM552,285,000 (2018: RM710,143,000) comprising current amounts of RM140,666,000 (2018: RM320,624,000) and non-current amounts of RM411,619,000 (2018: RM389,519,000).

Unearned revenue mainly comprised subscription fees billed prior to services being provided. As at 31 January 2019, this has been classified as contract liabilities.

The amounts due to the related parties of the Group are unsecured, non-interest bearing and have no fixed terms of repayment. The amounts due to the related parties and subsidiaries of the Company are unsecured, non-interest bearing and have no fixed terms of repayment.

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24 Derivative Financial Instruments

	Group		Company	
	2019 Assets RM'000	2018 Assets RM'000	2019 Assets RM'000	2018 Assets RM'000
Current				
Forward foreign currency exchange contracts – cash flow hedges	8,712	26	-	-
Cross-currency interest rate swaps – cash flow hedges	54,618	45,224	54,618	45,224
Interest rate swaps – cash flow hedges	133	220	-	-
Foreign currency options – cash flow hedges	1,406	212	-	-
	64,869	45,682	54,618	45,224
Non-current				
Forward foreign currency exchange contracts – cash flow hedges	2,117	-	-	-
Cross-currency interest rate swaps – cash flow hedges	80,989	114,318	80,989	114,318
Interest rate swaps – cash flow hedges	20	1,169	-	-
Foreign currency options – cash flow hedges	45	1,414	-	-
	83,171	116,901	80,989	114,318

	Group		Company	
	2019 Liabilities RM'000	2018 Liabilities RM'000	2019 Liabilities RM'000	2018 Liabilities RM'000
Current				
Cross-currency interest rate swaps – cash flow hedges	-	173	-	-
Interest rate swaps – cash flow hedges	21	2,328	-	2,019
Forward foreign currency exchange contracts – cash flow hedges	11,536	86,117	-	-
	11,557	88,618	-	2,019
Non-current				
Interest rate swaps – cash flow hedges	452	2,737	-	2,737
Forward foreign currency exchange contracts – cash flow hedges	3,593	-	-	-
	4,045	2,737	-	2,737

24 Derivative Financial Instruments (Cont'd.)

Derivatives designated in hedging relationship

Forward foreign currency exchange contracts and foreign currency options

Forward foreign currency exchange contracts and foreign currency options are used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of the Group. The forward foreign currency exchange contracts were entered into a period of up to 6 years, while foreign currency options were entered into for a period of up to 3 years. As at 31 January 2019, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM1,551,000,000 (2018: RM1,331,000,000) and foreign currency options were USD35,486,000 (2018: USD21,283,000).

Cross-currency interest rate swaps

To mitigate financial risks arising from adverse fluctuations in interest and exchange rates, the Group and the Company have entered into cross-currency interest rate swaps with notional principal amounts of USD123,750,000 (2018: USD173,250,000) for bank loan and USD Nil (2018: USD21,274,000) for vendor financing.

The cross-currency interest rate swap for the term loans was entered into for entire term of the term loans and had an average fixed swap rate and exchange rate of 4.19% p.a. (inclusive of margin of 1%) (2018: 4.19% p.a.(inclusive of margin of 1%)) and USD/RM3.0189 (2018: USD/RM3.0189) respectively.

The cross-currency interest rate swap for vendor financing was entered up to a period of 3 years and had an average fixed swap rate and exchange rate of Nil % p.a. (2018: 4.52% p.a. (inclusive of average margin of 1%)) and USD/RM Nil respectively (2018: USD/RM3.8985).

Interest rate swaps

Interest rate swaps are used to achieve an appropriate interest rate exposure within the Group and the Company. The Group and the Company have entered into interest rate swaps to hedge the cash flow risk in relation to the floating interest rate of a bank loan, as disclosed in Note 25 with notional principal amounts of RM Nil (2018: RM787,500,000) and vendor financing, as disclosed in Note 23 with notional principal amounts of RM496,586,000 (2018: RM475,164,000) and USD Nil (2018: USD14,317,000).

The interest rate swaps for the term loans were entered into for entire term of the term loans with an average fixed swap rate of Nil % p.a. (2018: 4.15% p.a.). The Ringgit and USD interest rate swaps for vendor financing were for a period of up to 3 years with average fixed swap rates of 3.67% and Nil % p.a. (2018: 3.69% and 1.80% p.a) respectively.

The maturity profiles of the derivative financial instruments are disclosed in Note 36(b) to the financial statements.

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25 Borrowings

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current				
Finance lease liabilities (Note (a))	180,074	134,354	-	-
Synthetic foreign currency loan (Note (b))	2,498	1,329	-	-
Unrated Medium Term Note (Note (c))	7,536	7,580	-	-
Term loans (Note (d)):				
- RM Term Loan	76,913	310,225	76,913	310,225
- USD Term Loan	205,541	195,777	205,541	195,777
- MBNS Term Loan	3,721	-	-	-
	286,175	506,002	282,454	506,002
Less: Debt issuance costs	(1,334)	(3,537)	(560)	(3,537)
Term loans, net of debt issuance costs	284,841	502,465	281,894	502,465
	474,949	645,728	281,894	502,465
Non-current				
Finance lease liabilities (Note (a))	1,389,609	1,484,346	-	-
Synthetic foreign currency loan (Note (b))	612,750	306,375	-	-
Unrated Medium Term Note (Note (c))	300,000	300,000	-	-
Term loans (Note (d)):				
- RM Term Loan	112,500	750,000	112,500	750,000
- USD Term Loan	303,961	482,439	303,961	482,439
- MBNS Term Loan	380,000	-	-	-
	796,461	1,232,439	416,461	1,232,439
Less: Debt issuance costs	(3,099)	(3,706)	(325)	(3,706)
Term loans, net of debt issuance costs	793,362	1,228,733	416,136	1,228,733
	3,095,721	3,319,454	416,136	1,228,733
	3,570,670	3,965,182	698,030	1,731,198

25 Borrowings (Cont'd.)

(a) Finance lease liabilities

Finance lease liabilities include the lease of transponders on the MEASAT 3 ("M3"), MEASAT 3 T11 ("M3-T11") and MEASAT 3a ("M3a") satellites from MEASAT Satellite Systems Sdn. Bhd. and MEASAT 3b ("M3b") from MEASAT International (South Asia) Ltd ("MISAL"), both related parties of the Group. The liabilities for M3, M3-T11 and M3a are denominated in RM, while M3b is denominated in USD.

The effective interest rate of the finance lease at the end of the financial year is 6.2% (2018: 6.2%), 4.6% (2018: 4.6%), 12.5% (2018: 12.5%) and 5.56% (2018: 5.60%) per annum for M3, M3-T11, M3a and M3b respectively.

MBNS had on 12 April 2018 entered into an agreement with MISAL for the utilisation of further 6 transponder capacity on the M3b satellite for a fee of USD 22.5 million. The Agreement became unconditional upon approval of the Board of Directors of MBNS and the Company which were obtained on 12 April 2018, and approval of the shareholders of AMH on 7 June 2018.

Finance lease liabilities also include hire purchase lease for servers' hardware, software and testing environment hardware.

The following is a summary of the minimum lease payments:

	Group	
	2019 RM'000	2018 RM'000
Lease rental obligation		
Minimum lease payments:		
- Not later than 1 year	271,537	231,206
- Later than 1 year and not later than 2 years	247,228	236,014
- Later than 2 years and not later than 5 years	612,947	656,995
- Later than 5 years	932,372	1,065,019
	2,064,084	2,189,234
Future finance charges	(494,401)	(570,534)
Present value of finance lease obligations	1,569,683	1,618,700

(b) Synthetic foreign currency loan ("SFCL") (unsecured and interest bearing)

On 13 December 2017, MBNS had accepted the SFCL amounting to USD150 million (equivalent to RM613 million). On 29 December 2017 and 28 February 2018, MBNS had drawn down the first tranche amounting to RM306.4 million and the second tranche amounting to RM306.4 million in nominal value respectively, maturing on 29 November 2022 at an interest rate of 4.8% per annum. The interest is payable quarterly.

NOTES TO THE FINANCIAL STATEMENTS

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25 Borrowings (Cont'd.)

(b) Synthetic foreign currency loan ("SFCL") (unsecured and interest bearing) (Cont'd.)

The following is a summary of the repayment terms:

	Group	
	2019 RM'000	2018 RM'000
SFCL repayments (including finance charges):		
- Not later than 1 year	29,412	14,706
- Later than 1 year and not later than 2 years	29,493	14,706
- Later than 2 years and not later than 5 years	669,157	349,325
	728,062	378,737
Future finance charges	(112,814)	(71,033)
Present value of SFCL	615,248	307,704

(c) Unrated Medium Term Note ("MTN") (unsecured and interest bearing)

The Group had established an Unrated Medium Term Note ("MTN") Programme of up to RM3.0 billion in nominal value ("MTN Programme") on 9 June 2017. The MTN Programme has a tenure of 15 years from the date of the first issuance of the MTN.

On 10 August 2017, the Group issued the first series of the MTN amounting to RM300 million in nominal value for a tenure of 5 years at coupon rate of 5.3% per annum. The coupon is payable semi-annually.

The following is a summary of the repayment terms:

	Group	
	2019 RM'000	2018 RM'000
MTN repayments (including finance charges):		
- Not later than 1 year	16,031	15,900
- Later than 1 year and not later than 2 years	15,813	16,031
- Later than 2 years and not later than 5 years	331,800	347,613
	363,644	379,544
Future finance charges	(56,108)	(71,964)
Present value of MTN	307,536	307,580

25 Borrowings (Cont'd.)

(d) Term Loans (unsecured and interest bearing)

The Group and the Company had on 12 May 2011 obtained financing to facilitate completion of the reorganisation as disclosed in Note 28. The financing comprises the following tranches:

- (i) Ringgit term loan of RM2,010 million ("2B") and RM1,000 million ("1B") (collectively "RM Term Loan Facilities"); and
- (ii) US Dollar ("USD") term loan of USD330 million ("USD Term Loan Facilities")

The 2B tranche and the USD Term Loan Facilities, both of 10-year tenure that mature on 19 May 2021 and 8 June 2021 respectively, were fully drawn down on 10 June 2011.

On 18 May 2012, RM500,000,000 was drawn down from the 1B tranche. The remaining undrawn amount of RM500,000,000 was voluntarily left to lapse on the last extended availability period. The 1B tranche is maturing on 19 May 2021.

On 20 August 2018 and 19 November 2018, the Company prepaid RM400 million and RM229.2 million respectively of its Ringgit term loan under 2B tranche.

On 9 August 2018, MBNS accepted a term loan facility of RM380 million ("MBNS Term Loan"). On 23 August 2018, MBNS had drawn down RM380 million with RM50 million maturing on 23 February 2023 and RM330 million maturing on 23 August 2023, at an interest rate of 5.18% per annum. The interest is payable quarterly.

The 2B RM and USD Term Loan Facilities had been fully hedged upon drawdown. The hedges for the 2B tranche had been fully unwound following the prepayment on 20 August 2018 and 19 November 2018. The USD Term Loan Facilities had been swapped into RM at an average exchange and fixed interest rate of USD/RM3.0189 (2018: USD/RM3.0189) and 4.19% (inclusive of margin of 1%) (2018: 4.19% (inclusive of margin of 1%)). The 1B RM Term Loan Facilities with notional amount of RM187.5 million remains unhedged, with interest rates ranging from 4.89% to 5.13% (inclusive of margin of 1%) (2018: 4.82% to 5.10% (inclusive of margin of 1%)) per annum. The applicable interest margins under both the RM and USD Term Loan Facilities vary from 1.0% to 1.75% (2018: 1.0% to 1.75%) based on a net debt to adjusted EBITDA ratio (as defined in the facilities agreements) of less than 2.0 times to greater than 4.0 times (2018: less than 2.0 times to greater than 4.0 times).

The following is a summary of the repayment terms:

	Group	
	2019 RM'000	2018 RM'000
Term loans repayments (including finance charges):		
- Not later than 1 year	324,750	560,460
- Later than 1 year and not later than 2 years	313,184	541,569
- Later than 2 years and not later than 5 years	574,742	771,900
	1,212,676	1,873,929
Future finance charges	(130,040)	(135,488)
Present value of term loans	1,082,636	1,738,441

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31 January 2019

25 Borrowings (Cont'd.)

(d) Term Loans (unsecured and interest bearing) (Cont'd.)

The following is a summary of the repayment terms (Cont'd.):

	Company	
	2019 RM'000	2018 RM'000
Term loans repayments (including finance charges):		
- Not later than 1 year	305,066	560,460
- Later than 1 year and not later than 2 years	293,446	541,569
- Later than 2 years and not later than 5 years	141,936	771,900
	740,448	1,873,929
Future finance charges	(41,533)	(135,488)
Present value of term loans	698,915	1,738,441

Changes in liabilities arising from financing activities

	Finance lease liabilities RM'000	MTN RM'000	SFCL RM'000	Term loan RM'000	Vendor financing** RM'000	Total RM'000
Group						
At 1 February 2018	1,618,700	307,580	307,704	1,731,198	710,143	4,675,325
<u>Cash flow:</u>						
Payment for set-top boxes	-	-	-	-	(325,982)	(325,982)
Repayment of finance lease liabilities	(187,945)	-	-	-	-	(187,945)
Net drawdown/(repayment)	-	-	306,375	(631,936)	-	(325,561)
Interest paid [#]	(104,652)	(15,900)	(27,115)	(63,336)	-	(211,003)
	(292,597)	(15,900)	279,260	(695,272)	(325,982)	(1,050,491)
<u>Non-cash changes:</u>						
Acquisition of property, plant and equipment	76,594	-	-	-	-	76,594
Drawn facilities	-	-	-	-	162,766 [^]	162,766
Foreign exchange movement	59,340	-	-	(19,625)	1,033	40,748
Others [*]	107,646	15,856	28,284	61,902	4,325	218,013
	243,580	15,856	28,284	42,277	168,124	498,121
At 31 January 2019	1,569,683	307,536	615,248	1,078,203	552,285	4,122,955

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

25 Borrowings (Cont'd.)

Changes in liabilities arising from financing activities (Cont'd.)

	Finance lease liabilities RM'000	MTN RM'000	SFCL RM'000	Term loan RM'000	Vendor financing** RM'000	Total RM'000
Group (Cont'd.)						
At 1 February 2017	1,066,461	-	-	2,339,186	801,091	4,206,738
<u>Cash Flow:</u>						
Payment for set-top boxes	-	-	-	-	(270,485)	(270,485)
Repayment of finance lease liabilities	(118,982)	-	-	-	-	(118,982)
Net drawdown/(repayment)	-	300,000	306,375	(449,436)	-	156,939
Interest paid#	(95,053)	-	-	(76,450)	-	(171,503)
	(214,035)	300,000	306,375	(525,886)	(270,485)	(404,031)
<u>Non-cash changes:</u>						
Acquisition of property, plant and equipment	806,191	-	-	-	-	806,191
Drawn facilities	-	-	-	-	248,853^	248,853
Foreign exchange movement	(134,985)	-	-	(161,845)	(72,012)	(368,842)
Others*	95,068	7,580	1,329	79,743	2,696	186,416
	766,274	7,580	1,329	(82,102)	179,537	872,618
At 31 January 2018	1,618,700	307,580	307,704	1,731,198	710,143	4,675,325

	Term Loan	
	2019 RM'000	2018 RM'000
Company		
At 1 February	1,731,198	2,339,186
<u>Cash Flow:</u>		
Repayment	(1,011,936)	(449,436)
Interest paid#	(58,374)	(76,450)
<u>Non-cash changes:</u>		
Foreign exchange movement	(19,625)	(161,845)
Others*	56,767	79,743
At 31 January	698,030	1,731,198

* Others comprise unamortised transaction costs, realised foreign exchange and interest expense.

** Vendor financing balance is reflected in Note 23 to the financial statements.

^ Included in the amount is vendor financing that was drawn during the financial year for acquisition of set-top boxes and inventories in previous financial year.

Interest paid does not include interest in relation to vendor financing and hedging instruments in connection to the financial liabilities.

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26 Deferred Tax Assets/(Liabilities)

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 balance sheets:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Subject to income tax:				
Deferred tax assets:				
- Deferred tax assets to be recovered after more than 12 months	113,333	105,642	-	-
- Deferred tax assets to be recovered within 12 months	10,177	1,315	258	245
	123,510	106,957	258	245
Deferred tax liabilities:				
- Deferred tax liability to be settled after more than 12 months	(86,239)	(78,126)	-	-
- Deferred tax liability to be settled within 12 months	(3,202)	(1,137)	-	-
	(89,441)	(79,263)	-	-
Net deferred tax assets	34,069	27,694	258	245
At beginning of financial year	27,694	38,082	245	269
Effects arising from adoption of MFRS 9 and MFRS 15 (Note 41)	485	-	-	-
At beginning of financial year, as adjusted	28,179	38,082	245	269
Credited/(charged) to income statement (Note 10):				
Provisions and accruals	419	(12,882)	13	(24)
Tax losses	(3,128)	(1,326)	-	-
Property, plant and equipment	(3,841)	(31,224)	-	-
Intangible assets	33,181	19,308	-	-
Receivables	905	(3,996)	-	-
Contract liabilities	(1,321)	(8,295)	-	-
Others	6,898	(7,225)	-	-
	33,113	(45,640)	13	(24)
(Charged)/credited to other comprehensive income:				
Cash flow hedge	(17,430)	35,252	-	-
Acquisition of a subsidiary (Note 40):				
Intangible assets	(9,793)	-	-	-
At end of financial year	34,069	27,694	258	245

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

26 Deferred Tax Assets/(Liabilities) (Cont'd.)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting):				
Provisions and accruals	10,572	10,153	258	245
Tax losses	24,145	27,273	-	-
Property, plant and equipment	49,963	55,435	-	-
Receivables	11,596	10,206	-	-
Contract liabilities	48,656	49,977	-	-
Cash flow hedge	-	17,170	-	-
Others	4,233	3,478	-	-
	149,165	173,692	258	245
Offsetting	(25,655)	(66,735)	-	-
Deferred tax assets (after offsetting)	123,510	106,957	258	245
Deferred tax liabilities (before offsetting):				
Property, plant and equipment	(5,046)	(6,677)	-	-
Intangible assets	(109,708)	(133,096)	-	-
Cash flow hedge	(260)	-	-	-
Others	(82)	(6,225)	-	-
	(115,096)	(145,998)	-	-
Offsetting	25,655	66,735	-	-
Deferred tax liabilities (after offsetting)	(89,441)	(79,263)	-	-

Deferred tax assets have not been recognised in respect of the following items (stated at gross amounts):

	Group	
	2019 RM'000	2018 RM'000
Tax losses carried forward	326,514	217,931
Capital allowances carried forward	17,739	14,705
Other temporary differences carried forward	4,694	7,699
Unabsorbed investment tax allowances	25	25
	348,972	240,360

The availability of unutilised tax losses for offsetting against future taxable profits of a subsidiary in Malaysia is subject to there being no substantial changes in the shareholding of the subsidiary under the Income Tax Act 1967 and guidelines issued by the tax authority. With effect from the year of assessment ("YA") 2019, unutilised business losses arising from a YA are allowed to only be carried forward from YA 2018 for utilisation up to 7 consecutive YAs from that YA. In addition, any accumulated unabsorbed business losses brought forward from YA 2018 can only be utilised for 7 consecutive YAs (i.e. until YA 2025). The deductible temporary difference in relation to unabsorbed capital allowances does not have any expiry date.

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27 Share Capital

	Group			
	Number of shares 2019 '000	Amount 2019 RM'000	Number of shares 2018 '000	Amount 2018 RM'000
	Issued and fully paid up:			
<i>Ordinary shares</i>				
At beginning of financial year	5,213,884	6,726,845	5,209,522	6,715,704
Issued during the financial year:				
- Share grant exercised (Note (a))	431	1,092	4,362	11,141
At end of financial year	5,214,315	6,727,937	5,213,884	6,726,845
<i>Others</i>				
At beginning of financial year	-	-	-	-
Increase during the financial year:				
- Redemption of RPS (Note (b))	-	10	-	-
At end of financial year	-	10	-	-
Total	5,214,315	6,727,947	5,213,884	6,726,845

	Company			
	Number of shares 2019 '000	Amount 2019 RM'000	Number of shares 2018 '000	Amount 2018 RM'000
	Issued and fully paid up:			
<i>Ordinary shares</i>				
At beginning of financial year	5,213,884	6,726,845	5,209,522	6,715,704
Issued during the financial year:				
- Share grant exercised (Note (a))	431	1,092	4,362	11,141
At end of financial year	5,214,315	6,727,937	5,213,884	6,726,845

- (a) On 19 October 2018, the Company issued and allotted 430,900 ordinary shares in the Company to eligible executives or eligible employees, pursuant to the letters of offer dated 19 October 2015 and 19 October 2016 ("Offer Letter") and in accordance with the By-laws of the Share Scheme of the Company. Subsequent to the above, the total number of issued shares of the Company increased to 5,214,314,500 ordinary shares.
- (b) During the year, a wholly-owned subsidiary of the Company, MBNS, redeemed 10,000 RPS by paying in cash RM10,000 to the Company. In accordance with Section 72(5) of Companies Act 2016 ("the Act"), a sum equal to the amount of the shares redeemed, was transferred out of profits, into the share capital account of MBNS.

28 Capital Reorganisation Reserve

The Company acquired the entire issued and paid up share capital of MBNS comprising 260,217,142 ordinary shares of RM1.00 each and 10,000 Class A RPS of RM1.00 each for a total consideration of RM6,795,540,152 on 5 April 2011. The acquisition was accounted for as a capital reorganisation of MBNS.

The difference between the total consideration paid by the Company and the acquired net assets of MBNS was accounted for as capital reorganisation reserve.

29 Hedging Reserve

This represents changes in the fair value of the hedging instruments, represented by the interest rate swap, cross-currency interest rate swap ("CCIRS"), forward foreign currency exchange contracts and foreign currency options which the Group entered into during the financial year, which is deferred in the hedging reserve until the hedged items affect the income statements. The hedging reserves relate to the following hedging instruments:

	Cash flow hedge reserve					Total hedging reserve RM'000
	Cost of hedging reserve RM'000	Intrinsic value of options RM'000	Spot component of currency forwards RM'000	Interest rate swaps RM'000	Spot component of CCIRS RM'000	
Group						
At 31 January 2017	-	8,000	49,261	(9,928)	6,860	54,193
Effect of adoption of MFRS 9 (Note 41)	(14,529)	-	9,956	-	4,573	-
At 31 January 2017, as restated	(14,529)	8,000	59,217	(9,928)	11,433	54,193
Change in fair value of hedging instrument recognised in OCI	-	(8,901)	(198,721)	490	(165,379)	(372,511)
Costs of hedging deferred and recognised in OCI	2,141	-	-	-	-	2,141
Reclassified from OCI to profit or loss	-	-	49,749	6,810	175,184	231,743
Deferred tax	-	2,136	33,116	-	-	35,252
At 31 January 2018	(12,388)	1,235	(56,639)	(2,628)	21,238	(49,182)

NOTES TO THE FINANCIAL STATEMENTS

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29 Hedging Reserve (Cont'd.)

	Cash flow hedge reserve					Total hedging reserve RM'000
	Cost of hedging reserve RM'000	Intrinsic value of options RM'000	Spot component of currency forwards RM'000	Interest rate swaps RM'000	Spot component of CCIRS RM'000	
Group (Cont'd.)						
At 1 February 2018	-	1,235	(61,601)	(2,628)	13,812	(49,182)
Effect of adoption of MFRS 9 (Note 41)	(12,388)	-	4,962	-	7,426	-
At 1 February 2018, as restated	(12,388)	1,235	(56,639)	(2,628)	21,238	(49,182)
Change in fair value of hedging instrument recognised in OCI	-	(175)	36,866	(3,744)	(43,134)	(10,187)
Costs of hedging deferred and recognised in OCI	13,631	-	-	-	-	13,631
Reclassified from OCI to profit or loss	-	-	33,730	6,052	25,243	65,025
Deferred tax	-	42	(17,472)	-	-	(17,430)
At 31 January 2019	1,243	1,102	(3,515)	(320)	3,347	1,857

	Cash flow hedge reserve			Total hedging reserves RM'000
	Cost of hedging reserve RM'000	Interest rate swap RM'000	Spot Component of CCIRS RM'000	
Company				
At 31 January 2017	-	(9,545)	7,951	(1,594)
Effect of adoption of MFRS 9 (Note 41)	(4,573)	-	4,573	-
At 31 January 2017, as restated	(4,573)	(9,545)	12,524	(1,594)
Change in fair value of hedging instrument recognised in OCI	-	163	(171,348)	(171,185)
Costs of hedging deferred and recognised in OCI	(2,853)	-	-	(2,853)
Reclassified from OCI to profit or loss	-	5,551	173,040	178,591
At 31 January 2018	(7,426)	(3,831)	14,216	2,959
At 1 February 2018	-	(3,831)	6,790	2,959
Effect of adoption of MFRS 9 (Note 41)	(7,426)	-	7,426	-
At 1 February 2018, as restated	(7,426)	(3,831)	14,216	2,959
Change in fair value of hedging instrument recognised in OCI	-	(2,347)	(34,623)	(36,970)
Costs of hedging deferred and recognised in OCI	5,429	-	-	5,429
Reclassified from OCI to profit or loss	-	6,178	23,754	29,932
At 31 January 2019	(1,997)	-	3,347	1,350

29 Hedging Reserve (Cont'd.)

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk or the derivative counterparty.

The group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur if:

- there is a reduction in the total amount of the hedged items (loans), and
- differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during financial year 2019 in relation to the interest rate swaps.

30 Fair Value Reserve

This represents the cumulative net change in the fair value of AFS financial assets until the investments are derecognised or impaired in the income statement.

31 Share Scheme Reserve

This represents the cumulative value of employee services rendered for the grant of share awards. When the grant is exercised, for any period prior to the Act's effective date, the amount from the share scheme reserve is transferred to share premium and share capital. For any period on and after the Act's effective date, the amount from the share scheme reserve is transferred to share capital. When the share grants expire, the amount from the share scheme reserve is transferred to retained earnings. Details of the share grant are disclosed in Note 7(a).

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32 Non-Cash Transactions

The principal non-cash transactions during the financial year for the Group and the Company are as follows:

- Advertising airtime sales in exchange for consumable items of RM21,896,000 (2018: RM10,350,000) and subsequent settlement of liabilities using these consumable items.
- Acquisition of property, plant and equipment by means of finance lease of RM76,594,000 (2018: RM806,191,000).
- Acquisition of set-top boxes not settled in cash as at year end of RM165,514,000 (2018: RM199,947,000).
- Acquisition of inventories by means of vendor financing of RM Nil (2018: RM6,145,000).
- On 28 January 2019, the Company subscribed for 95,000,000 new ordinary shares of AESB for total subscription amount of RM95,000,000. The subscription amount was fully settled by offsetting the advances owed to the Company and amount due to the Company.

33 Capital Commitments

- Capital commitments for property, plant and equipment not provided for in the financial statements are as follows:

	Group	
	2019 RM'000	2018 RM'000
Approved and contracted for	51,272	113,663
Approved but not contracted for	43,043	60,295
	94,315	173,958

- Programming commitments for programme rights not provided for in the financial statements are as follows:

	Group	
	2019 RM'000	2018 RM'000
Approved and contracted for	395,583	544,234
Approved but not contracted for	850,973	883,501
	1,246,556	1,427,735

- Commitments for software not provided for in the financial statements are as follows:

	Group	
	2019 RM'000	2018 RM'000
Approved and contracted for	99,514	17,505
Approved but not contracted for	93,840	123,589
	193,354	141,094

34 Non-Cancellable Operating Lease Commitments

	Group	
	2019 RM'000	2018 RM'000
Payable within 1 year	5,516	5,866
Payable between 1 and 5 years	6,435	6,435
Payable after 5 years	109,389	109,389
	121,340	121,690

The Group currently has a 99-year agreement to lease the land underlying the All Asia Broadcast Centre which commenced in 1996.

35 Significant Related Party Disclosures

The Group has a number of related party transactions with companies directly or indirectly controlled by or associated with Usaha Tegas Sdn. Bhd. ("UTSB") as well as companies or entities directly or indirectly controlled by or associated with Ananda Krishnan Tatparanandam ("TAK") or in which he is deemed to have an interest, both of whom are deemed substantial shareholders of the Company.

UTSB has a 23.95% indirect interest in the Company through its wholly-owned subsidiaries, All Asia Media Equities Limited and Usaha Tegas Entertainment Systems Sdn Bhd. The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company, they do not have any economic or beneficial interest over such shares as such interest is held subject to the terms of the discretionary trust.

TAK also has a deemed interest in the shares of the Company via entities which are the direct shareholders of the Company and held by companies ultimately controlled by TAK.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant transactions and balances. The related party transactions described below were carried out on agreed terms with the related parties.

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35 Significant Related Party Disclosures (Cont'd.)

The significant related parties, with whom the Group and Company transact with, include the following companies:

Related Companies

AESB	Subsidiary of the Company
AGS	Subsidiary of the Company
APSB	Subsidiary of the Company
ASSB	Subsidiary of the Company
ARV	Subsidiary of the Company
ADSB	Subsidiary of the Company
AD5SB	Subsidiary of ADSB
AASB	Subsidiary of AESB
ASM	Subsidiary of AESB
ASV	Subsidiary of ASM
MBNS	Subsidiary of the Company
MTAM	Subsidiary of AESB
Tribe	Subsidiary of the Company
TUSB	Subsidiary of ASSB
Kristal-Astro Sdn. Bhd.	Associate of ABSB

Relationship

Related Parties

ASTRO Overseas Limited ("AOL")	Subsidiary of Astro Holdings Sdn Bhd ("AHSB"), a company jointly controlled by UTSB and Khazanah Nasional Berhad, pursuant to a shareholders' agreement in relation to AHSB
Celestial Movie Channel Limited	Associate of AOL
Tiger Gate Entertainment Limited	Associate of AOL
Sun TV Network Limited	Joint venture partner of AOL
Maxis Broadband Sdn. Bhd.	Subsidiary of a joint venture of UTSB
Maxis Mobile Sdn. Bhd.	Subsidiary of a joint venture of UTSB
UTSB Management Sdn. Bhd.	Subsidiary of UTSB
MEASAT Satellite Systems Sdn. Bhd. ("MSS")	Subsidiary of a company in which TAK has a 100% direct equity interest
MEASAT International (South Asia) Ltd. ("MISAL")	Subsidiary of a company in which TAK has a 100% direct equity interest

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35 Significant Related Party Disclosures (Cont'd.)

(a) Sales of goods and services

	Group	
	2019 RM'000	2018 RM'000
<u>Sales of goods and services to related parties:</u>		
Maxis Mobile Sdn. Bhd.		
- Airtime sales	7,475	6,885
<u>Sales of goods and services to an associate:</u>		
Kristal-Astro Sdn. Bhd.		
- Programme services and right sales, technical support, smartcard rental and sales of set-top boxes	27,075	19,183
	Company	
	2019 RM'000	2018 RM'000
<u>Interest income on advances to subsidiaries:</u>		
MBNS	22,873	53,109
APSB	6,479	8,382
<u>Share-based payments charged to subsidiary:</u>		
MBNS	1,370	3,594
<u>Corporate management fees charged to subsidiary:</u>		
MBNS	2,371	1,484

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31 January 2019

35 Significant Related Party Disclosures (Cont'd.)

(b) Purchases of goods and services

	Group	
	2019 RM'000	2018 RM'000
<u>Purchases of goods and services from related parties:</u>		
UTSB Management Sdn. Bhd. - Personnel, strategic and other consultancy and support services	14,423	13,401
Maxis Broadband Sdn. Bhd. - Telecommunication services	81,930	91,651
MSS - Expenses related to finance lease	41,499	42,936
MISAL - Expenses related to finance lease	84,645	69,599
Celestial Movie Channel Limited - Programme broadcast rights	21,922	22,932
Sun TV Network Limited - Programme broadcast rights	41,119	39,324
Tiger Gate Entertainment Limited - Programme broadcast rights	10,967	12,955

	Company	
	2019 RM'000	2018 RM'000
<u>Corporate management fees charged by subsidiary:</u>		
AGS	6,618	6,875

(c) Advances to subsidiaries:

	Company	
	2019 RM'000	2018 RM'000
ASV	6,500	-
Tribe	21,907	31,292
ASM	21,448	8,397
ADSB	-	4,085
ASSB	760	5,460

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

35 Significant Related Party Disclosures (Cont'd.)

(d) Repayment of advances by subsidiaries:

	Company	
	2019 RM'000	2018 RM'000
MBNS	804,315	383,077
APSB	34,203	34,203
AASB	40,882	1,500
ASV	6,500	-
AD5SB	-	3,277
TUSB	-	1,560
ADSB	4,085	-
MTAM	1,000	-

(e) Year end balances arising from significant sales/purchases of goods and services (stated at gross)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Receivable from related parties				
Maxis Broadband Sdn. Bhd.	-	931	-	-
Maxis Mobile Sdn. Bhd.	508	1,572	-	-
MSS	58	775	-	-
Receivable from an associate				
Kristal-Astro Sdn. Bhd.	39,117	32,105	-	-
Receivable from a subsidiary				
MBNS	-	-	27,430	229,645
AESB	-	-	26,120	69,978
Payable to related parties				
UTSB Management Sdn. Bhd.	3,700	1,117	-	-
Maxis Broadband Sdn. Bhd.	21,754	12,162	-	-
MSS	3,560	1,411	-	-
Celestial Movie Channel Limited	5,476	2,518	-	-
Sun TV Network Limited	18,762	11,684	-	-
Tiger Gate Entertainment Limited	2,232	2,030	-	-

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35 Significant Related Party Disclosures (Cont'd.)

(f) Year end balances arising from advances to subsidiaries, associates and joint ventures

	Company	
	2019 RM'000	2018 RM'000
Advances to subsidiaries		
MBNS	-	806,917
APSB	104,691	140,796
AASB	-	41,088
ASSB	16,797	16,064
ASM	-	8,499
ARV	38,988	38,988
Tribe	-	40,567

(g) Key management personnel's remuneration and emoluments

The remuneration of key management personnel during the year was as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Directors' fees and meeting allowances	2,409	2,062	2,399	2,052
Salaries and bonus	40,805	38,156	3,961	3,261
Defined contribution plans	6,112	5,798	601	656
Estimated money value of benefits-in-kind	137	99	46	37
Share-based payments (Note 7(a))	171	6,857	-	400
Staff welfare and allowances	1,490	1,555	127	1,107
Separation scheme	6,252	-	1,093	-
	57,376	54,527	8,227	7,513

Key management personnel comprise Directors and members of the senior leadership who are directly responsible for the financial and operating policies, and decisions of the Group and the Company. The key management personnel information includes remunerations for Directors of the Company and its subsidiaries, consistent with Note 8 to the financial statements.

35 Significant Related Party Disclosures (Cont'd.)

(h) Government-related entities

Khazanah Nasional Berhad (“KNB”) is deemed interested in 20.67% of the Company’s shares held by its wholly-owned subsidiary, Pantai Cahaya Bulan Ventures Sdn Bhd (“PCBV”). KNB is the strategic investment fund of the Government of Malaysia. Save for 1 share owned by the Federal Lands Commissioner, a body corporate incorporated pursuant to the Federal Lands Commissioner (Incorporation) Act, 1957, all of the ordinary shares of KNB are owned by the Minister of Finance Incorporated, a body corporate incorporated pursuant to the Minister of Finance, (Incorporation) Act, 1957 (“MoF Inc.”) and 1,000,000 Redeemable Cumulative Convertible Preference Shares are owned by GovCo Holdings Berhad (wholly-owned by MoF Inc.).

All the transactions entered into by the Group with the government-related entities are conducted in the ordinary course of the Group’s business on negotiated terms.

(i) Collectively, but not individually, significant transactions

The Group has transactions with other government-related entities including but not limited to use of public utilities.

These transactions are conducted in the ordinary course of the Group’s business on negotiated terms.

For the financial year ended 31 January 2019, management estimates that the aggregate amount of the Group’s significant transactions with other government-related entities are at 2.74% (2018: 2.29%) of its total administrative expenses.

36 Financial Instruments

(a) Credit risk

The Group and Company are exposed to credit risk arising from the financial assets of the Group and Company, which comprise receivables, contract assets, cash and cash equivalents and derivative financial instruments.

Trade receivables and contract assets

(i) Measurement of expected credit losses (“ECL”)

The Group applies the MFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 January 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are not adjusted with forward-looking information as no close correlation was being observed.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

36 Financial Instruments (Cont'd.)

(a) Credit risk (Cont'd.)

Trade receivables and contract assets (Cont'd.)

(ii) Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

	Current RM'000	Past Due			Total RM'000
		Between 1 and 60 days RM'000	Between 61 and 90 days RM'000	Over 90 days RM'000	
Group					
At 31 January 2019					
Expected loss rate	0.1-0.4%	0.4-6.9%	2.1-25.7%	3.3-100%	
Gross carrying amount					
- Trade receivables	331,466	104,333	20,778	73,662	530,239
Gross carrying amount					
- Contract assets	9,625	-	-	-	9,625
Loss allowance	(3,196)	(5,006)	(3,026)	(33,020)	(44,248)
Carrying amount (net of loss allowance)	337,895	99,327	17,752	40,642	495,616
					Group
					RM'000
At 31 January 2018					
Customers with no defaults in the past					146,363
Customers with some defaults in the past (all defaults were fully recovered)					209,824
					356,187

36 Financial Instruments (Cont'd.)

(a) Credit risk (Cont'd.)

Trade receivables and contract assets (Cont'd.)

(ii) Maximum exposure to credit risk (Cont'd.)

As at 31 January 2018, the analysis of the age of trade receivables that were past due but not impaired and past due and impaired is as follows:

	Not later than 30 days RM'000	Between 31 and 60 days RM'000	Between 61 and 90 days RM'000	Over 90 days RM'000	Total RM'000
Group					
At 31 January 2018					
Past due but not impaired	60,596	23,002	10,559	18,978	113,135
Past due and impaired	-	-	-	57,415	57,415
	60,596	23,002	10,559	76,393	170,550

The above trade receivables are past due but not impaired as based on past collection trends, management believes that these balances are recoverable. In addition, certain specific trade receivables are concluded on a barter basis and collection is based on contracted terms between the parties.

(iii) Reconciliation of loss allowance

The loss allowance for trade receivables and contract assets of the Group as at 31 January 2019 reconciles to the opening loss allowance as follows:

	Trade receivables	
	2019 RM'000	2018* RM'000
At beginning of financial year	(57,415)	(46,107)
Effect arising from adoption of MFRS 9 (Note 41)	(5,497)	-
At beginning of financial year, as adjusted	(62,912)	(46,107)
Charged for the year	(32,245)	(89,548)
Written off	50,909	78,240
At end of financial year	(44,248)	(57,415)

* Loss allowance disclosed in comparative period is based on MFRS 139's incurred loss model.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

36 Financial Instruments (Cont'd.)

(a) Credit risk (Cont'd.)

Other financial asset at amortised costs

Other financial assets at amortised costs include other receivables, amount due from associate and amounts due from related parties. The loss allowance for other receivables and amounts due from related parties of the Group as at 31 January 2019 reconciles to the opening loss allowance as follows:

	Other receivables		Amounts due from associate		Amounts due from related parties	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At beginning of financial year	(3,520)	(1,107)	(31,006)	(12,172)	(7,922)	(5,868)
Effect arising from adoption of MFRS 9 (Note 41)	(1,126)	-	-	-	(1,563)	-
At beginning of financial year, as adjusted	(4,646)	(1,107)	(31,006)	(12,172)	(9,485)	(5,868)
Reversal/(charged) for the year	4,596	(4,268)	(8,527)	(18,834)	3,626	(2,054)
Written off	-	1,855	-	-	-	-
At end of financial year	(50)	(3,520)	(39,533)	(31,006)	(5,859)	(7,922)

Loan to subsidiaries and amount due from subsidiaries

For inter-company balances that are repayable on demand, the Company's ECL is based on the following assumptions:

- If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the ECL is likely to be immaterial.
- If the borrower could not repay the loan if demanded at the reporting date, the Company considers the expected manner of recovery to measure the ECL. The recovery manner could be either through 'repayment over time' or a fire sale of less liquid assets by the borrower.
- If the recovery strategies indicate that the Company would fully recover the outstanding balance of the loan, the ECL would be limited to the effect of the discounting of the amount due on the loan, at the loan's effective interest rates, over the period until the amount is fully recovered.

As at the end of the financial year, there was no indication that the loan to subsidiaries are not recoverable other than those which have already been impaired. The Company does not specifically monitor the aging of amount due from subsidiaries.

36 Financial Instruments (Cont'd.)

(a) Credit risk (Cont'd.)

Other financial assets

With respect to credit risk arising from other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

In addition, a majority of the Group's deposits are placed with financial institutions with strong credit ratings in Malaysia. Investment in unit trusts are made in cash/money market i.e. very liquid funds.

(b) Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group and Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure that, as far as possible, it will have sufficient liquidity to meet its liabilities when they fall due.

The table below summarises the maturity profile of the Group and Company's financial liabilities (borrowings and payables, excluding contract liabilities) at 31 January 2019 and 31 January 2018 based on contractual undiscounted payments:

	Within 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
Group				
At 31 January 2019				
Borrowings	641,730	2,794,364	932,372	4,368,466
Payables	1,280,860	428,073	-	1,708,933
Derivative financial instruments – financial liabilities	2,687	3,421	(1,625)	4,483
	1,925,277	3,225,858	930,747	6,081,882
At 31 January 2018				
Borrowings	822,272	2,934,153	1,065,019	4,821,444
Payables	1,476,542	409,179	-	1,885,721
Derivative financial instruments – financial liabilities	89,223	3,769	-	92,992
	2,388,037	3,347,101	1,065,019	6,800,157

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31 January 2019

36 Financial Instruments (Cont'd.)

(b) Liquidity risk (Cont'd.)

	Within 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
Company				
At 31 January 2019				
Borrowings	305,066	435,382	-	740,448
Payables	12,205	-	-	12,205
	317,271	435,382	-	752,653
At 31 January 2018				
Borrowings	560,460	1,313,469	-	1,873,929
Payables	24,842	-	-	24,842
Derivative financial instruments – financial liabilities	2,971	2,325	-	5,296
	588,273	1,315,794	-	1,904,067

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

Foreign exchange risk

Exposure

The Group and Company's exposure to foreign currency risk at the end of the reporting period, expressed in RM, was as follows:

	Denominated in USD	
	2019 RM'000	2018 RM'000
Group		
Deposits with licensed banks	15,966	48,536
Receivables	11,025	15,975
Payables	(328,392)	(632,683)
Borrowings	(1,728,111)	(1,864,448)
Company		
Payables	(79)	-
Borrowings	(509,502)	(677,973)

36 Financial Instruments (Cont'd.)**(c) Market risk (Cont'd.)****Foreign exchange risk (Cont'd.)***Instruments used by the Group*

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. The currency giving rise to this risk is primarily USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that are not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable USD expenditures. The risk is hedged with the objective of minimising the volatility of the RM currency cost of highly probable forecast content purchases.

The Group treasury's risk management policy is to hedge between 75% and 100% of forecasted USD payables and commitments falling due (on a rolling basis) within twelve months. For payables and commitments above the 12-months rolling period, the hedging is subject to a review of the cost of implementing of each hedge and approval from the Treasury Committee and then, from the Board. For the year ended 31 January 2019, 83% of forecasted USD payables and commitments (mainly content purchases) and 57% of borrowings were hedged in respect of foreign currency risk. At 31 January 2019, 83% of forecasted USD payables and commitments during the financial year 2020 and 57% of borrowings for next up to 6 years qualified as 'highly probable' forecast transactions for hedge accounting purposes.

In addition to foreign currency forward as abovementioned, the Group also uses foreign currency options to hedge content purchases on specific contract and period. Under the Group's policy the critical terms of the forwards and options must align with the hedged items.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

The intrinsic value of foreign currency options is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material.

The changes in the forward element of the foreign currency forwards and the time value of the options that relate to hedged items are deferred in the costs of hedging reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

36 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Foreign exchange risk (Cont'd.)

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency related hedging instruments on the Group and Company's financial position and performance are as follows:

	2019 RM'000
(i) Foreign currency options	
Carrying amount (asset)	1,451
Notional amount USD	145,270
Maturity date	Current up to 3 years
Hedge ratio	1:1
Change in intrinsic of outstanding hedging instruments for the year	(175)
Change in fair value of hedged item used to determine hedge effectiveness	175
Weighted average strike rate for the year	USD1:RM3.7289
(ii) Foreign currency forwards	
Carrying amount (net liability)	(4,300)
Notional amount USD	1,551,316
Maturity date	Current up to 6 years
Hedge ratio	1:1
Change in discounted spot value of outstanding hedging instrument for the year	70,596
Change in fair value of hedged item used to determine hedge effectiveness	(70,596)
Weighted average hedged rate for the year (including forward points)	USD1:RM4.1433
(iii) Cross-currency interest rate swaps	
Carrying amount (asset)	135,607
Notional amount USD	373,584
Maturity date	Current up to 3 years
Hedge ratio	1:1
Change in fair value of outstanding hedging instruments for the year	(17,891)
Change in value of hedged item used to determine hedge effectiveness	17,891
Weighted average hedged rate for the year	USD1:RM3.0189

36 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Foreign exchange risk (Cont'd.)

Effects of hedge accounting on the financial position and performance (Cont'd.)

The following table provides the sensitivity to a reasonably possible change in the USD exchange rate, taking into account the impact of hedging, with all other variables held constant, of the Group and Company's profit or loss before tax. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in the exchange rate.

	Increase/ (decrease) in USD rate	Effect on profit before tax RM'000	Effect on equity RM'000
Group			
31 January 2019	+10%	(82,573)	(252)
	-10%	82,573	252
31 January 2018	+10%	(117,718)	(42,706)
	-10%	117,718	42,706
Company			
31 January 2019	+10%	(8)	790
	-10%	8	(790)
31 January 2018	+10%	-	1,186
	-10%	-	(1,186)

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

36 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Interest rate risk

The Group and Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group and Company adopt a base line policy to hedge between 50% and 100% of its borrowing and vendor financing interest rate exposure from floating to fixed rate basis.

Hedging instrument	Hedged item	2019 Weighted average fixed rate %	2018 Weighted average fixed rate %
Group			
IRS	RM term loan	-	4.15
CCIRS	USD term loan	4.19	4.19
	USD vendor financing	-	4.52
RM IRS	RM vendor financing	3.67	3.69
USD IRS	USD vendor financing	-	1.80
Company			
IRS	RM term loan	-	4.15
CCIRS	USD term loan	4.19	4.19

The CCIRS for borrowings will mature on 8 June 2021, while the IRS for vendor financing have an average 3 years maturity date.

The notional principal amount and maturity profiles of both IRS and CCIRS are disclosed in Note 24 to the financial statements.

The profile of the Group and Company's floating rate interest-bearing financial instruments, based on the carrying amounts are set out below:

	2019 RM'000	2018 RM'000
Group		
Payables	(552,285)	(710,143)
Borrowings	(694,102)	(1,725,425)
Company		
Advances to subsidiaries	150,776	1,084,406
Borrowings	(694,102)	(1,725,425)

36 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Interest rate risk (Cont'd.)

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the group's financial position and performance are as follows:

	2019 RM'000
(i) Interest rate swaps	
Carrying amount (liability)	(320)
Notional amount	496,586
Maturity date	Current up to 3 years
Hedge ratio	1:1
Change in fair value of outstanding hedging instruments for the year	2,308
Change in fair value of hedged item used to determine hedge effectiveness	(2,308)
Weighted average hedged rate for the year	3.69%

The following table provides the sensitivity to a reasonably possible change in interest rates, taking into account the impact of hedging, with all other variables held constant, of the Group and Company's profit or loss before tax. The sensitivity analysis is determined based on the impact on floating rate financial instruments at the end of the balance sheet date.

	Increase/ (decrease) in basis points	Effect on profit before tax RM'000	Effect on equity RM'000
Group			
31 January 2019	+100	(2,432)	12,812
	-100	2,432	(12,812)
31 January 2018	+100	(4,046)	32,706
	-100	4,046	(32,706)
Company			
31 January 2019	+100	(367)	7,174
	-100	367	(7,174)
31 January 2018	+100	8,219	36,105
	-100	(8,219)	(36,105)

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

36 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Price risk

The Group's investment in unit trusts is exposed to price risk as the investment is carried at fair value in the balance sheet, with fair value changes impacting income statement (2018: equity). To manage its price risk arising from the investment in unit trusts, the Group diversifies its portfolio in various financial institutions.

The table below summarises the impact of increases/decreases of the unit price on the Group's equity. The analysis is based on the assumption that the unit price had increased/decreased by 0.5% with all other variables held constant.

	Increase/ (decrease) in unit price	Effect on profit before tax RM'000	Effect on equity RM'000
Group			
31 January 2019	+0.5%	1,738	-
	-0.5%	(1,738)	-
31 January 2018	+0.5%	-	3,642
	-0.5%	-	(3,642)
Company			
31 January 2018	+0.5%	-	854
	-0.5%	-	(854)

Capital risk management

The Group and Company's objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31 January 2019.

The Group and Company will balance their overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the repayment of existing borrowings.

36 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Capital risk management (Cont'd.)

The capital structure of the Group and Company consists of borrowings, deposits, cash and bank balances and total equity, comprising issued share capital, reserves and non-controlling interests, as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Total borrowings	3,570,670	3,965,182	698,030	1,731,198
Less:				
Deposits, cash and bank balances	(283,486)	(233,608)	(65,725)	(18,480)
Investment in unit trusts	(348,680)	(728,447)	-	(170,709)
	2,938,504	3,003,127	632,305	1,542,009
Total equity	678,908	653,329	6,898,214	7,027,812
Total capital	3,617,412	3,656,456	7,530,519	8,569,821

The Group is required to maintain a total net debt to adjusted earnings before interest, taxation, depreciation and amortisation ("EBITDA"), as defined in the facilities agreement, not exceeding 4 times and adjusted EBITDA to net interest of not less than 2 times for the purpose of borrowing covenants. During the financial year, the Group has complied with these requirements.

(d) Fair values

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and Company use a variety of methods and make assumptions that are based on market conditions existing at each balance sheet date. Estimated discounted cash flows are used to determine fair value for the financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The Group and Company use the following hierarchy for determining and disclosing fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly (ie. from prices) or indirectly (ie. derived from prices).
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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31 January 2019

36 Financial Instruments (Cont'd.)

(d) Fair values (Cont'd.)

Assets/(Liabilities) measured at amortised cost

The carrying amounts of financial assets and liabilities of the Group at the balance sheet date approximated their fair values except as set out below:

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
At 31 January 2019				
Borrowings: Finance lease liabilities	(1,569,683)	-	(1,625,493)	-
At 31 January 2018				
Borrowings: Finance lease liabilities	(1,618,700)	-	(1,682,738)	-

The fair value of financial instruments categorised at Level 2 is determined based on a discounted cash flow analysis, using contractual cash flows and market interest rates.

Assets/(Liabilities) measured at fair value:

The Group and Company held the following financial instruments measured at fair value.

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
At 31 January 2019				
Other investments:				
- Investment in unit trusts	348,680	348,680	-	-
- Preference shares in an unquoted company	4,085	-	4,085	-
Forward foreign currency exchange contracts				
- cash flow hedges	(4,300)	-	(4,300)	-
Interest rate swaps - cash flow hedges	(320)	-	(320)	-
Cross-currency interest rate swaps - cash flow hedges	135,607	-	135,607	-
Foreign currency options - cash flow hedges	1,451	-	1,451	-

36 Financial Instruments (Cont'd.)

(d) Fair values (Cont'd.)

Assets/(Liabilities) measured at fair value (Cont'd):

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group (Cont'd.)				
At 31 January 2018				
Other investments:				
- Investment in unit trusts	728,447	728,447	-	-
- Preference shares in an unquoted company	4,085	-	4,085	-
Forward foreign currency exchange contracts				
- cash flow hedges	(86,091)	-	(86,091)	-
Interest rate swaps - cash flow hedges	(3,676)	-	(3,676)	-
Cross-currency interest rate swaps - cash flow hedges	159,369	-	159,369	-
Foreign currency options - cash flow hedges	1,626	-	1,626	-
Company				
At 31 January 2019				
Cross-currency interest rate swap - cash flow hedges	135,607	-	135,607	-
At 31 January 2018				
Other investments:				
- Investment in unit trusts	170,709	170,709	-	-
Interest rate swap - cash flow hedges	(4,756)	-	(4,756)	-
Cross-currency interest rate swap - cash flow hedges	159,542	-	159,542	-

The fair value of derivative financial instruments in Level 2 are determined using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available, and rely as little as possible on entity-specific estimate. The forward foreign currency exchange contracts and foreign currency options are valued using forward exchange rate at the balance sheet date, with the resulting value discounted back to present value.

The fair values of CCIRS and IRS are calculated using observable market interest rates and yield curves with estimated future cash flows being discounted to present value.

The fair value of preference shares in an unquoted company in Level 2 is determined by reference to recent sales price of a comparable transaction with a third party.

During the financial year ended 31 January 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

36 Financial Instruments (Cont'd.)

(e) Financial Instruments by Category

	Group	Company
	RM'000	RM'000
<u>31 January 2019</u>		
<u>Financial assets at FVTPL</u>		
Financial assets as per balance sheets		
Other investments	348,680	-
<u>Financial assets at FVOCI</u>		
Financial assets as per balance sheets		
Other investments	4,085	-
<u>Financial assets at amortised cost</u>		
Financial assets as per balance sheets		
Deposits, cash and bank balances	283,486	65,752
Receivables excluding downpayment, prepayments and contract cost assets	587,304	893
Amounts due from related parties	9,137	7
Amounts due from subsidiaries	-	75,614
Advances to subsidiaries	-	160,476
	879,927	302,742
<u>Derivatives used for hedging</u>		
Financial assets as per balance sheets		
Derivative financial instruments	148,040	135,607
Financial liabilities as per balance sheets		
Derivative financial instruments	15,602	-
<u>Financial liabilities at amortised cost</u>		
Financial liabilities as per balance sheets		
Trade and other payables	1,598,860	4,026
Amounts due to related parties	70,600	173
Amounts due to subsidiaries	-	8,006
Borrowings	3,570,670	698,030
	5,240,130	710,235

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

36 Financial Instruments (Cont'd.)

(e) Financial Instruments by Category (Cont'd.)

	Group	Company
	RM'000	RM'000
<u>31 January 2018</u>		
<u>Available-for-sale financial asset</u>		
Financial assets as per balance sheets		
Other investments	732,532	170,709
<u>Loans and receivables</u>		
Financial assets as per balance sheets		
Deposits, cash and bank balances	233,608	18,480
Receivables excluding downpayment and prepayments	580,352	834
Amounts due from related parties	5,725	65
Amounts due from subsidiaries	-	322,549
Advances to subsidiaries	-	1,098,034
	819,685	1,439,962
<u>Derivatives used for hedging</u>		
Financial assets as per balance sheets		
Derivative financial instruments	162,583	159,542
Financial liabilities as per balance sheets		
Derivative financial instruments	91,355	4,756
<u>Financial liabilities at amortised cost</u>		
Financial liabilities as per balance sheets		
Trade and other payables excluding unearned revenue	1,791,828	3,847
Amounts due to related parties	51,590	145
Amounts due to subsidiaries	-	20,850
Borrowings	3,965,182	1,731,198
	5,808,600	1,756,040

37 Significant Events During the Financial Year

The significant events during the financial year are disclosed in Note 25 and Note 40 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

38 Indemnity, Guarantees, Contingent Assets and Material Litigation

(a) Indemnity and guarantees

Details of the indemnity and guarantees of the Group as at end of financial year, for which no provision has been made in the financial statements are as set out below:

	Group	
	2019 RM'000	2018 RM'000
Indemnity given to financial institutions in respect of bank guarantees issued – unsecured		
- Programme rights vendors ¹	37,138	139,119
- Others ²	7,347	8,154
Other indemnities:		
- Parental guarantee to programme rights vendor ¹	741,325	705,968
	785,810	853,241

Note:

¹ Included as part of the programming commitments for programme rights as set out in Note 33(b).

² Consists of bank guarantees issued mainly to Royal Malaysian Customs, utility companies and other statutory bodies.

(b) Contingent assets

There were no significant contingent assets as at 31 January 2019 and 31 January 2018.

(c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant

- (i) On 11 March 2005, AOL (a wholly-owned subsidiary of Astro All Asia Networks Limited (formerly known as ASTRO ALL ASIA NETWORKS plc)) ("AAAN") and certain of its affiliate companies ("AOL Companies") and PT Ayunda Prima Mitra ("PT APM"), PT First Media Tbk ("PT FM") and PT Direct Vision ("PT DV") entered into a conditional Subscription and Shareholders Agreement ("SSA") to set up a Direct-To-Home ("DTH") pay-TV business in Indonesia to be launched by PT DV. PT APM was a shareholder of PT DV and PT FM was the holding company of PT APM.

In anticipation of the conclusion of the intended joint venture and upon the request of PT APM and PT FM, the AOL Companies agreed to provide and/or procure the provision to PT DV of funds and services to launch the pay-TV business of PT DV in February 2006, with the support of services and equipment from AAAN, MBNS and All Asia Multimedia Networks FZ-LLC ("AAMN") (following a AHSB group reorganisation, MBNS became part of the AMH Group. AAAN, AAMN and AOL are not part of the AMH Group).

The conditions precedent to the SSA were never completed and the SSA lapsed on 31 July 2006. The parties then commenced negotiations to re-structure the proposed joint venture.

As it became clear that a restructured joint venture could not be concluded, AAAN, AAMN and MBNS decided to terminate the provision of all support and services to PT DV in October 2008.

In September 2008, PT APM filed a claim by way of a civil suit in the South Jakarta District Court ("SJDC") naming as defendants, AAAN, MBNS, AAMN, Augustus Ralph Marshall ("ARM") and nine others.

38 Indemnity, Guarantees, Contingent Assets and Material Litigation (Cont'd)

- (c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant (Cont'd.)

- (i) (Cont'd.)

PT APM alleged that AAAN, MBNS and AAMN (collectively "Astro Defendants") along with the other defendants, had acted unlawfully and sought, among other reliefs, to compel a continuation of the provision of services and equipment to PT DV for an unlimited duration and to prohibit AAAN from ceasing the provision of services to PT DV and/or entering into any cooperation with any other party relating to subscriber pay-TV in Indonesia, and an award of damages of approximately USD1.75 billion plus interest at the rate of 6% per annum. The Astro Defendants filed a challenge stating that the SJDC had no jurisdiction to hear the claim and that the claim falls within the scope of a binding arbitration agreement set out in the SSA.

On 13 May 2009, the SJDC rejected the Astro Defendants' challenge that PT APM's claim fell within the scope of a binding arbitration agreement set out in the SSA and held that it had jurisdiction to hear the dispute and subsequently, the SJDC had on 17 September 2009 dismissed PT APM's claim on grounds that PT APM had no legal standing to bring the action against the Astro Defendants.

PT APM filed an appeal against the SJDC's decision in dismissing its claim. The Astro Defendants also filed an appeal against the SJDC's finding on jurisdiction of the court.

In September 2011, the Jakarta High Court issued a decision upholding the decisions of the SJDC rendered on 13 May 2009 and 17 September 2009, respectively.

Both the Astro Defendants and PT APM have since appealed to the Supreme Court i.e. Astro Defendants filed appeal against the SJDC's interlocutory decision on jurisdiction and PT APM filed appeal against the High Court's decision in respect of the merits of the case. The Supreme Court had in December 2016 rendered its decision and:

- (a) annulled the Jakarta High Court decision of September 2011;
- (b) declared the SJDC did not have jurisdiction to examine and adjudicate and decide on the claim by PT APM;
- (c) rejected the appeal by PT APM in entirety; and
- (d) ordered PT APM to pay all court costs.

- (ii) Pursuant to the SSA, the parties to the SSA had agreed that any dispute arising out of or in relation to the proposed investment in PT DV shall be resolved by way of arbitration commenced by any party to the SSA through the Singapore International Arbitration Centre ("SIAC"), which award shall be final and binding upon them.

In October 2008, Astro Nusantara International BV ("1st Claimant"), Astro Nusantara Holdings BV ("2nd Claimant"), Astro Multimedia Corporations NV ("3rd Claimant"), Astro Multimedia NV ("4th Claimant"), AOL ("5th Claimant"), AAAN ("6th Claimant"), MBNS ("7th Claimant") and AAMN ("8th Claimant") ("Claimants") commenced arbitration under the Arbitration Rules of the SIAC against PT APM, PT DV and PT FM ("Respondents") claiming injunctive and declaratory reliefs, damages and the recovery of all monies due to the Claimants for the provision of services and/or amount expended on or paid to PT DV, together with interest and costs.

Upon receiving evidence and hearing the counsels for the parties, the arbitration tribunal unanimously decided in favour of the Claimants and made the following awards:

- (a) Award on preliminary issues of jurisdiction, interim anti-suit injunction and joinder dated 7 May 2009 ("Preliminary Award") *inter alia*, ordering that PT APM immediately discontinue its suit at the SJDC against among others, AAAN, MBNS, AAMN and ARM (see (i) above);

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

38 Indemnity, Guarantees, Contingent Assets and Material Litigation (Cont'd)

(c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant (Cont'd.)

(ii) (Cont'd.)

(b) Further Partial Award dated 3 October 2009 whereby the arbitration tribunal declared that the SSA (which was never completed) was the only effective joint venture contract for PT DV and that it constituted the parties' entire agreement for a PT DV joint venture, and that the Claimants themselves or through their affiliates were not bound to continue to provide cash advances or services to PT DV;

(c) Award on costs dated 5 February 2010 for the preliminary hearing held from 20 to 24 April 2009, whereby the arbitration tribunal awarded costs to the Claimants and ordered that the Respondents pay to the Claimants the costs of the preliminary hearing, equivalent to approximately RM2,147,854 with interest at the rate of 5.33% per annum with effect from 6 October 2009;

(d) Interim Final Award dated 16 February 2010, ordering the Respondents to pay approximately the equivalent of USD234.5 million in restitution. Of this amount, PT APM and PT FM were held jointly and severally liable with PT DV for the sum of approximately USD98.3 million. The arbitration tribunal further ordered as a final injunction, that PT APM discontinue its civil suit at the SJDC (see sub-paragraph (i) above), and not bring any proceedings in Indonesia or elsewhere against all the defendants in the said suit (which included the Astro Defendants) in respect of the PT DV joint venture. PT APM and PT FM were also held jointly and severally liable to the 1st Claimant and the 2nd Claimant for the sum of approximately USD695,591.96 for damages arising from the Indonesian proceedings. PT APM and PT FM were further ordered to indemnify the 1st Claimant and 2nd Claimant, for the benefit of AAAN, AAMN and MBNS, against any losses suffered by reason of PT APM's continuance or pursuit of any proceedings in Indonesia or any replacement proceedings against the Claimants in so far as they relate to the joint venture agreement; and

(e) Final Award dated 3 August 2010 on interest and costs, requiring the Respondents to pay to the Claimants interest at the rate of 9% on semi-annual rests, 100% of the costs of arbitration and 80% of the legal costs claimed. The award on costs and interests is approximately USD68.6 million, of which PT FM's liability is approximately USD28.6 million;

(the awards referred to in (b), (c), (d) and (e) are collectively referred to as "Remaining Awards". The Preliminary Award and the Remaining Awards are collectively referred to as "Awards").

Following the Singapore COA's decision in October 2013 (see sub-paragraph (iv) below), PT FM paid the USD608,176.54, GBP22,500, and SGD65,000 awarded to the 1st and 2nd Claimants in the Interim Final Award dated 16 February 2010. The remaining sums in the Awards remain unsatisfied.

The Claimants had taken steps to enforce the Awards in Indonesia and in other appropriate territories that are signatories to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards. To date, the Preliminary Award has been registered in England and Wales, and the Awards have been registered in Malaysia, Singapore, Hong Kong and Indonesia, and the Respondents had challenged the enforcement efforts in Singapore, Hong Kong and Indonesia.

(iii) In Indonesia, the Claimants applied to the Head of the Central Jakarta District Court ("Head of CJDC") for an order to enforce the Preliminary Award. The Claimants' application was dismissed by the Head of CJDC, a decision which was upheld by the Supreme Court of Indonesia. On the advice of counsel, the Claimants filed for judicial review of the Supreme Court of Indonesia's decision on 19 April 2011.

In connection with the above, PT DV and PT APM jointly filed a suit in June 2010 in the Central Jakarta District Court ("CJDC") seeking to annul the Remaining Awards. PT DV also filed a separate suit seeking refusal of enforcement of the Remaining Awards. Both of these challenges were subsequently dismissed by the CJDC.

38 Indemnity, Guarantees, Contingent Assets and Material Litigation (Cont'd)

- (c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant (Cont'd.)

(iii) (Cont'd.)

PT DV and PT APM jointly appealed against the CJDC's decision not to annul the Remaining Awards. PT DV also appealed to the Supreme Court of Indonesia against the CJDC's decision to dismiss its application for refusal of enforcement of the Remaining Awards. On 28 June 2012, the Supreme Court of Indonesia dismissed PT DV's appeal thereby upholding the CJDC's decision to dismiss PT DV's application for non-enforcement of the awards.

In December 2011, the Claimants filed an application for enforcement of all the monetary awards in Indonesia. On 11 September 2012, the CJDC rejected the Claimants' application, which decision renders all the arbitration awards unenforceable in Indonesia. The Claimants filed an appeal on 25 October 2012 against the CJDC's decision, and in September 2013, the Supreme Court of Indonesia has dismissed the appeal, inter alia, on grounds that the Awards:

- (a) are contrary to public order;
- (b) amount to interference with Indonesian judicial process; and
- (c) violate the principles of the State and legal sovereignty of Indonesia.

Accordingly, the Awards remain unenforceable in Indonesia.

On the advice of its counsel, MBNS and the other Claimants have filed an application at the Supreme Court of Indonesia for judicial review on 28 February 2014. The matter was subsequently transferred to the Supreme Court. The Supreme Court in October 2016, rejected the application for the judicial review. As the application for judicial review has been rejected, no monetary damages are payable and the Company and other Claimants would not be able to enforce the Remaining Awards in Indonesia.

There is no further action filed by PT DV or PT APM in relation to the aforesaid applications.

- (iv) In Singapore, leave to enforce the Awards was granted by the Singapore High Court in August and September 2010 ("Enforcement Orders"), and the Claimants entered judgement in terms of the Awards in March 2011 ("2011 Judgements").

In July 2011, the Claimants obtained a worldwide Mareva injunction to restrict PT FM from disposing of its assets and requiring PT FM to declare all its assets. PT FM failed in its application to set aside the Mareva injunction orders.

In May 2011, PT FM applied to set aside the 2011 Judgements. PT FM's application to set aside 2011 Judgements was allowed, and the Claimants filed an appeal against this decision ("Claimants' Appeal").

In September 2011, PT FM applied to set aside the Singapore High Court orders granting leave to enforce the Awards ("PTFM's Setting Aside Application") and the hearing of such application took place over three days from 23 to 25 July 2012.

In a decision issued on 23 October 2012, the High Court of Singapore dismissed PT FM's Setting Aside Application and confirmed the enforceability of the Awards in Singapore. In the same decision, the court also dismissed the Claimants' Appeal, but held that there was no need for the Plaintiffs to effect service of the Enforcement Orders again in Indonesia as PT FM was aware of the Enforcement Orders.

Subsequently, PT FM filed an appeal to the Singapore Court of Appeal ("Singapore COA") against the dismissal of PTFM's Setting Aside Application by the Singapore High Court ("PTFM's Appeal"). PTFM's Appeal was heard by the Singapore COA from 10 to 12 April 2013.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

38 Indemnity, Guarantees, Contingent Assets and Material Litigation (Cont'd)

- (c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant (Cont'd.)

(iv) (Cont'd.)

On 31 October 2013, the Singapore COA had allowed PTFM's Appeal to the extent that enforcement of the Awards is refused in relation to orders made that purport to apply as between PT FM and AAAN ("6th Claimant"), MBNS ("7th Claimant") and AAMN ("8th Claimant"). For ease of reference, the eight claimants in the SIAC arbitration were Astro Nusantara International BV ("1st Claimant"), Astro Nusantara Holdings BV ("2nd Claimant"), Astro Multimedia Corporations NV ("3rd Claimant"), Astro Multimedia NV ("4th Claimant"), AOL ("5th Claimant"), AAAN ("6th Claimant"), MBNS ("7th Claimant") and AAMN ("8th Claimant") (the 1st to 8th Claimants collectively known as "Astro").

On 9 September 2014, parties attended a further hearing before the Singapore COA to clarify the Singapore COA's decision on 31 October 2013. The Singapore COA delivered its decision on 11 September 2014.

The judgement of the Singapore COA means that MBNS as well as the 6th and 8th Claimants are not able to enforce the monetary compensations in their favour against PT FM pursuant to the Awards in Singapore. However, the Awards remain valid as they have not been (and cannot be) set aside. Further, the Awards are still enforceable against PT FM in so far as the 1st to 5th Claimants are concerned. The Awards are also final, binding and conclusive in terms of their existence and legal effect against PT APM and PT DV as these two companies did not apply to set aside or challenge the enforceability of the awards in Singapore.

It should be noted that the judgement of the Singapore COA does not in any way affect the arbitral tribunal's favourable and binding findings in relation to Astro's conduct in the failed proposed joint venture to set up a DTH pay-TV business in Indonesia. The judgements entered in favour of Astro in each of these respects remains and have also been entered in the Courts of England, Malaysia and Hong Kong.

In particular, the following declarations made by the arbitral tribunal in the Further Partial Award dated 3 October 2009 remain valid, binding and enforceable against PT APM, PT FM and PT DV:

- (a) there was no continuing binding joint venture agreement for PT DV either on the terms of the SSA or on amended or restructured terms or on terms either by way of addition or substitution of the parties;
- (b) the SSA was the only effective joint venture contract for PT DV and that it constituted the parties' entire agreement for a PT DV joint venture and superseded any alleged prior oral joint venture agreement;
- (c) the 1st to 5th Claimants themselves or through their affiliates were not bound to continue to provide cash advances or services to PT DV; and
- (d) there was no closing of the SSA.

Further, the order in the Interim Final Award dated 16 February 2010 that PT APM shall not by itself or through any company or person commence or pursue further or other proceedings in Indonesia or elsewhere against the Claimants in relation to or in connection with the existence or otherwise of a binding joint venture agreement for PT DV or any financial relief thereto remains valid, binding and enforceable as against PT APM. In that regard, insofar as proceedings before the SJDC with regards the Case 533 (refer sub-paragraph (vi) below) have been brought by PT APM through PT DV, such proceedings remain in breach of the order in the Interim Final Award dated 16 February 2010 which remains valid, binding and enforceable as against PT APM. Further, the proceedings in Case 533 are also contrary to the declarations made by the arbitral tribunal in the Further Partial Award dated 3 October 2009 as set out above.

PT FM has paid the USD608,176.54, GBP22,500, and SGD65,000 awarded to the 1st and 2nd Claimants in the Interim Final Award dated 16 February 2010. The Claimants have paid PT FM's costs of PT FM's Setting Aside Application and PT FM's Appeal.

38 Indemnity, Guarantees, Contingent Assets and Material Litigation (Cont'd)

- (c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant (Cont'd.)

- (iv) (Cont'd.)

No provision needs to be made resulting from the judgement of the Singapore COA as the underlying losses from the failed joint venture have already been fully provided for in the accounts of the Company.

Following the decision of the Singapore COA, the worldwide Mareva injunctions obtained by the Claimants in July 2011, had ceased to be operative. PT FM had filed an application in court to determine whether it can claim any damages consequent on the Mareva injunctions. This application was opposed by the Claimants.

PT FM's application was dismissed by the Singapore High Court on 11 March 2016, and PT FM's appeal therefrom was dismissed by the Singapore COA on 10 February 2017. The Singapore COA has ordered PT FM to pay to the Claimants costs of the appeals. The costs had been paid.

- (v) In Hong Kong, leave to enforce the Awards in Hong Kong was granted by the Hong Kong High Court in August and September 2010, and the Claimants entered judgement in terms of the Awards in December 2010 ("Hong Kong Orders and Judgement").

In July 2011 the Claimants obtained a garnishee order *nisi* in respect of the money loaned by PT FM to its shareholder (namely AcrossAsia Limited) in Hong Kong ("Garnishee"), which would, when made into an absolute order, require the Garnishee to pay the Claimants the relevant sums in part satisfaction of the amounts outstanding from PT FM under the Awards.

In January 2012, PT FM applied to set aside the Hong Kong orders of August and September 2010 and the December 2010 judgement enforcing the Awards ("HK Setting Aside Application"). PT FM and the Garnishee challenged the garnishee proceedings on various grounds including jurisdiction. The hearing for HK Setting Aside Application was stayed pending the determination of the Singapore setting aside application (as described in sub-paragraph (iv) above).

Pending the final determination of the Singapore setting aside application, on 21 March 2012, the Hong Kong High Court ordered the Garnishee to pay into court all sums due and payable to PT FM under the loan ("Payment-in Order"). The Garnishee appealed against the Payment in Order, but its appeal was dismissed by the Court of Appeal.

On 14 September 2012, the Garnishee disclosed the existence of an Indonesian arbitration award ordering that the Garnishee repays the loan amount to PT FM. On 24 September 2012, the Garnishee filed its application to discharge the Payment-in Order and to discharge the garnishee order *nisi* (collectively, the "Discharge Applications").

The substantive garnishee proceedings and the Discharge Applications had been fixed to be heard from 9 to 13 September 2013.

In December 2012, by reference to the Indonesian arbitration award, PT FM commenced proceedings against the Garnishee in Indonesia under bankruptcy laws.

To preserve the proceedings above, in hearings held on 24 January, 4 and 6 February 2013 the Claimants applied for and obtained injunctions against the Garnishee and PT FM to restrain them, individually or jointly, until further order by the Hong Kong High Court, from taking steps in Indonesia or otherwise which have the effect of discharging (in whole or in part, including any set-off or compromise), disposing of, dealing with or diminishing the value of the garnisheed debt; and from taking further steps in the Indonesian proceedings before the Indonesian Courts except with the consent of the Hong Kong High Court. These injunctions were granted with the Claimants giving a qualified undertaking as to damages on 6 February 2013.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

38 Indemnity, Guarantees, Contingent Assets and Material Litigation (Cont'd)

(c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant (Cont'd.)

(v) (Cont'd.)

As the Payment in Order was still outstanding on 4 February 2013, the Hong Kong High Court also ordered the Garnishee to pay in to Court the sum of USD46,774,403 by 18 February 2013. However, in light of the proceedings in Indonesia, the payment in deadline was further extended until 7 March 2013.

The Garnishee also filed an appeal against the orders made by the Hong Kong High Court on 4 and 6 February 2013.

The hearing for the Garnishee's application for leave to appeal against the Hong Kong High Court orders dated 4 and 6 February 2013 was adjourned on 11 March 2013 for an indefinite period with liberty for the parties to restore and a directions hearing is to be fixed no later than 14 June 2013.

In an announcement dated 5 March 2013 to the Hong Kong Stock Exchange, the Garnishee disclosed that the Indonesian court had made an order of bankruptcy against it. By 7 March 2013 the Garnishee had not complied with the Payment-in Order. In an announcement dated 11 March 2013, the Garnishee announced that they remain presently unable to comply with the Payment-in Order in view of the bankruptcy order issued against them in Indonesia on 5 March 2013 and that they will be filing an appeal in Indonesia. The Garnishee had filed its appeal, and the dismissal of the appeal was announced on 31 July 2013 on the Supreme Court's website. The Garnishee announced on 28 November 2013 that it "still awaits the official notice of dismissal by the Indonesian Supreme Court on the Garnishee's appeal against the Indonesian Bankruptcy Order".

Subsequent to the issuance of the bankruptcy order on 5 March 2013, the Claimants applied for injunctions in order to safeguard the Claimant's interests in respect of the Payment-in Order. The Claimants' application was however dismissed by the Hong Kong High Court, and the Payment-in Order remains outstanding.

The Hong Kong High Court had on 31 October 2013 delivered its judgement in favour of the Claimants wherein:

- (a) the garnishee order *nisi* dated 22 July 2011 issued by the Hong Kong High Court be made absolute;
- (b) the Garnishee's application to set aside the garnishee order *nisi* and to discharge the Payment in Order (as amended on 19 April 2012) issued by the Hong Kong High Court be dismissed; and
- (c) an order *nisi* be made for costs to the Claimants, (i.e. Claimants are to be paid for their costs of the garnishee proceedings subject only to the Court being asked within 14 days to vary such order).

The garnishee proceedings formed part of the Claimants' enforcement efforts for the Awards issued in favour of the Claimants by the arbitral tribunal constituted under the auspices of SIAC against PT FM and others. PT FM and the Garnishee sought to resist the garnishee proceedings by reference to a series of actions they had undertaken in Indonesia themselves. The Hong Kong High Court rejected the challenge by PT FM and the Garnishee in the garnishee proceedings and proceeded to make the garnishee order absolute.

The Hong Kong High Court found that it has jurisdiction to grant the garnishee order absolute and should do so on the facts. In particular, the Hong Kong High Court found that "there has been collusion on the part of the Lippo group of companies" whose actions amounted to a "charade". Finally, the Hong Kong High Court also noted that there is no reason to believe that any question of double jeopardy arises and even if it did it would have been "self-inflicted".

Subsequent to the Hong Kong High Court judgement on 31 October 2013 and following the decision of the Singapore COA, the Garnishee and PT FM have proceeded to file an appeal against the said decision ("Garnishee Appeals") and obtained an unconditional stay of the execution of the garnishee order absolute from the Hong Kong High Court. The stay order is granted pending the setting aside application by PT FM.

38 Indemnity, Guarantees, Contingent Assets and Material Litigation (Cont'd)

(c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant (Cont'd.)

(v) (Cont'd.)

The Claimants had subsequently filed an application to the Hong Kong High Court for leave to appeal to the Hong Kong Court of Appeal against the unconditional stay of execution of the garnishee order absolute granted by the Hong Kong High Court to the Garnishee and PT FM. This application has since been refused by the Hong Kong High Court. On 4 April 2014, the Claimants renewed this application for leave to appeal, this time before the Hong Kong Court of Appeal.

The Court of Appeal had on 25 June 2014 dismissed the Claimants' application for leave to appeal against the unconditional stay of execution of the garnishee order. The Hong Kong High Court has on 17 February 2015 ruled on the HK Setting Aside Application by PT FM in favour of the Claimants. The Hong Kong High Court found, amongst others, that:

- (a) PT FM is not permitted to resist enforcement of the Awards as it has acted in breach of the good faith principle in its conduct in the arbitration;
- (b) PT FM had taken a deliberate decision not to take action within the time limited to challenge enforcement of the Awards in Hong Kong; and
- (c) the Awards remain valid and binding even though PT FM has successfully resisted enforcement of the Awards in Singapore.

The Hong Kong High Court declined to exercise its discretion to grant an extension of time to PT FM to apply to set aside the Awards.

PT FM applied and was granted leave to appeal the Hong Kong High Court's decision ("Setting Aside Appeal"). The Court of Appeal in December 2016 handed down a judgement dismissing the Setting Aside Appeal.

Both PT FM and the Garnishee filed summonses, seeking amongst others, directions and/or leave to appeal the aforesaid Hong Kong High Court's decision and to extend the Stay of Execution of the Garnishee Order Absolute until determination of the Garnishee Appeals.

There was an interim stay of execution of the Garnishee Order Absolute dated 31 October 2013 whilst PT FM brought appeals seeking to set aside the various orders and judgements made against PT FM in the Hong Kong High Court and the Court of Appeal, to oppose MBNS' and various claimants' attempts to enforce the Hong Kong Orders and Judgements.

PT FM subsequently in a series of applications to the Court of Appeal and Court of Final Appeal ("CFA"), applied for leave to appeal.

The CFA has handed down its judgement, allowed PT FM's appeal against the decision of the High Court and the Court of Appeal.

The CFA also subsequently heard PT FM's appeal and granted an extension of time for PT FM to apply to set aside the Orders and Judgements.

On 27 June 2018, the parties agreed, by consent, to (i) set aside the Hong Kong Orders and Judgement, to the same extent as allowed by the Singapore COA on 31 October 2013, and (ii) discharge the garnishee orders *nisi* and garnishee order absolute ("Garnishee Orders"). There is accordingly no further action in Hong Kong to enforce the Garnishee Orders.

Save for matters relating to costs including applications for taxation of costs in respect of the various proceedings set out above, there is no other substantive matters arising in Hong Kong relating to the Garnishee Orders.

NOTES TO THE FINANCIAL STATEMENTS

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38 Indemnity, Guarantees, Contingent Assets and Material Litigation (Cont'd)

(c) Save as disclosed below, neither the Company nor its subsidiary companies has been or is involved in any material litigation, claims or arbitration either as plaintiff or defendant (Cont'd.)

(vi) On 14 November 2012, MBNS received a letter from the Indonesian Embassy in Kuala Lumpur enclosing a purported court summons with respect to a claim made by PT DV in the SJDC against AAAN and others as defendants ("Case 533"). MBNS is named as Defendant II. The claim brought by PT DV is allegedly for an unlawful act or tort. The letter states that the Defendants are summoned to attend before the SJDC on 10 January 2013. There are no further details given in the said summons.

The hearing on 10 January 2013 was adjourned to 10 April 2013 to allow for various legal formalities to be dealt with. On 10 April 2013, the court being satisfied that all Defendants were properly summoned adjourned the matter for a further week to 17 April 2013 for parties to go through the mandated mediation process. On 24 April 2013, MBNS was officially served with the statement of claim and the mediation process was said to have formally commenced.

The suit is brought by PT DV for damages for an unlawful act (i.e. a tort) alleged to have been committed by AAAN, AOL, AAMN, ARM, certain individuals as well as MBNS (collectively, "Defendants"), arising from a dispute that arose in 2008 over a proposed DTH pay-TV business in Indonesia ("Proposed Indonesian Joint Venture"). PT DV claims on a joint and several basis from MBNS and the other Defendants for, amongst others, immaterial loss of USD20 billion and interest.

MBNS is of the opinion, following counsels' advice, that PT DV's claim against MBNS is not supported with valid grounds and the quantum of damages sought is unjustifiable. The Company wishes to further clarify that the PT DV's claim is in relation to and stems from an on-going dispute in relation to the Proposed Indonesian Joint Venture which has been the subject of past litigation and arbitration proceedings since 2008 (as disclosed in sub-paragraph (i) to (v) above).

On the advice of counsels, MBNS along with other defendants, had filed an application challenging the jurisdiction of the SJDC to hear the case.

The challenge was made on the legal basis that the subject matter of this civil suit must be determined by way of arbitration under the SIAC rules as prescribed under the SSA. This had already been heard and determined by way of the SIAC arbitration and awards in favour of MBNS and other Astro entities on this very issue. Judgement has been entered in the terms of the Awards in Singapore, Malaysia, Hong Kong and England.

SJDC has on 28 August 2013 rejected MBNS' challenge and decided that it has jurisdiction over the dispute. This ruling is only in relation to the challenge to jurisdiction and the SJDC will proceed to hear the merits of the case in full.

MBNS had filed an appeal against the SJDC's decision on 9 September 2013.

On 5 June 2014 the SJDC dismissed the claim filed by PT DV.

After an examination of the evidence presented to the court, the SJDC ruled that the claim originated from the SSA which contained an arbitration clause for dispute resolution. The SJDC ruled that the arbitration clause in the SSA was binding and applicable and thus the case must be determined by way of arbitration under the auspices of the SIAC. Based on the laws of Indonesia, the SJDC determined that it did not have the jurisdiction to hear the case and accordingly dismissed the claim. By way of background, this dispute has already been heard and finally determined by way of arbitration under the auspices of the SIAC and several awards were made by the arbitration tribunal in favour of MBNS and the other Astro entities in 2009 and 2010 ("SIAC Awards") (Please see sub-paragraph (ii) above). These SIAC Awards have been registered in Malaysia.

PT DV subsequently appealed to the Jakarta High Court ("JHC") on the decision of the SJDC. The JHC upheld the decision of the SJDC in MBNS' favour. PT DV has appealed to the Supreme Court against JHC's decision.

39 Segment Information

For management purposes, the Group is organised into business units based on their services, and has three separate segments based on operating segments as follows:

- I. The television segment is a provider of television services including content, creation, aggregation and distribution, magazine publication and distribution and multimedia interactive services;
- II. The radio segment is a provider of radio broadcasting services;
- III. Home-shopping business; and
- IV. Others

The corporate function relates to treasury and management services and is not an operating segment. The corporate function is presented as part of the reconciliation to the consolidation total. The corporate function's assets and liabilities mainly comprise of deposits, cash and bank balances, other investments and borrowings.

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Performance is measured based on segment profit, which is profit before tax, as included in the internal management reports that are reviewed by the chief operating decision maker comprising the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results. Income taxes are managed on a group basis and are not allocated to operating segments. The Group's business units primarily operate in Malaysia.

Transfer prices between operating segments are on mutually agreed basis in a manner similar to transactions with third parties.

Segment assets

The total of segment assets is measured based on all assets (including goodwill and excluding deferred tax asset) of a segment, as included in the internal management reports that are reviewed by the Board of Directors.

Segment liabilities

The total of segment liabilities is measured based on all liabilities (excluding tax liabilities) of a segment, as included in the internal management reports that are reviewed by the Board of Directors.

Unallocated assets and liabilities

Unallocated assets and liabilities consist of deferred tax assets, tax liabilities and deferred tax liabilities.

Elimination

Elimination items mainly comprise of inter-company receivables and payables.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

39 Segment Information

	Television RM'000	Radio RM'000	Home- shopping RM'000	Others RM'000	Corporate function RM'000	Elimination RM'000	Total RM'000
At 31 January 2019							
Revenue							
Total revenue	4,855,621	298,573	377,763	2,899	82,818	-	5,617,674
Inter-segment revenue ⁽¹⁾	(44,111)	(5,708)	(3,798)	(2,898)	(82,111)	-	(138,626)
External revenue	4,811,510	292,865	373,965	1	707	-	5,479,048
Results							
Interest income	25,755	5,858	1,094	353	44,230	(39,847)	37,443
Interest expense	(220,286)	(44)	(221)	(1,844)	(57,061)	39,847	(239,609)
Depreciation and amortisation	(1,070,546)	(4,699)	(3,614)	(44)	(2,997)	44,157	(1,037,743)
Share of results of associates/joint ventures	796	-	-	-	-	-	796
Impairment of investments accounted for using the equity method	(2,142)	-	-	-	-	-	(2,142)
Segment profit/ (loss) – Profit/(loss) before tax	539,380	157,508	(7,417)	(10,674)	(49,045)	21,393	651,145
Assets/Liabilities							
Investment in associates/joint ventures	2,127	-	-	-	-	-	2,127
Additions to non- current assets ⁽²⁾	931,922	12,660	1,476	-	5,087	-	951,145
Segment assets	5,231,622	1,302,139	48,215	53,273	312,311	(811,512)	6,136,048
Unallocated assets							123,510
Total assets							6,259,558
Segment liabilities	5,051,509	215,633	84,740	10,273	748,267	(645,970)	5,464,452
Unallocated liabilities							116,198
Total liabilities							5,580,650

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

39 Segment Information (Cont'd.)

	Television RM'000	Radio RM'000	Home- shopping RM'000	Others RM'000	Corporate function RM'000	Elimination RM'000	Total RM'000
At 31 January 2018							
Revenue							
Total revenue	4,956,623	327,594	290,021	15,201	89,781	-	5,679,220
Inter-segment revenue ⁽¹⁾	(40,602)	(4,430)	-	(15,201)	(88,234)	-	(148,467)
External revenue	4,916,021	323,164	290,021	-	1,547	-	5,530,753
Results							
Interest income	18,896	3,918	809	968	72,562	(69,909)	27,244
Interest expense	(197,611)	(97)	(106)	(1,934)	(80,080)	69,909	(209,919)
Depreciation and amortisation	(1,086,753)	(5,305)	(7,147)	(62)	(4,644)	33,329	(1,070,582)
Share of results of associates/joint ventures	(1,608)	-	-	-	-	-	(1,608)
Segment profit/(loss) – Profit/(loss) before tax	940,746	175,398	(15,330)	(424)	(47,627)	20,388	1,073,151
Assets/Liabilities							
Investment in associates/ joint ventures	2,707	-	-	-	-	-	2,707
Additions to non-current assets ⁽²⁾	1,648,406	10,299	282	63	150	-	1,659,200
Segment assets	5,533,110	1,258,563	54,232	24,754	461,115	(590,784)	6,740,990
Unallocated assets							106,957
Total assets							6,847,947
Segment liabilities	4,695,158	184,910	83,106	12,678	1,793,025	(670,331)	6,098,546
Unallocated liabilities							96,072
Total liabilities							6,194,618

Note:

⁽¹⁾ Inter-segment revenues are eliminated on consolidation.

⁽²⁾ Additions to non-current assets consist of additions to property, plant and equipment and intangible assets (including acquisition of subsidiaries).

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

40 Business Combinations

On 8 February 2018, a wholly-owned subsidiary of the Company, ADSB entered into a conditional joint venture agreement (“JVA”) with Grup Majalah Karangkraf Sdn Bhd (“GMK”) and GMK’s wholly-owned subsidiary Nu Ideaktiv Sdn Bhd (formerly known as Karangkraf Digital 360 Sdn Bhd) (“NISB”), in respect of a joint venture for the creation and monetisation of content verticals in Malaysia and the Nusantara region. Based on the terms of the JVA, ADSB’s total subscription consideration for its 51% interest in NISB is RM100,000,104 (“Investment Amount”) to be paid in tranches.

The Investment Amount of RM100,000,104 will be satisfied in full by cash in the manner set out below:

- Upon completion date of the JVA, ADSB will invest RM50,000,104 out of the Investment Amount in the following manner:
 - (a) ADSB will subscribe for 104 Class A ordinary shares in NISB for cash consideration of RM104, while GMK’s existing 100 shares in NISB will be reclassified as Class A ordinary shares. As such, the equity interest of ADSB and GMK in Class A ordinary shares and total voting rights in NISB is 51:49 respectively. Each Class A ordinary share shall carry one vote for each share; and
 - (b) ADSB will subscribe for 50,000,000 Class B ordinary shares in NISB, representing 100% of the total Class B ordinary shares, for a cash consideration of RM50,000,000 paid to NISB. Each Class B ordinary share shall (i) carry two votes for each share (ii) have one time liquidation rights (subject to (ii) below) and (iii) one time dividend entitlement (subject to (ii) below).

The JVA was completed on 2 May 2018 (“JVA Closing”), resulting in NISB being a 51% owned subsidiary of ADSB.

- Following the completion of the above, ADSB will invest the remaining RM50,000,000 within a span of five years in five equal tranches of RM10,000,000 each on the anniversary of the JVA Closing through the subscription of fully paid Class D non-voting ordinary shares in NISB. Each Class D non-voting ordinary shares shall (i) not carry any voting rights (ii) have one time dividend entitlement (subject to (ii) below) and (iii) have one time liquidation right (subject to (ii) below).
 - (i) If any of the fifteen active IPs are not able to be registered in NISB’s favour at the Intellectual Property Corporation of Malaysia (“MyIPO”) in certain mutually agreed identified classes, or if there is an infringement claim in any one of the IPs, ADSB has the right to reduce its Investment Amount in any one of the above tranches in accordance with a mechanism to be agreed mutually by the Parties in JVA. ADSB, in its sole discretion, may accelerate its investment in one or more tranches.
 - (ii) ADSB is entitled to (a) 51% of cash surplus if NISB is wound-up or (b) 51% dividend entitlement, at any time after 5th JVA Closing anniversary in the event there is no reduction of investment. ADSB’s cash surplus entitlement or dividend entitlement is lower than 51% if NISB is wound-up or the dividend is distributed prior to 5th JVA Closing anniversary (regardless whether there is a reduction of investment or otherwise), as ADSB has not invested the total Investment Amount. In the event of a reduction of investment, ADSB’s entitlement in relation (i) surplus cash distribution on winding-up and (ii) dividend entitlement, shall be mutually agreed between GMK and ADSB in the JVA.

In conjunction with the JVA, on 1 March 2018, NISB entered into a Sale of Business Agreement (“SBA”) with Grup Majalah Karangkraf Sdn Bhd (“GMK”) to purchase the business of publishing and printing of magazines and periodicals in relation to general entertainments (including lifestyle, fashion, food travel), education, sports and Islamic related contents, in the form of print or digital content, in Malay language. In addition, via SBA, NISB had also purchase business assets in form of past and present rights, title and interest in and in relation to the titles and trademarks along with goodwill associated therewith and interest in all the past and present materials, contents and all copy rights and other intellectual properties in relations to the titles and trademarks, including domain names, mobile applications and social media accounts as defined under the SBA at the consideration of RM96 million. The RM96 million was satisfied through the issuance of Class C ordinary shares to GMK by NISB. The Class C ordinary share shall (i) carry one vote for each share (ii) have one time liquidation rights (subject to (ii) above) and (iii) one time dividend entitlement (subject to (ii) above).

Upon completion of the SBA on 2 May 2018, the acquisition of the business and business assets was accounted for in accordance with MFRS 3 “Business Combination” by NISB. In accordance with the requirements of MFRS 3, the Group has finalised the purchase price allocation in respect of the business combination as follows:

40 Business Combinations (Cont'd.)

Final purchase price allocation

	RM'000
Intangible assets (Note 19)	40,805
Deferred tax liabilities (Note 26)	(9,793)
Total identifiable net assets	31,012
Add: Goodwill (Note 19)	64,988
Less: Non-controlling interest	(96,000)
Cash outflow on acquisition	-

The results of the subsidiary for the whole reporting period as though the acquisition date for the business combination had occurred on 1 February 2018 is not materially different from the amount consolidated from the date of acquisition.

41 Effects Arising from Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers

MFRS 9 Financial Instruments

As disclosed in Note 3A(a), the Group and the Company have adopted MFRS 9, which resulted in changes in accounting policies and adjustments to the financial position. The main changes are as follows:

(a) Classification and measurement of financial assets

Until 31 January 2018, financial assets were classified in the following categories: financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, and available-for-sale ("AFS") financial assets. Note 3(S) set out the details of accounting policies for classification and measurement of financial instruments under MFRS 139.

From 1 February 2018, the Group and the Company applied the following MFRS 9's classification approach to all types of financial assets, including those that contain embedded derivative features:

- *Investments in debt instruments:* There are 3 subsequent measurement categories: amortised cost, fair value with changes either recognised through other comprehensive income ("FVOCI") or through profit or loss ("FVTPL").
- *Investments in equity instruments:* These instruments are always measured at fair value with changes in fair value presented in profit or loss unless the Group and the Company has made an irrevocable choice to present changes in fair value in other comprehensive income ("OCI") for investments that are not held for trading.

The new accounting policies for classification and measurement of financial instruments under MFRS 9 are set out in Note 3(S).

To reflect this change in accounting policies, the Group and the Company have made the following reclassification of financial assets upon adoption of MFRS 9:

(i) Reclassification of investment in unit trusts from AFS to FVTPL

Investment in unit trusts were reclassified from AFS to financial assets at FVTPL because their contractual cash flows do not represent SPPI. Related fair value gains were transferred from AFS reserve, along with the related deferred tax expense impact, to retained earnings on 1 February 2018.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

41 Effects Arising from Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers (Cont'd.)

MFRS 9 Financial Instruments (Cont'd.)

(a) Classification and measurement of financial assets (Cont'd.)

(ii) Reclassification of investment in non-trading equity securities from AFS to FVOCI

The Group and the Company elected to present in OCI changes in the fair value of its investments in preference shares in an unquoted company previously classified as AFS, because these investments are not held for trading or arise from contingent consideration recognised by acquirer in business combination. As a result, investments in these equity securities were reclassified from AFS financial assets to financial assets at FVOCI. There was no balance as at 1 February 2018 in related AFS reserves, hence no amount was reclassified to FVOCI reserve on 1 February 2018.

(b) Impairment

Until 31 January 2018, the Group and the Company assessed the impairment of loan and receivables and AFS financial assets based on the incurred impairment loss model. Note 35(c) set out the details of accounting policies for impairment of financial assets under MFRS 139.

From 1 February 2018, the Group and the Company applied expected credit loss ("ECL") model to determine impairment on investment in debt instruments that are measured at amortised cost and at FVOCI and financial guarantee contracts. The new accounting policies for impairment under MFRS 9 are set out in Note 3(S).

(i) Trade receivables, contract assets and amounts due from related parties that do not contain significant financing components

For all trade receivables, contract assets and amounts due from related parties that do not contain significant financing components, the Group and the Company apply the MFRS 9 simplified approach which is to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life. This resulted in the recognition of additional loss allowances for trade receivables and amounts due from related parties on 1 February 2018.

(ii) Other receivables

For other receivables, an ECL model is made applicable which involves a 3-stage approach whereby financial assets move through the 3-stages as their credit quality changes. The stages dictate how an entity measures impairment losses and applies the effective interest rate method. This resulted in the recognition of additional loss allowance for other receivables on 1 February 2018.

(iii) Loans to subsidiaries

Loans to subsidiaries that are repayable on demand and interest-bearing are classified as amortised cost in the Company's financial statements because the Company's business model is to hold and collect the contractual cash flows and those cash flows represent SPPI. The Company applied the general 3-stage approach when determining ECL for these loans to subsidiaries.

No additional loss allowance is recognised on these loans to subsidiaries upon adoption of MFRS 9 as all strategies indicate that the Company could fully recover the outstanding balance of the loans to subsidiaries.

41 Effects Arising from Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers (Cont'd.)

MFRS 9 Financial Instruments (Cont'd.)

(c) Hedging reserve

The cross currency interest rate swaps (“CCIRS”) and forward contracts in place as at 31 January 2018 qualified as cash flow hedges under MFRS 9. The Group and Company’s risk management strategies and hedge documentation are aligned with the requirements of MFRS 9 and these relationships are therefore treated as continuing hedges.

Since adoption of MFRS 9, gains or losses relating to the effective portion of the change in fair value of the CCIRS (excluding foreign currency basis spread) and the change in the spot component of the forward contracts are recognised in other comprehensive income and accumulated in cash flow hedge reserve within equity. The change in the foreign currency basis spread of the derivative and the forward element of the contract that relates to the hedged item (“aligned forward element”) are recognised in other comprehensive income and accumulated in costs of hedging reserve within equity. This change has been applied retrospectively as permitted by MFRS 9. The detailed impact of the reclassification is disclosed in Note 29.

The deferred hedging gains and losses and the deferred cost of hedging are reclassified to income statement in the same period that the hedged cash flows affect income statement.

The measurement category and the carrying amount of financial assets and financial liabilities in accordance with MFRS 139 and MFRS 9 at 1 February 2018 are compared as follows:

	Measurement category		Carrying amount				
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139) RM'000	Reclassifications RM'000	Remeasurements RM'000	New (MFRS 9) RM'000	
Group							
Non-current financial asset							
Preference shares in an unquoted company	(a)(ii)	AFS	-	4,085	(4,085)	-	-
Preference shares in an unquoted company	(a)(ii)	-	FVOCI	-	4,085	-	4,085
Current financial asset							
Trade receivables, net of impairment	(b)(i)	Amortised Cost	Amortised Cost	469,322	-	(5,497)	463,825
Other receivables, net of impairment	(b)(ii)	Amortised Cost	Amortised Cost	46,038	-	(1,126)	44,912
Amounts due from related parties, net of impairment	(b)(i)	Amortised Cost	Amortised Cost	5,725	-	(1,563)	4,162

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

41 Effects Arising from Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers (Cont'd.)

MFRS 9 Financial Instruments (Cont'd.)

The measurement category and the carrying amount of financial assets and financial liabilities in accordance with MFRS 139 and MFRS 9 at 1 February 2018 are compared as follows (Cont'd.):

		Measurement category		Carrying amount			
		Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139) RM'000	Reclassifications RM'000	Remeasurements RM'000	New (MFRS 9) RM'000
Current financial asset (Cont'd.)							
Investment in unit trusts	(a)(i)	AFS	-	728,447	(728,447)	-	-
Investment in unit trusts	(a)(i)	-	FVTPL	-	728,447	-	728,447
Deposits, cash and bank balances	(*)	Amortised Cost	Amortised Cost	233,608	-	-	233,608
Current liabilities							
Trade payables	(*)	Amortised Cost	Amortised Cost	814,242	-	-	814,242
Other payables	(*)	Amortised Cost	Amortised Cost	588,067	-	-	588,067
Amounts due to related parties	(*)	Amortised Cost	Amortised Cost	51,590	-	-	51,590
Borrowings	(*)	Amortised Cost	Amortised Cost	645,728	-	-	645,728
Non-current liabilities							
Trade payables	(*)	Amortised Cost	Amortised Cost	389,519	-	-	389,519
Borrowings	(*)	Amortised Cost	Amortised Cost	3,319,454	-	-	3,319,454

(*) There was no impact on the classification and measurement recognised in relation to these financial assets and financial liabilities from the adoption of MFRS 9.

41 Effects Arising from Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers (Cont'd.)

MFRS 15 Revenue from Contracts with Customers

As disclosed in Note 3A(a), the Group has adopted MFRS 15, which resulted in changes in accounting policies and adjustments to the financial position at 1 February 2018. The main changes are as follows:

(d) Accounting for costs to obtain contracts

Under MFRS 15, the Group capitalises sales commissions (for newly-acquired customers) as costs to obtain or fulfil a contract with a customer when they are incremental and expected to be recovered over service period. These costs are included within receivables and are amortised consistently with the transfer of the service to the customer, over an estimated period of 12-24 months. Previously, these costs were recognised in the income statement.

A "contract cost asset" with carrying amount of RM7,753,000 and related deferred tax liability of RM1,861,000 was recognised on 1 February 2018. The net adjustment to accumulated losses on 1 February 2018 was RM5,892,000.

(e) Accounting for non-subscription based set-top boxes

Upon adoption of MFRS 15, sales of non-subscription based set top boxes is not considered a distinct performance obligation as consumers can only benefit from the usage of the set top boxes by viewing the channels transmitted by the Group over the life of the set top boxes. Consequently, the revenue and cost attributed by sale of non-subscription based set top boxes will be recognised over an estimated period of 12 months instead of it being recognised upon delivery.

As a consequence, a contract liabilities for the revenue deferred of RM23,519,000 and a contract cost asset for the cost deferred of RM21,927,000, with a corresponding deferred tax assets of RM382,000 and a net adjustment to accumulated losses as at 1 February 2018 of RM1,210,000 was recognised.

(f) Accounting for revenue from distribution and licensing of film library

For the financial year ended 31 January 2018, the Group recognised revenue over the period the rights are made available. However, upon adoption of MFRS 15, revenue from distribution and licensing of film library is recognised at a point in time, which is when the film library content is delivered.

To reflect this change in accounting policy, the Group accelerate amortisation of film library and programme rights as presented under intangible assets of RM2,543,000 and a reversal of unearned revenue of RM3,031,000 and a net adjustment to accumulated losses as at 1 February 2018 with net amount of RM488,000.

(g) Contract Assets

Upon adoption of MFRS15, the satisfied performance obligation by the Group which billings have not been raised are recorded as contract assets. In previous years, these are being presented within receivables of the balance sheets.

(h) Contract liabilities

Upon adoption of MFRS 15, the unsatisfied obligation by the Group to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customer as contract liabilities. In previous years, any consideration received in advance is presented within payables of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

41 Effects Arising from Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers (Cont'd.)

The impact of MFRS 9 and MFRS 15 on the Group's and Company's financial position as at 1 February 2018 is as follows:

Consolidated statement of financial position (extract)

		31 January 2018	MFRS 9 adjustment	MFRS 9 1 February 2018	MFRS 15 adjustment	MFRS 9 and MFRS 15 1 February 2018
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Receivables		136,036	-	136,036	3,892	139,928
Intangible assets	19	2,039,303	-	2,039,303	(2,543)	2,036,760
Deferred tax assets	26	106,957	1,964	108,921	(1,479)	107,442
Current assets						
Receivables		1,011,530	(8,186)	1,003,344	20,681	1,024,025
Contract assets	5	-	-	-	5,107	5,107
Current liabilities						
Payables		1,652,490	-	1,652,490	(201,622)	1,450,868
Contract liabilities	5	-	-	-	222,110	222,110
Capital and reserves attributable to equity holders of the Company						
Fair value reserve		(369)	369	-	-	-
Accumulated losses		(576,918)	(6,591)	(583,509)	5,170	(578,339)

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

41 Effects Arising from Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers (Cont'd.)

The impact of MFRS 9 and MFRS 15 on the Group's and Company's financial position as at 1 February 2018 is as follows (Cont'd.):

Company statement of financial position (extract)

	31 January 2018 RM'000	MFRS 9 adjustment RM'000	MFRS 9 1 February 2018 RM'000
Capital and reserves attributable to equity holders of the Company			
Fair value reserve	39	(39)	-
Retained earnings	287,607	39	287,646

The effects from adoption of MFRS 9 and MFRS 15 to the Group's accumulated losses and Company's retained earnings as at 1 February 2018 are as follows:

	Group RM'000	Company RM'000
Opening (accumulated losses)/retained earnings as at 1 February 2018	(576,918)	287,607
<u>Effect arising from adoption of MFRS 9 (net of tax effects):</u>		
Reclassification of investment in unit trust from AFS to FVTPL	(a)(i) (369)	39
Increase in impairment of receivables	(b)(i) (6,222)	-
Adjustment to accumulated losses from adoption of MFRS 9	(6,591)	39
<u>Effect arising from adoption of MFRS 15 (net of tax effects):</u>		
Accounting for costs to obtain contracts	(d) 5,892	-
Recognition of contract liabilities from allocation of non-subscription based set-top boxes revenue over obligated period	(e) (17,874)	-
Recognition of contract cost assets from allocation of non-subscription based set-top boxes costs over obligated period	(e) 16,664	-
Accounting for revenue from distribution and licensing of film library	(f) 488	-
Adjustment to accumulated losses from adoption of MFRS 15	5,170	-
Restated (accumulated losses)/retained earnings as at 1 February 2018	(578,339)	287,646

Impact on financial statements if MFRS 15 is applied retrospectively

As disclosed above, the adoption of MFRS 15 in financial year 2019 resulted in changes in the following accounting policies:

- (a) accounting for costs to obtain contracts
- (b) accounting for non-subscription based set-top boxes
- (c) accounting for revenue from distribution and licensing of film library

NOTES TO THE FINANCIAL STATEMENTS

31 January 2019

41 Effects Arising from Adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers (Cont'd.)

Impact on financial statements if MFRS 15 is applied retrospectively (Cont'd.)

Had the Group continue to apply the previous accounting policies in accordance with MFRS 118 and MFRS 111 on these transactions, the impact on each financial statement line items in 2018 would be as follows:

Statement of financial position (extract)

	Note	31 January 2019 As reported RM'000	Adjustment RM'000	31 January 2019 balances without the adoption of MFRS 15 RM'000
Non-current assets				
Receivables	(a)	180,054	(3,892)	176,172
Intangible assets	(c)	2,091,910	6,689	2,098,599
Deferred tax assets	(a),(b)	123,510	2,273	125,783
Current assets				
Receivables	(a),(b)	808,430	(17,584)	790,846
Contract assets		9,625	(9,625)	-
Current liabilities				
Payables	(b),(c)	1,257,841	194,685	1,452,526
Contract liabilities		208,720	(208,720)	-
Capital and reserves attributable to equity holders of the Company				
Accumulated losses		(678,019)	(8,104)	(686,123)

Income statement (extract)

	Note	31 January 2019 As reported RM'000	Adjustment RM'000	31 January 2019 balances without the adoption of MFRS 15 RM'000
Revenue	(b),(c)	5,479,048	(1,659)	5,477,389
Cost of sales	(a),(b),(c)	(3,534,266)	(1,172)	(3,535,438)
Gross profit		1,944,782	(2,831)	1,941,951
Marketing and distribution costs	(a)	(491,098)	(898)	(491,996)
Profit before tax		651,145	(3,729)	647,416
Tax expense	(a),(b)	(190,321)	795	(189,526)
Profit for the financial year		460,824	(2,934)	457,890

42 Significant Post Balance Sheet Events

- (a) On 28 December 2018, MBNS accepted a term loan facility of RM300 million from AmBank (M) Berhad. On 28 March 2019, MBNS had drawn down the first tranche amounting to RM50 million at a floating interest rate of 5.2975% per annum with final maturity on 28 March 2024. The interest is payable quarterly.
- (b) The Company had on 18 April 2019 subscribed for 39,000,000 ordinary shares at an issue price of RM1.00 per ordinary share in ARV, to be effected by way of full settlement of outstanding advances owing to the Company amounting to RM38,987,725 and cash consideration of RM12,275.
- (c) MBNS had on 18 April 2019 entered into the following agreements:
 - (i) an agreement with MEASAT Communication Systems Sdn Bhd (“MCSSB”), a wholly-owned subsidiary of MGB, for the utilisation of transponder capacity on the MEASAT-3d (“M3d”) satellite for a fee of USD360.0 million (“Fees”), subject to such discounts as set out in the agreement, to be satisfied in cash (“M3d Agreement”); and
 - (ii) an agreement with MISAL, a wholly-owned subsidiary of MGB, for the early termination of the agreement entered into between MISAL and MBNS dated 12 April 2018 for the utilisation of transponder capacity on the MEASAT-3b (“M3b”) satellite (“M3b 2018 Agreement”) (“Termination Agreement”).

The M3d Agreement is conditional upon the satisfaction of the following conditions precedent on or before 30 June 2019 or such other dates as the Parties may mutually agree:

- (a) approval of the Board of Directors of MBNS and the Company which have been obtained;
- (b) approval of the shareholders of AMH at the forthcoming AGM;
- (c) approval of the Board of Directors of MCSSB and MGB;
- (d) MCSSB delivering a guarantee from MGB, in favour of MBNS, to guarantee MCSSB’s obligation to refund the deposit in accordance with the terms of M3d Agreement; and
- (e) execution and delivery of the Termination Agreement.

43 Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 19 April 2019.

ANALYSIS OF SHAREHOLDINGS

as at 16 April 2019

SHARE CAPITAL

Issued shares : 5,214,314,500 ordinary shares
Voting Right : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

(Based on Record of Depositors of the Company)

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued shares
1 to 99	589	4.06	5,729	0.00
100 to 1,000	3,420	23.56	2,470,445	0.05
1,001 to 10,000	8,350	57.54	33,538,908	0.65
10,001 to 100,000	1,686	11.62	50,309,085	0.96
100,001 to 260,715,724*	463	3.19	2,222,004,445	42.61
260,715,725 and above**	4	0.03	2,905,985,888	55.73
TOTAL	14,512	100.00	5,214,314,500	100.00

Notes:

* less than 5% of the issued shares

** 5% and above of the issued shares

Category of shareholders	No. of shareholders	% of shareholders	No. of shares	% of issued shares
Individuals	12,455	85.83	86,219,964	1.65
Banks/Finance Companies	18	0.12	363,974,700	6.98
Investment Trusts/Foundations/Charities	3	0.02	194,800	0.01
Other Types of Companies	126	0.87	3,695,012,001	70.86
Government Agencies/Institutions	3	0.02	1,330,000	0.03
Nominees	1,907	13.14	1,067,583,035	20.47
Others	0	0	0	0
TOTAL	14,512	100.00	5,214,314,500	100.00

LIST OF 30 LARGEST SHAREHOLDERS

as at 16 April 2019 (Based on Record of Depositors of the Company)

No.	Name	No. of ordinary shares	% of issued shares
1.	Pantai Cahaya Bulan Ventures Sdn Bhd	1,077,735,927	20.67
2.	All Asia Media Equities Ltd	1,013,297,290	19.43
3.	East Asia Broadcast Network Systems N.V.	421,939,707	8.09
4.	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	393,012,964	7.54
5.	Usaha Tegas Entertainment Systems Sdn Bhd	235,778,182	4.52
6.	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	160,737,400	3.08
7.	Pacific Broadcast Systems N.V.	140,646,620	2.70
8.	Berkat Nusantara Sdn Bhd	140,646,568	2.70
9.	Home View Limited N.V.	140,646,568	2.70
10.	Nusantara Cempaka Sdn Bhd	140,646,568	2.70
11.	Nusantara Delima Sdn Bhd	140,646,568	2.70
12.	Southpac Investments Limited N.V.	140,646,568	2.70
13.	Amanahraya Trustees Berhad – Amanah Saham Malaysia	51,511,800	0.99
14.	Amanahraya Trustees Berhad – Amanah Saham Malaysia 2 – Wawasan	50,703,900	0.97
15.	Citigroup Nominees (Tempatan) Sdn Bhd-Employees Provident Fund Board (Affin-Hwang)	38,204,100	0.73
16.	Citigroup Nominees (Asing) Sdn Bhd-Exempt An for Citibank New York (Norges Bank 14)	26,678,600	0.51
17.	HSBC Nominees (Asing) Sdn Bhd-JPMCB NA for Vanguard Emerging Markets Stock Index Fund	24,775,573	0.48
18.	HSBC Nominees (Asing) Sdn Bhd-JPMCB NA for Vanguard Total International Stock Index Fund	24,153,699	0.46
19.	Citigroup Nominees (Asing) Sdn Bhd-Exempt An for Citibank New York (Norges Bank 1)	23,148,100	0.44
20.	Kumpulan Wang Persaraan (Diperbadankan)	22,353,400	0.43
21.	Mujur Sanjung Sdn Bhd	20,931,848	0.40
22.	Amanahraya Trustees Berhad – Amanah Saham Malaysia 3	19,541,000	0.37
23.	Cartaban Nominees (Asing) Sdn Bhd – BBH And Co Boston for WGI Emerging Markets Smaller CompaniesFund, LLC	17,924,700	0.34
24.	HSBC Nominees (Tempatan) Sdn Bhd – HSBC (M) Trustee Bhd for Affin Hwang Select Opportunity Fund (3969)	17,570,400	0.34
25.	Permodalan Nasional Berhad	17,008,200	0.33
26.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Penny Stockfund	16,911,500	0.32
27.	RHB Nominees (Tempatan) Sdn Bhd-OSK Capital Sdn Bhd for Yayasan Islam Terengganu	16,130,000	0.31
28.	Mujur Nusantara Sdn Bhd	16,073,887	0.31
29.	Sanjung Nusantara Sdn Bhd	14,734,417	0.28
30.	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 2	14,728,000	0.28
TOTAL		4,579,464,054	87.82

ANALYSIS OF SHAREHOLDINGS

as at 16 April 2019

SUBSTANTIAL SHAREHOLDERS

as at 16 April 2019 (Based on the Register of Substantial Shareholders of the Company)

Name	Notes	Direct		Indirect	
		No. of AMH Shares	%	No. of AMH Shares	%
Pantai Cahaya Bulan Ventures Sdn Bhd (“PCBV”)		1,077,735,927	20.67	-	-
Khazanah Nasional Berhad (“Khazanah”)	(1)	-	-	1,077,735,927	20.67
All Asia Media Equities Ltd (“AAME”)		1,013,297,290	19.43	-	-
Usaha Tegas Entertainment Systems Sdn Bhd (“UTES”)	(2)	235,778,182	4.52	1,013,297,290	19.43
Usaha Tegas Sdn Bhd (“UTSB”)	(3)	-	-	1,249,075,472	23.95
Pacific States Investment Limited (“PSIL”)	(4)	-	-	1,249,075,472	23.95
Excorp Holdings N.V. (“Excorp”)	(5)	-	-	1,249,075,472	23.95
PanOcean Management Limited (“PanOcean”)	(5)	-	-	1,249,075,472	23.95
East Asia Broadcast Network Systems N.V. (“EABNS”)		421,939,707	8.09	-	-
East Asia Broadcast Systems Holdings N.V. (“EABSH”)	(6)	-	-	421,939,707	8.09
Tucson N.V. (“Tucson”)	(7)	-	-	421,939,707	8.09
Ananda Krishnan Tatparanandam (“TAK”)	(8)	-	-	2,152,868,226	41.29
Harapan Terus Sdn Bhd (“HTSB”)	(9)	-	-	462,124,447	8.86
Dato’ Haji Badri bin Haji Masri (“DHB”)	(10)	-	-	462,124,447	8.86
Tun Haji Mohammed Hanif bin Omar (“THO”)	(10)	-	-	462,124,447	8.86
Mohamad Shahrin bin Merican (“MSM”)	(10)	200,000	0.00*	462,124,447	8.86
Employees Provident Fund Board (“EPF”)	(11)	435,224,964	8.35	-	-

* negligible

Notes:

- (1) Khazanah is deemed to have an interest in the ordinary shares in Astro Malaysia Holdings Berhad (“AMH Shares”) by virtue of PCBV being a wholly-owned subsidiary of Khazanah.
- (2) UTES is deemed to have an interest in all of the AMH Shares in which AAME has an interest, by virtue of UTES holding 100% equity interest in AAME. In addition to the deemed interest held via AAME in AMH, UTES holds directly 235,778,182 AMH Shares representing 4.52% equity interest in AMH.
- (3) UTSB is deemed to have an interest in the AMH Shares by virtue of UTSB holding 100% equity interest in UTES. Please refer to Note (2) above for UTES’ direct and deemed interests in the AMH Shares.
- (4) PSIL is deemed to have an interest in the AMH Shares by virtue of PSIL holding 99.999% equity interest in UTSB. Please refer to Note (3) above for UTSB’s deemed interest in the AMH Shares.
- (5) PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. Please refer to Note (4) above for PSIL’s deemed interest in the AMH Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the AMH Shares, it does not have any economic or beneficial interest in such AMH Shares, as such interest is held subject to the terms of such discretionary trust.
- (6) EABSH is deemed to have an interest in all of the AMH Shares in which EABNS has an interest, by virtue of EABSH holding 100% equity interest in EABNS.
- (7) Tucson is deemed to have an interest in all of the AMH Shares in which EABSH has an interest, by virtue of Tucson holding 100% equity interest in EABSH. Please refer to Note (6) above for EABSH’s deemed interest in AMH Shares.

- (8) TAK is deemed to have an interest in the AMH Shares, by virtue of the following:
- (i) PanOcean's deemed interest of 1,249,075,472 AMH Shares representing 23.95% equity interest in AMH are held directly by UTES and AAME.
- Although TAK is deemed to have an interest in the AMH Shares, he does not have any economic or beneficial interest in such AMH Shares, as such interest is held subject to the terms of a discretionary trust referred to in Note (5) above; and
- (ii) the interests of EABNS, Pacific Broadcast Systems N.V. ("PBS"), Home View Limited N.V. ("HVL"), Southpac Investments Limited N.V. ("SIL"), Ujud Cergas Sdn Bhd ("UCSB"), Metro Ujud Sdn Bhd ("MUSB"), Mujur Sanjung Sdn Bhd ("MSSB"), Prisma Gergasi Sdn Bhd ("PGSB") and Ujud Murni Sdn Bhd ("UMSB") which collectively hold directly 903,792,754 AMH Shares representing 17.33% equity interest in AMH. TAK is deemed to have an interest in the 903,792,754 AMH Shares collectively held by EABNS, PBS, HVL, SIL, UCSB, MUSB, MSSB, PGSB and UMSB by virtue of him holding 100% equity interest in their respective ultimate holding companies viz. Tucson, Orient Systems Limited N.V., Home View Holdings N.V., Southpac Holdings N.V., All Asia Radio Broadcast N.V., Global Radio Systems N.V., Maestra International Broadcast N.V., Maestra Global Radio N.V. and Global Broadcast Systems N.V.
- (9) HTSB is deemed to have an interest in all of the AMH Shares through its wholly-owned subsidiaries, namely, Berkat Nusantara Sdn Bhd, Nusantara Cempaka Sdn Bhd, Nusantara Delima Sdn Bhd, Mujur Nusantara Sdn Bhd, Gerak Nusantara Sdn Bhd and Sanjung Nusantara Sdn Bhd. (collectively, "HTSB Subsidiaries").
- The HTSB Subsidiaries hold such AMH Shares under discretionary trusts for Bumiputera objects. As such, HTSB does not have any economic interest in such AMH Shares as such interest is held subject to the terms of such discretionary trusts.
- (10) He is deemed to have an interest in the AMH Shares by virtue of his 25% direct equity interest in HTSB. However, he does not have any economic interest in such AMH Shares as such interest is held subject to the terms of the discretionary trusts referred to in Note (9) above.
- (11) Held through nominee companies managed by portfolio managers.

DIRECTORS' INTERESTS IN SHARES

as at 16 April 2019 (Based on the Register of Directors' Shareholdings of the Company)

The interests of the Directors in the shares of the Company are as follows:

Name	No. of shares held		% of issued shares	
	Direct	Indirect	Direct	Indirect
Tun Dato' Seri Zaki bin Tun Azmi	1,050,000	-	0.02	-
Datuk Yvonne Chia	100,000	-	0.00*	-
Renzo Christopher Viegas	50,000	-	0.00*	-
Richard John Freudenstein	-	-	-	-
Lim Ghee Keong	1,000,000	-	0.02	-
Simon Cathcart	-	-	-	-
Shahin Farouque bin Jammal Ahmad	-	-	-	-
Tunku Alizakri bin Raja Muhammad Alias	-	-	-	-
Mazita binti Mokty	-	-	-	-
Vernon Das (Alternate Director to Lim Ghee Keong)	-	-	-	-

* negligible

LIST OF PROPERTIES HELD

No	Land Title/Location	Description of Property	Approximate Age of building	Tenure/ Date of Acquisition	Remaining Lease Period (Expiry of Lease)	Current Use	Land Area (square metre)	Built-up Area (square metre)	NBV as at 31 January 2019 RM'000
1.	HSD 34194 (previously held under HSD 7038), PT 12002, Mukim Dengkil, District of Sepang, State of Selangor	Land and building	4 years	Freehold 31 March 2004	Not applicable	Television, data media centre and office	18,267	8,105	63,351
2.	Unit Nos. 165-1-1, 165-1-2, 165-1-3 and 165-2-1, Wisma Mutiara (Block B), No. 165, Jalan Sungai Besi, 57100 Kuala Lumpur	Shops/ Office lots	18 years	Freehold 31 March 2005	Not applicable	Vacant	Not applicable	753.8	907
3.	HSD 116030 PT13820 (formerly identified as Lot Nos. 11301, 17778, 5800 and part of Lots 7966, 8093 and 14985) in Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan	Land and building	22 years	Sublease land and building (60+39 years) 1 September 1996	76 years (31 August 2095)	Television, radio and data media centre and office	128,100	32,533	77,021
	Administration Building All Asia Broadcast Centre Technology Park Malaysia Lebuhraya Puchong-Sungai Besi, Bukit Jalil, 57000 Kuala Lumpur								
4.	GRN 50043 Lot 54268 (previously held under HSD 80870, PT 4043 and HSD 80871, PT 4044 respectively), Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan	Vacant land	Not applicable	Sublease 1 April 1997	38 years (31 March 2057)	Vacant	412,780	Not applicable	Operating lease

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

At the Fifth AGM and Sixth AGM held on 15 June 2017 (“2017 Mandate”) and 7 June 2018 (“2018 Mandate”) respectively, our Company obtained its shareholders’ mandate to allow our Group to enter into recurrent related party transactions (“RRPTs”) of a revenue or trading nature (“Shareholders’ Mandate”).

In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of the Practice Note 12 of the MMLR of Bursa Securities, the details of RRPTs conducted during FY19 pursuant to Shareholders’ Mandate where the aggregate value of such RRPTs are equal to or have exceeded RM1.0 million or 1% of the relevant percentage ratio for such transactions, whichever is the higher, are as follows:

Company within our Group	Transacting Related Party	Nature of transaction	2017	2018	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party		
			Mandate	Mandate		Name	Nature and extent of interest	
No involved			Actual value incurred from 1 February 2018 up to 6 June 2018 (RM'000)	Actual value incurred from 7 June 2018 up to 31 January 2019 (RM'000)				
(A) UTSB Group								
1. AMH and/or its subsidiaries	UTP and/or its affiliates	Provision of project and construction management and consultancy services to AMH and/or its subsidiaries	52	104	156	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK	Directors LGK, MM and VD	Please refer to Note 1
2. AMH and/or its subsidiaries	UTSBM and/or its affiliates	Provision of consultancy and support services to AMH and/or its subsidiaries	4,925	9,146	14,071	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK	Directors LGK, MM and VD	Please refer to Note 1
3. AMH and/or its subsidiaries	Tanjong plc and/or its subsidiaries	Usage of resource centres and data centre at Menara Maxis as part of AMH Group's business continuity plans	70	142	212	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK	Directors LGK, MM and VD	Please refer to Note 1
4. Tayangan Unggul and/or its affiliates	TGV and/or its affiliates	Rental of cinema hall by Tayangan Unggul and/or its affiliates	53	142	195	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK	Directors LGK, MM and VD	Please refer to Note 1

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

Company within our Group	Transacting Related Party	Nature of transaction	2017	2018	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
			Mandate	Mandate		Name	Nature and extent of interest
No involved			Actual value incurred from 1 February 2018 up to 6 June 2018 (RM'000)	Actual value incurred from 7 June 2018 up to 31 January 2019 (RM'000)			
5. Astro Radio and/or its affiliates	TGV and/or its affiliates	Sale of airtime, sponsorship and online web branding by Astro Radio and/or its affiliates	5	498	503	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, MM and VD	Please refer to Note 1
6. Astro Shaw and/or its affiliates	TGV and/or its affiliates	Distribution and licensing of films to/by Astro Shaw and/or its affiliates	972	-	972	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, MM and VD	Please refer to Note 1
7. Astro Shaw and/or its affiliates	TGV and/or its affiliates	Distribution and licensing of content rights to/by Astro Shaw and/or its affiliates	-	18	18	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, MM and VD	Please refer to Note 1
8. Astro Shaw and/or its affiliates	TGV and/or its affiliates	Share of ticket collection proceeds from movies screened at TGV cinemas and any costs relating thereto	1,244	5,747	6,991	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, MM and VD	Please refer to Note 1
9. MBNS and/or its affiliates	TGV and/or its affiliates	Rental of cinema hall and purchase of concessions or in-season passes and ancillary services at TGV Cinemas by MBNS and/or its affiliates	3	-	3	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, MM and VD	Please refer to Note 1
Aggregate Value of Transactions with UTSB Group			7,324	15,797	23,121		

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

Company within our Group	Transacting Related Party	Nature of transaction	2017	2018	Aggregate value of transactions during the financial year	Interested Related Party	
			Mandate	Mandate		Name	Nature and extent of interest
No involved			Actual value incurred from 1 February 2018 up to 6 June 2018 (RM'000)	Actual value incurred from 7 June 2018 up to 31 January 2019 (RM'000)	(RM'000)		
(B) Maxis Group							
10. MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of managed communications services to MBNS and/or its affiliates	3,895	9,823	13,718	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, VD and DHB	Please refer to Note 2
11. Astro Radio and/or its affiliates	Maxis Broadband and/or its affiliates	Sale of airtime, sponsorship and online web branding by Astro Radio and/or its affiliates	3,974	17,683	21,657	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, VD and DHB	Please refer to Note 2
12. MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of content by MBNS and/or its affiliates including among others, the caller ringtones and viewing rights	500	233	733	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, VD and DHB	Please refer to Note 2
13. MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Collaboration in respect of IPTV, content, broadband, voice and ancillary services	23,902	46,256	70,158	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, VD and DHB	Please refer to Note 2

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

Company within our Group	Transacting Related Party	Nature of transaction	2017	2018	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
			Mandate	Mandate		Name	Nature and extent of interest
No involved			Actual value incurred from 1 February 2018 up to 6 June 2018 (RM'000)	Actual value incurred from 7 June 2018 up to 31 January 2019 (RM'000)			
14. Astro Awani and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of "Live" Digital News Gathering (DNG) via Very Small Aperture Terminal (VSAT) Broadcast Service to Astro Awani and/or its affiliates	15	-	15	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, VD and DHB	Please refer to Note 2
15. AMH and/or its subsidiaries	Maxis and/or its affiliates	Provision of short code rental, Short Messaging Services (SMS), Multimedia Messaging Services (MMS), Wireless Application Protocol (WAP) service revenue share	61	86	147	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, VD and DHB	Please refer to Note 2
16. Astro Radio and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of leased line services to Astro Radio and/or its affiliates	90	180	270	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, VD and DHB	Please refer to Note 2
Aggregate Value of Transactions with Maxis Group			32,437	74,261	106,698		

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

Company within our Group	Transacting Related Party	Nature of transaction	2017	2018	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party		
			Mandate	Mandate		Name	Nature and extent of interest	
No involved			Actual value incurred from 1 February 2018 up to 6 June 2018 (RM'000)	Actual value incurred from 7 June 2018 up to 31 January 2019 (RM'000)				
(C) MGB Group								
17. MBNS and/or its affiliates	MSS and/or its affiliates	Provision of broadcast, transponder capacity, uplink services and ancillary services to MBNS and/or its affiliates	1,038	1,770	2,808	Major Shareholder TAK	Please refer to Note 3	
						Directors LGK, MM, SC and VD		
18. Astro Productions and/or its affiliates	MSS and/or its affiliates	Provision of office/ storage space by Astro Productions and/or its affiliates payable on a monthly basis	68	150	218	Major Shareholder TAK	Please refer to Note 3	
						Directors LGK, MM, SC and VD		
Aggregate Value of Transactions with MGB Group			1,106	1,920	3,026			
(D) AHSB Group								
19. MBNS and/or its affiliates	CTE and/or its affiliates	Provision of exclusive rights for carriage of Kix HD and Celestial (SD and HD) channels to MBNS and/or its affiliates	11,304	22,053	33,357	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 4	
						Directors LGK, SFJ, MM, VD and DHB		
20. AMH and/or its subsidiaries	AHSB and/or its subsidiaries	Provision of corporate management services and other services by AMH and/or its subsidiaries	442	314	756	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 4	
						Directors LGK, SFJ, MM, VD and DHB		

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

Company within our Group	Transacting Related Party	Nature of transaction	2017	2018	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
			Mandate	Mandate		Name	Nature and extent of interest
No involved			Actual value incurred from 1 February 2018 up to 6 June 2018 (RM'000)	Actual value incurred from 7 June 2018 up to 31 January 2019 (RM'000)			
21. AMH and/or its subsidiaries	IMSB and/or its affiliates	Provision of management services to IMSB and/or its affiliates	9	-	9	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, SFJ, MM, VD and DHB	Please refer to Note 4
22. MBNS and/or its affiliates	CMCL and/or its affiliates	Provision of rights and licence for films to MBNS and/or its affiliates	15	24	39	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, SFJ, MM, VD and DHB	Please refer to Note 4
23. MBNS and/or its affiliates	FetchTV and/or its affiliates	Distribution, licensing and/or provision of channel and content rights by MBNS and/or its affiliates	129	235	364	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, SC, SFJ, MM, VD, DHB and HT	Please refer to Note 4
24. MBNS and/or its affiliates	CMCL and/or its affiliates	Distribution, licensing and provision of rights for films and content by/to MBNS and/or its affiliates	<i>Transaction approved under 2018 Mandate only</i>	353	353	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, SFJ, MM, VD and DHB	Please refer to Note 4
Aggregate Value of Transactions with AHSB Group			11,899	22,979	34,878		

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

Company within our Group	Transacting Related Party	Nature of transaction	2017	2018	Aggregate value of transactions during the financial year	Interested Related Party	
			Mandate	Mandate		Name	Nature and extent of interest
No involved			Actual value incurred from 1 February 2018 up to 6 June 2018 (RM'000)	Actual value incurred from 7 June 2018 up to 31 January 2019 (RM'000)	(RM'000)		
(E) Sun TV Group							
25. AMH and/or its subsidiaries	Sun TV and/or its affiliates	Provision of channel and content rights to AMH and/or its subsidiaries	13,073	27,911	40,984	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors LGK, SFJ, MM, VD and DHB	Please refer to Note 5
Aggregate Value of Transactions with Sun TV Group			13,073	27,911	40,984		
(F) GSHS Group							
26. Astro GS Shop	GSHS and/or its affiliates	Provision of support and expertise in merchandising and retail operations of the home shopping business to Astro GS Shop	760	3,690	4,450	Major Shareholder GSHS Directors JHB and DHL	Please refer to Note 6
27. Astro GS Shop	GSHS and/or its affiliates	Provision of services for the development or customisation or maintenance of the developed software system for the purpose of operating the home shopping business to Astro GS Shop	127	126	253	Major Shareholder GSHS Directors JHB and DHL	Please refer to Note 6
Aggregate Value of Transactions with GSHS Group			887	3,816	4,703		

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

Notes (as at 16 April 2019)

1. UTSB Group

MBNS, Tayangan Unggul, Astro Shaw, Astro Radio and Astro Productions are wholly-owned subsidiaries of AMH, whilst Astro Awani is a 80%-owned subsidiary of AMH.

UTP and UTSBM are wholly-owned subsidiaries of UTSB while Tanjong plc and TGV are wholly-owned subsidiaries of Tanjong Capital Sdn Bhd ("TCSB"). UTP, UTSBM, Tanjong plc and TGV are Persons Connected to UTSB, PSIL, Excorp, PanOcean and TAK.

Each of UTSB, PSIL, Excorp and PanOcean is a Major Shareholder, with a deemed interest over 1,249,075,472 AMH Shares representing 23.95% equity interest in AMH through the wholly-owned subsidiaries of UTSB namely, UTES and AAME with each holding 235,778,182 AMH Shares and 1,013,297,290 AMH Shares directly representing 4.52% and 19.43% equity interest in AMH respectively.

TAK has a deemed interest in the AMH Shares in which UTSB has an interest by virtue of the deemed interest of PanOcean in the AMH Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations, including those for charitable purposes. PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity interest in UTSB. TAK is also a director of PanOcean, Excorp, PSIL and UTSB.

Although TAK and PanOcean are deemed to have an interest in the AMH Shares as described in the foregoing, they do not have any economic or beneficial interest over such shares as such interest is held subject to the terms of such discretionary trust referred to in the paragraph above.

TAK is also deemed to have an interest in the AMH Shares by virtue of the interests of East Asia Broadcast Network Systems N.V. ("EABNS"), Pacific Broadcast Systems N.V. ("PBS"), Home View Limited N.V. ("HVL"), Southpac Investments Limited N.V. ("SIL"), Ujud Cergas Sdn Bhd ("UCSB"), Metro Ujud Sdn Bhd ("MUSB"), Mujur Sanjung Sdn Bhd ("MSSB"), Prisma Gergasi Sdn Bhd ("PGSB") and Ujud Murni Sdn Bhd ("UMSB") which collectively hold directly 903,792,754 AMH Shares representing 17.33% equity interest in AMH. TAK is deemed to have an interest in the 903,792,754 AMH Shares collectively held by EABNS, PBS, HVL, SIL, UCSB, MUSB, MSSB, PGSB and UMSB by virtue of him holding 100% equity interest in their respective ultimate holding companies viz. Tucson N.V. ("Tucson"), Orient Systems Limited N.V. ("OSL"), Home View Holdings N.V. ("HVH"), Southpac Holdings N.V. ("SHNV"), All Asia Radio Broadcast N.V. ("AARB"), Global Radio Systems N.V. ("GRS"), Maestra International Broadcast N.V. ("MIB"), Maestra Global Radio N.V. ("MGR") and Global Broadcast Systems N.V. ("GBS").

Each of PSIL, Excorp, PanOcean and TAK has a deemed interest over 124,688,000 ordinary shares in TCSB ("TCSB Shares") representing 65.84% equity interest in TCSB through UTSB. UTSB holds an aggregate of 124,688,000 TCSB Shares representing 65.84% equity interest in TCSB, of which 71,000,000 TCSB Shares representing 37.49% equity interest in TCSB is held directly by UTSB, while 53,688,000 TCSB Shares representing 28.35% equity interest in TCSB is held indirectly, via its wholly-owned subsidiary, Usaha Tegas Resources Sdn Bhd.

Although TAK and PanOcean are deemed to have an interest in the TCSB Shares as described in the foregoing, they do not have any economic or beneficial interest over such TCSB Shares, as such interest is held subject to the terms of such discretionary trust referred to above.

In addition, TAK is deemed to have an interest over 47,792,803 TCSB Shares representing 25.23% equity interest in TCSB through the wholly-owned subsidiaries of MAI Sdn Berhad ("MAI"), by virtue of his 100% direct equity interest in MAI.

LGK, who is a Director of AMH and MBNS, is also a director of UTSB, PSIL, Excorp, PanOcean, UTSBM and TCSB. He has a direct equity interest over 1,000,000 AMH Shares representing 0.02% equity interest in AMH. He does not have any equity interest in Tanjong plc, TGV, UTSB Group and AMH subsidiaries.

VD, who is an Alternate Director to LGK in AMH would be deemed interested in the transactions which LGK is interested. He does not have any equity interest in AMH Group and UTSB Group.

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

MM, who is a Director of AMH, is also a director of TCSB, Tanjong plc and an alternate director on the Board of UTBSB. She does not have any equity interest in AMH Group, UTBSB Group and TCSB Group.

2. Maxis Group

Maxis Broadband is a wholly-owned subsidiary of Maxis which is in turn a 62.37%-owned indirect subsidiary of Binariang GSM Sdn Bhd (“BGSM”).

Each of UTBSB, PSIL, Excorp, PanOcean and TAK is a Major Shareholder, is also a major shareholder of Maxis with a deemed interest over 4,875,000,000 ordinary shares (“Maxis Shares”) representing 62.37% equity interest in Maxis, by virtue of its/his deemed interest in BGSM which holds 100% equity interest in BGSM Management Sdn Bhd (“BGSM Management”). BGSM Management holds 100% equity interest in BGSM Equity Holdings Sdn Bhd (“BGSM Equity”) which in turn holds 62.37% equity interest in Maxis. UTBSB’s deemed interest in the Maxis Shares arises through its wholly-owned subsidiaries, namely, Wilayah Resources Sdn Bhd, Tegas Puri Sdn Bhd, Besitang Barat Sdn Bhd and Besitang Selatan Sdn Bhd, which hold in aggregate 37% equity interest in BGSM.

PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity interest in UTBSB. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although TAK and PanOcean are deemed to have an interest in the Maxis Shares as described in the foregoing, they do not have any economic or beneficial interest over such Maxis Shares as such interest is held subject to the terms of the discretionary trust. Please refer to Note 1 above for interests of UTBSB, PSIL, Excorp, PanOcean and TAK in AMH.

LGK, who is a Director of AMH and MBNS, is also a director of UTBSB, PSIL, Excorp, PanOcean, Maxis and several subsidiaries of Maxis (including Maxis Broadband). LGK does not have any equity interest in Maxis Group and AMH subsidiaries. Please refer to Note 1 above for LGK’s interest in AMH.

VD, who is an Alternate Director to LGK in AMH would be deemed interested in the transactions which LGK is interested. He does not have any equity interest in AMH Group and Maxis Group.

DHB is a director of MBNS and he is deemed to have an interest over 462,124,447 AMH Shares representing 8.86% equity interest in AMH in which Harapan Terus Sdn Bhd (“HTSB”) has an interest, by virtue of his 25% direct equity interest in HTSB. HTSB’s deemed interest in such AMH Shares arises through its wholly-owned subsidiaries namely, Berkat Nusantara Sdn Bhd, Nusantara Cempaka Sdn Bhd, Nusantara Delima Sdn Bhd, Mujur Nusantara Sdn Bhd, Gerak Nusantara Sdn Bhd and Sanjung Nusantara Sdn Bhd (collectively “HTSB Subsidiaries”). The HTSB Subsidiaries hold such AMH Shares under discretionary trusts for Bumiputera objects. As such, he does not have any economic interests over such AMH Shares as such interest is held subject to the terms of such discretionary trusts.

DHB is a major shareholder of Maxis with a deemed interest over 4,875,000,000 Maxis Shares representing 62.37% equity interest in Maxis in which Harapan Nusantra Sdn Bhd (“HNSB”) has an interest by virtue of his 25% direct equity interest in HNSB. HNSB’s deemed interest in such Maxis Shares arises through its wholly-owned subsidiaries namely, Mujur Anggun Sdn Bhd, Cabaran Mujur Sdn Bhd, Anak Samudra Sdn Bhd, Dumai Maju Sdn Bhd, Nusantara Makmur Sdn Bhd, Usaha Kenanga Sdn Bhd and Tegas Sari Sdn Bhd (collectively, “HNSB Subsidiaries”), which hold in aggregate 30% equity interest in BGSM. The HNSB Subsidiaries hold their deemed interest in such Maxis Shares under discretionary trusts for Bumiputera objects. As such, DHB does not have any economic interest over such Maxis Shares as such interest is held subject to the terms of such discretionary trusts.

3. MGB Group

MSS is a wholly-owned subsidiary of MGB.

TAK is a major shareholder of MGB with a deemed interest over 272,953,208 ordinary shares (“MGB Shares”) representing 70% equity interest in MGB held via MEASAT Global Network Systems Sdn Bhd (“MGNS”), a wholly-owned subsidiary of MAI Holdings Sdn Bhd in which he has 100% direct equity interest. Hence, TAK also has deemed interest over MSS. Please refer to Note 1 above for TAK’s deemed interest in AMH.

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

LGK, who is a Director of AMH and MBNS, is also a director of MGNS. He does not have any equity interest in the shares of MGB and MSS. Please refer to Note 1 above for LGK's interests in AMH.

VD, who is an Alternate Director to LGK in AMH would be deemed interested in the transactions which LGK is interested. He does not have any equity interest in AMH Group and MGB Group.

SC, who is a Director of AMH, is also a director of MGB and MSS. He does not have any equity interest in the shares of MGB and MSS.

MM, who is a Director of AMH, is also a major shareholder of MGB with a deemed interest over 116,979,947 MGB Shares representing 30% equity interest in MGB in which Harapan Kota Sdn Bhd ("HKSB") has an interest, by virtue of her 50% direct equity interest in HKSB, the holding company of Tujuan Bidari Sdn Bhd ("TBSB"), which in turn holds shares in Tujuan Wira Suria Sdn Bhd ("TWSSB"). TBSB holds such MGB Shares through TWSSB, under a discretionary trust for Bumiputera objects. As such, MM does not have any economic interest in such MGB Shares as such interest is held subject to the terms of such discretionary trusts. She does not have any equity interest in AMH Group.

4. AHSB Group

FetchTV is a wholly-owned subsidiary of Media Innovations Pte Ltd ("MIPL"), a 83.84%-owned indirect subsidiary of AOL which in turn is wholly-owned by AHSB via Astro All Asia Networks Limited. CTE and its subsidiary, CMCL are associate companies of AOL. IMSB is a jointly controlled company between AOL and Khazanah via their respective subsidiaries.

Khazanah is a Major Shareholder with a deemed interest over 1,077,735,927 AMH Shares representing 20.67% equity interest in AMH through its wholly-owned subsidiary, PCBV. PCBV and Khazanah are also major shareholders of AHSB by virtue of PCBV's 29.34% direct equity interest in AHSB.

Each of UTSB, PSIL, Excorp and PanOcean is a major shareholder of AHSB, with a deemed interest over 479,619,973 ordinary shares ("AHSB Shares") representing 34.01% equity interest in AHSB held through the wholly-owned subsidiaries of UTSB, namely, UTES and AAME. Please refer to Note 1 above for the interests of AAME, UTES, UTSB, PSIL, Excorp, and PanOcean in AMH.

TAK who is a Major Shareholder, is also a major shareholder of AHSB with a deemed interest over 819,082,908 AHSB Shares representing 58.08% equity interest in AHSB. Please refer to Note 1 above for TAK's deemed interest in AMH.

DHB, who is a director of MBNS, is also a director of AHSB and AOL. DHB is deemed to have an interest over 177,446,535 AHSB Shares representing 12.58% equity interest in AHSB in which HTSB has an interest, by virtue of his 25% direct equity interest in HTSB. HTSB's deemed interest in such AHSB Shares arises through the HTSB Subsidiaries. The HTSB Subsidiaries hold such AHSB Shares under discretionary trusts for Bumiputera objects. As such, he does not have any economic interests over such AHSB Shares as such interest is held subject to the terms of such discretionary trusts. Please refer to Note 2 above for DHB's interest in AMH.

LGK, who is a Director of AMH and MBNS, is also a director of AHSB. He does not have any equity interest in AHSB Group. Please refer to Note 1 above for LGK's interests in AMH.

SC, who is a Director of AMH, is also a director of MIPL and FetchTV. SC is deemed to have an interest over 13.83% equity interest in MIPL in which Media Capital Pty Ltd has an interest, by virtue of him and his spouse controlling 100% equity interest in Media Capital Pty Ltd.

VD, who is an Alternate Director to LGK in AMH, is also a director of AHSB, AOL, MIPL and some of AOL's subsidiaries. He does not have any equity interest in AMH Group and AHSB Group.

MM, who is a Director of AMH, is also a director of AHSB. She does not have any equity interest in AMH Group and AHSB Group.

SFJ, who is a Director of AMH, is also a director of AHSB and PCBV. He does not have any equity interest in AMH Group, AHSB Group and PCBV.

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

HT, who is a Chief Executive Officer (“CEO”) of AMH and a Director of several other subsidiaries of AMH, is also a director of MIPL and FetchTV Pty Ltd, both of which are holding companies of FetchTV. He has a direct equity interest over 1,863,500 AMH Shares representing 0.036% equity interest in AMH. He does not have any equity interest in AHSB Group.

5. Sun TV Group

Sun TV is regarded as a Person Connected to AOL through a joint venture arrangement between a wholly-owned subsidiary of AOL and Sun TV. AOL is in turn a wholly-owned subsidiary of AHSB.

Each of PCBV, Khazannah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK is a Major Shareholder, is also a major shareholder of AHSB. Please refer to Notes 1 and 4 above for the interests of PCBV, Khazannah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK in AMH. They do not have any equity interest in Sun TV.

DHB, who is a director of MBNS, is also a director of AHSB and AOL. He does not have any interest in Sun TV Group. Please refer to Notes 2 and 4 above for DHB’s interests in AMH Group and AHSB Group.

LGK, who is a Director of AMH and MBNS, is also a director of AHSB. He does not have any equity interest in AHSB Group and Sun TV Group. Please refer to Note 1 above for LGK’s interest in AMH.

VD, who is an Alternate Director to LGK in AMH, is also a director of AHSB, AOL and some of AOL’s subsidiaries. He does not have any equity interest in AMH Group, AHSB Group and Sun TV Group.

MM, who is a Director of AMH, is also a director of AHSB. She does not have any equity interest in AMH Group, AHSB Group and Sun TV Group.

SFJ, who is a Director of AMH, is also a director of AHSB and PCBV. He does not have any equity interest in AHSB Group, PCBV and Sun TV Group.

6. GSHS Group

GSHS is a Major Shareholder of Astro GS Shop with a direct equity interest of 40% in the share capital of Astro GS Shop. The remaining 60% equity interest in Astro GS Shop is held by a wholly-owned subsidiary of AMH.

JHB and DHL, who are directors of Astro GS Shop, are representatives of GSHS. JHB and DHL do not have any equity interest in AMH, GSHS and Astro GS Shop.

ADDITIONAL DISCLOSURES

Material Contracts involving the interests of Directors and Major Shareholders

The particulars of material contracts entered into by our Group involving Directors' and Major Shareholders' interests which are either still subsisting as at 31 January 2019 or if not then subsisting, entered into since the end of the financial year ended 31 January 2019 are as follows¹:

	Parties		General Nature	Consideration passing to or from the AMH Group	Date of Agreement/ Effective Date	Mode of Satisfaction of Consideration	Relationship
	AMH Group	Transacting Party					
1.	MBNS	MSS	Supply of capacity on 13 transponders on the MEASAT-3 satellite	Fee payable by MBNS to MSS	18 June 2007	Cash	Please refer to Note 1 below.
2.	MBNS	MSS	Supply of capacity on 6 transponders on the MEASAT-3a satellite	Fee payable by MBNS to MSS	18 May 2009	Cash	Please refer to Note 1 below.
3.	MBNS	MISAL	Supply of capacity on 24 transponders on the MEASAT-3b satellite	Fee payable by MBNS to MISAL	11 May 2012 and 12 April 2018	Cash	Please refer to Note 1 below.

Notes (as at 16 April 2019)

1. MGB GROUP

MSS and MISAL are wholly-owned subsidiaries of MGB. MBNS is a wholly-owned subsidiary of AMH.

TAK, who is a Major Shareholder of AMH, is also a major shareholder of MGB. Please refer to Notes 1 and 3 of pages 310 and 311 for TAK's interests in AMH and MGB Group.

LGK, who is a Director of AMH and MBNS, is also a director of MEASAT Global Network Systems Sdn Bhd (the holding company of MGB). Please refer to Notes 1 to 3 of pages 310 and 312 for LGK's interests in AMH and MGB Group.

VD, who is an Alternate Director to LGK in AMH would be deemed interested in the transactions which LGK is interested. He does not have any equity interest in AMH Group and MGB Group.

SC, who is a Director of AMH, is also a director of MGB and MSS. He does not have any equity interest in the shares of AMH Group and MGB Group.

MM, who is a Director of AMH, is also a major shareholder of MGB with a deemed interest over 116,979,947 ordinary shares in MGB ("MGB Shares") representing 30% equity interest in MGB in which Harapan Kota Sdn Bhd ("HKSB") has an interest, by virtue of her 50% direct equity interest in HKSB, the holding company of Tujuan Bidari Sdn Bhd ("TBSB"), which in turn holds shares in Tujuan Wira Suria Sdn Bhd ("TWSSB"). TBSB holds such MGB Shares through TWSSB, under the discretionary trust for Bumiputera objects. As such, MM does not have any economic interest in such MGB Shares as such interest is held subject to the terms of such discretionary trust. She does not have any equity interest in AMH Group.

¹ Please note that transactions of a recurrent nature entered into by the AMH Group between 1 February 2018 and 31 January 2019 involving the interest of our Directors or Major Shareholders have been disclosed on pages 303 to 313 of this Annual Report.

Management Share Scheme

Detailed Information on the Share Scheme of our Company is set out in Note 7(a) of the Audited Financial Statements for FY19 on pages 207 to 213 of this Annual Report.

In accordance with Appendix 9C Part A Section 27(a) of the MMLR, the total number of shares granted, vested and outstanding pursuant to our Company's Share Scheme since its commencement until FY19 are as follows:

Total number of shares granted	:	48,674,800
Total number of shares vested	:	17,033,500
Total number of shares outstanding	:	264,100 ⁽¹⁾

⁽¹⁾ Excludes grants that were not accepted by employees, grants to employees who have resigned or were terminated, and grants to employees who did not meet the required performance rating and who are under disciplinary action in accordance with the By-Laws governing the Share Scheme.

Save as disclosed below, none of the Directors of our Company have been granted share awards pursuant to the Share Scheme:

Name	Granted	Vested	Outstanding
Dato' Rohana Rozhan	6,576,900	3,200,000	-

The details of shares granted under the Share Scheme to our then ED/GCEO and Senior Leadership since the commencement of the Share Scheme and during FY19 are as follows:

- There is no maximum allocation applicable to our Directors and Senior Leadership. However, Section 4.1 of the By-Laws governing the Share Scheme stipulates that not more than 10% of the shares available under the Share Scheme shall be allocated to any individual eligible employee who, either singly or collectively with his Persons Connected, holds 20% or more of the total number of issued shares of our Company.
- The actual percentage granted to our then ED/GCEO and Senior Leadership since the commencement of the Share Scheme and during FY19 is 37% and Nil respectively.

GLOSSARY

AAAN	Astro All Asia Networks Limited
AABC	All Asia Broadcast Centre, Bukit Jalil
AAME	All Asia Media Equities Limited
AAPG	Audit and Assurance Practice Guide
AARB	All Asia Radio Broadcast N.V.
ACBC	Astro Cyberjaya Broadcast Centre, Cyberjaya
Act	Companies Act 2016
Adex	Advertising revenue. Generally used to refer to the total advertising revenue in the market as a whole
ADSB	Astro Digital Sdn Bhd
ADSSB	Astro Digital 5 Sdn Bhd
AESB	Astro Entertainment Sdn Bhd
AFS	Available-for-sale
AGM	Annual General Meeting
AGS	Astro Group Services Sdn Bhd
AHSB	Astro Holdings Sdn Bhd
AI	Artificial Intelligence
AMH Shares	Astro Malaysia Holdings Berhad's ordinary shares
AOL	ASTRO Overseas Limited
App	Applications, used in reference to digital applications on PCs and smart devices
Astro Productions/ APSB	Astro Productions Sdn Bhd
APSSB	Astro Production Services Sdn Bhd
ARC	Audit and Risk Committee
ARPU	Average Revenue Per User. ARPU is the monthly average revenue per residential Pay-TV subscriber (excluding NJOI, our non-subscription satellite TV subscribers). ARPU is calculated by dividing the monthly average revenue derived from active Pay-TV residential subscribers over the financial year/ period with the monthly average number of active Pay-TV residential subscribers during the financial year/period
ARV	Astro Retail Ventures Sdn Bhd
ASEAN	Association of Southeast Asian Nations
Astro/AMH/ Company	Astro Malaysia Holdings Berhad

Astro Arena/ AASB	Astro Arena Sdn Bhd
Astro AWANI/ AANSB	Astro Awani Network Sdn Bhd
Astro GS Shop/ Go Shop	Astro GS Shop Sdn Bhd
Astro Radio/ ARSB	Astro Radio Sdn Bhd
Astro Shaw/ ASSB	Astro Shaw Sdn Bhd
ASM	Astro Sports Marketing Sdn Bhd
ASV	Asia Sports Ventures Pte Ltd
AWS	Amazon Web Services, Inc.
b	billion
BEE	Board Effectiveness Evaluation
BGSM	Binariang GSM Sdn Bhd
BGSM Equity	BGSM Equity Holdings Sdn Bhd
BGSM Management	BGSM Management Sdn Bhd
Board	Board of Directors of AMH
BSCC	Bangsar South Contact Centre
Bursa Malaysia/ Bursa Securities	Bursa Malaysia Securities Berhad
CA	Corporate Assurance
CAGR	Compound annual growth rate
Capex	Capital expenditure
Capital FM/ CFSB	Capital FM Sdn Bhd
CCIRS	Cross-currency interest rate swap
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CG	Corporate governance
CIP	Certified Innovator Programme
CMCL	Celestial Movie Channel Limited
COBE	Code of Business Ethics
COE	Centre of Excellence
Company Scorecard	KPIs underpinning Senior Leadership performance evaluation
COSO	Committee of Sponsoring Organisation

CTE	Celestial Tiger Entertainment Limited	ESS	Employee separation scheme
CTP	Certified Technology Professional	Excorp	Excorp Holdings N.V.
DFC	Digital-first content	FAM	Football Association of Malaysia
DHB	Dato' Haji Badri bin Haji Masri	FCF	Free cash flow
DHL	Dong Hyun, Lee	FetchTV	FetchTV Content Pty Ltd
Digidex	Digital adex	FIFA	Fédération Internationale de Football Association/International Federation of Association Football
Disclosures	Employee concerns raised under the Ethics Line Procedures	FM	Frequency modulation, commonly refers to the delivery of music and speech via terrestrial radio broadcast
DRR	Dato' Rohana binti Tan Sri Datuk Haji Rozhan	FTSE4Good Bursa Malaysia Index	Designed to highlight companies that demonstrate a leading approach to addressing environmental, social and governance (ESG) risks. It comprises eligible companies from the universe of the top 200 companies in the FTSE Bursa Malaysia EMAS Index
DTH	Direct-to-Home	FVOCI	Fair value through other comprehensive income
DTH satellite	A satellite capable of transmitting services directly to the reception equipment at the end-user's premises. Such satellites are commonly located in geostationary orbit and use frequencies in the Ku-band at high power, permitting direct reception using small, fixed satellite dishes	FVTPL	Fair value through profit or loss
DTAM	Dynamic Television Audience Measurement	FY15	Financial year ended 31 st January 2015
DYC	Datuk Yvonne Chia	FY16	Financial year ended 31 st January 2016
EABNS	East Asia Broadcast Network Systems N.V.	FY17	Financial year ended 31 st January 2017
EABSH	East Asia Broadcast Systems Holdings N.V.	FY18	Financial year ended 31 st January 2018
EBIT	Earnings before interest and taxation	FY19	Financial year ended 31 st January 2019
EBITDA	Earnings before interest, taxation, depreciation and amortisation (but excluding amortisation of film library and programme rights which are expensed as part of cost of sales) and share of post-tax results from investments accounted for using the equity method	FY20	Financial year ended 31 st January 2020
ECL	Expected credit losses	GBO	Gross box office
E-commerce	Electronic commerce is a term describing a business or commercial transaction involving the transfer of information across the Internet	GBS	Global Broadcast Systems N.V.
EES	Economic, Environmental and Social	GCEO	Group Chief Executive Officer
eGG Network	Astro's eSport Pay-TV Channel, "Every good game"	GDP	Gross domestic product
EPF	Employees Provident Fund	GE14	14 th General Election in Malaysia
EPS	Earnings per share	GHG	Greenhouse gas
eSports	A multiplayer video game played competitively for spectators, typically by professional gamers	GMK	Grup Majalah Karangkraf Sdn Bhd
		Go Shop Singapore	Astro GS Shop Singapore Pte Ltd
		GRI	Global Reporting Initiative
		GRM	Group Risk Management
		GRMF	Group Risk Management Framework
		GRMP	Group Risk Management Policy

GLOSSARY

Group	Astro Malaysia Holdings Berhad and its subsidiaries
GRS	Global Radio Systems N.V.
GSHS	GS Home Shopping Inc
GST	Goods and Services Tax
HD	High-definition, commonly refers to TV or video at a resolution of either 720p, 1080i or 1080p
HKD	Hong Kong Dollar
HKSB	Harapan Kota Sdn Bhd
HNSB	Harapan Nusantra Sdn Bhd
HT	Henry Tan Poh Hock
HTM	Held-to-maturity
HTSB	Harapan Terus Sdn Bhd
HVH	Home View Holdings N.V.
HVL	Home View Limited N.V.
IDC	International Data Corporation
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IMSB	Ideate Media Sdn Bhd
INED	Independent Non-Executive Director
IP	Intellectual property
IPO	Initial public offering of up to 1,518,300,000 ordinary shares in AMH, comprising a public issue and offer for sale
IPTV	Internet Protocol Television, generally referring to multichannel digital TV distributed over a managed IP network with a managed quality of service and dedicated bandwidth
IR	Investor Relations
IRS	Interest Rate Swaps
ISMS	Information Security Management System
ISO	The International Organization for Standardization, a non-governmental organization that is the world's largest developer of voluntary international standards and facilitates world trade by providing common standards between nations
IT	Information technology
JHB	Jung Hee, Baik

JV	Joint venture
k	Thousand(s)
KASB	Karya Anggun Sdn Bhd
KCC	Key Control Checklists
Khazanah/KNB	Khazanah Nasional Berhad
KPDNHEP	Ministry of Domestic Trade and Consumer Affairs
KPI	Key performance indicator
LGK	Lim Ghee Keong
LHDN	Inland Revenue Board of Malaysia
LOA	Limits of authority
m	Million(s)
MAI	MAI Sdn Berhad
Major Shareholder	A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares is: (i) 10% or more of the voting share in our Company; or (ii) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company
Maxis	Maxis Berhad
Maxis Broadband	Maxis Broadband Sdn Bhd
MBNS	MEASAT Broadcast Network Systems Sdn Bhd
MCCG	Malaysian Code on Corporate Governance 2017
MCMC	Malaysian Communications and Multimedia Commission
MCMM	Ministry of Communications and Multimedia Malaysia
MCSSB	MEASAT Communication Systems Sdn Bhd
MDEC	Malaysia Digital Economic Corporation
MDIG	MEASAT Dicast Sdn Bhd
MFRS	Malaysian Financial Reporting Standards
MGB	MEASAT Global Berhad
MGNS	MEASAT Global Network Systems Sdn Bhd
MGR	Maestra Global Radio N.V.
MIB	Maestra International Broadcast N.V.
MIPL	Media Innovations Pte Ltd
MIRA	Malaysian Investor Relations Association
MISAL	MEASAT International (South Asia) Ltd

ML	Machine Learning	PAT	Profit after taxation
MM	Mazita binti Mokty	PATAMI	Profit after taxation and minority interests
MMLR	Bursa Malaysia Securities Berhad's Main Market Listing Requirements	PBS	Pacific Broadcast Systems N.V.
MRC	MEASAT Radio Communications Sdn Bhd	PBT	Profit before taxation
MSAP	Mandatory Standard Access Pricing	PCBV	Pantai Cahaya Bulan Ventures Sdn Bhd
MSS	MEASAT Satellite Systems Sdn Bhd	Person(s) Connected	This shall have the same meaning as in Paragraph 1.01, Chapter 1 of the MMLR
MSSB	Mujur Sanjung Sdn Bhd	PEW	Perfect Excellence Waves Sdn Bhd
MSWG	Minority Shareholder Watchdog Group	PGSB	Prisma Gergasi Sdn Bhd
MTAM	Maestro Talent and Management Sdn Bhd	PPV	Pay Per View
MTBC	MEASAT Broadcast Centre, Cyberjaya	PSIL	Pacific States Investment Limited
MTN	Medium Term Note	PSU	Performance Share Units
MUSB	Metro Ujud Sdn Bhd	PVR	Personal Video Recorder refers to a STB with a pre-installed hard disk drive, enabling recordings of broadcast programmes for viewing at a later time
MyAstro	Astro's TV companion app	PwC	PricewaterhouseCoopers PLT, Astro's external auditors
NCGC	Nomination and Corporate Governance Committee	RA	Revenue Assurance
NED	Non-Executive Director	Radex	Radio advertising expenditure. Generally used to refer to the total advertising expenditure in the radio market as a whole
NFCP	National Fiberisation and Connectivity Plan	RC	Remuneration Committee
NISB	Nu Ideaktiv Sdn Bhd	RCV	Renzo Christopher Viegas
NINED	Non-Independent Non-Executive Director	RJF	Richard John Freudenstein
NJOI	Astro's subscription-free DTH satellite TV service	RLSB	Radio Lebuhraya Sdn Bhd
NLP	Natural Language Processing	RM	Ringgit Malaysia
OCI	Other comprehensive income	RPA	Robotic Process Automation
OD	On Demand, a personalised TV viewing service. There are three types of On Demand services. OD Free is a free service which allows the user to catch-up on a selection of aired programmes based on subscribed packages. OD Plus is a monthly subscription which contains a library of movies, complete box-sets of TV series as well as kids' content. OD Store is a pay-per-view service where users may purchase the latest and library movies at their own convenience	RPS	Redeemable Preference Shares
OSH	Occupational Safety and Health	RPT	Related Party Transaction
OSL	Orient Systems Limited N.V.	RRPT	Recurrent Related Party Transaction
OTT	Over-the-Top, refers to the ability to deliver a service to an end user over a third party's network or the open internet, usually in reference to video services	RSU	Restricted Share Units
PanOcean	PanOcean Management Limited	SC	Simon Cathcart
		SD	Standard definition, commonly refers to TV or video at a resolution of 625 interlaced lines of resolution, derived from the European-developed Phase Alternating Line ("PAL") and Sequential Color with Memory systems and 525 interlaced lines based on the American National Television System Committee system. PAL 625 lines has been adopted as the SD standard in Malaysia

GLOSSARY

SDGs	Sustainable Development Goals by the United Nations
SFJ	Shahin Farouque bin Jammal Ahmad
Share Scheme	The Management Share Scheme
SHNV	Southpac Holdings N.V.
SIL	Southpac Investments Limited N.V.
SME	Small and medium-sized enterprise
SMS	Short messaging service; a service whereby mobile telephone users may send and receive text messages
SORMIC	Statement on Risk Management and Internal Control
SST	Sales and Service Tax
STB	Set-top box
Sun TV	Sun TV Network Limited
TAK	Ananda Krishnan Tatparanandam
TAZ	Tunku Alizakri bin Raja Muhammad Alias
Tanjong plc	Tanjong Public Limited Company
Tayangan Unggul/TUSB	Tayangan Unggul Sdn Bhd
TBSB	Tujuan Bidari Sdn Bhd
TCFD	Task Force on Climate-related Financial Disclosures
tCO₂e	Tonnes of carbon dioxide equivalent, a unit to measure GHG emissions relative to one unit of CO ₂
TCSB	Tanjong Capital Sdn Bhd
TGV	TGV Cinemas Sdn Bhd
TIME	Time dotCom Berhad
TNB	Tenaga Nasional Berhad
Total Borrowings	Term loans and finance leases, excluding vendor financing
Transponder(s)	A device mounted on a satellite that receives, converts and retransmits radio frequency signals
Tucson	Tucson N.V.

TV	Television
TV Households	Households with at least one TV set
TWSSB	Tujuan Wira Suria Sdn Bhd
TZA	Tun Dato' Seri Zaki bin Tun Azmi
UCSB	Ujud Cergas Sdn Bhd
UHD	Ultra High Definition; refers to the display resolution of 3,840 x 2,160
UI	User interface
UMSB	Ujud Murni Sdn Bhd
UPS	Uninterrupted Power Supply
UPSR	Ujian Penilaian Sekolah Rendah, Malaysia's primary school national exam
USD	United States Dollar
UTES	Usaha Tegas Entertainment Systems Sdn Bhd
UTP	UT Projects Sdn Bhd
UTSB	Usaha Tegas Sdn Bhd
UTSBM	UTSB Management Sdn Bhd
UX	User experience
VD	Vernon Das
VIU	Value in use
VOD	Video-on-Demand, the common phrase for a service where the user can choose a programme from a menu or list, and instantly begin watching it from the start. The delivery of VOD is usually a unicast – a one-to-one delivery method, versus a broadcast, which is a one-to-many delivery method
VR	Virtual Reality
WAB	Wisma Ali Bawal, Petaling Jaya
WiFi	Wireless networking technology that uses radio waves to provide high-speed network and internet connections
Yayasan	Yayasan Astro Kasih
24/7	24 hours a day, seven days a week
4K	Refers to a horizontal display resolution of approximately 4,000 pixels

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of ASTRO MALAYSIA HOLDINGS BERHAD (“Company”) will be held on Thursday, 27 June 2019 at 9.30 a.m. at the Grand Ballroom, Level 3A, Connexion Conference & Event Centre at Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur for the following purposes:

AS ORDINARY BUSINESS

- (1) To consider the Audited Financial Statements of the Company for the financial year ended 31 January 2019 and the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note 1)
- (2) To re-elect the following Directors who retire by rotation pursuant to Rule 126 of the Company’s Constitution and who being eligible, have offered themselves for re-election:
 - (i) Lim Ghee Keong **Resolution 1**
 - (ii) Simon Cathcart **Resolution 2***(Please refer to Explanatory Note 2)*
- (3) To re-elect the following Directors who retire pursuant to Rule 115 of the Company’s Constitution and being eligible, have offered themselves for re-election:
 - (i) Tunku Alizakri bin Raja Muhammad Alias **Resolution 3**
 - (ii) Mazita binti Mokty **Resolution 4***(Please refer to Explanatory Note 2)*
- (4) To approve the payment of Directors’ fees and benefits for the period from 28 June 2019 until the next Annual General Meeting of the Company to be held in 2020. **Resolution 5**
(Please refer to Explanatory Note 3)
- (5) To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 6**
(Please refer to Explanatory Note 4)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

- (6) **Authority for Directors to Issue Ordinary Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **Resolution 7**

“THAT, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company, at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit including in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options in respect of shares in the Company including those which would or might require shares in the Company to be issued after the expiration of the approval hereof, provided that the aggregate number of shares to be issued pursuant to this approval does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of all relevant regulatory bodies being obtained (if required).”

(Please refer to Explanatory Note 5)

NOTICE OF ANNUAL GENERAL MEETING

(7) Renewal of Authority for the Company to Purchase its Own Shares

Resolution 8

“THAT, subject to compliance with all applicable laws (as may be amended, modified or re-enacted from time to time), the Constitution of the Company, and the regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad and/or any other relevant regulatory authority:

(a) approval be and is hereby given to the Company to purchase such number of ordinary shares in the Company’s issued and paid-up ordinary share capital (“Shares”) listed on Bursa Malaysia Securities Berhad (as may be determined by the Directors of the Company) (“Proposed Share Buy-Back”) upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of Shares purchased and/or held by the Company pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company for the time being; and
- (ii) the maximum amount of funds to be utilised for the purposes of the Proposed Share Buy-Back shall not exceed the Company’s aggregate retained profits;

(b) the approval conferred by this resolution shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) expiry of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the same is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is the earliest;

(c) authority be and is hereby given to the Directors of the Company in their absolute discretion to deal with the Shares so purchased by the Company in the following manner:

- (i) to cancel all or part of such Shares;
- (ii) to retain all or part of such Shares as treasury shares;
- (iii) to retain all or part of such Shares as treasury shares and subsequently cancel, resell on Bursa Malaysia Securities Berhad or distribute as dividends all or part of such treasury shares; and/or
- (iv) to deal with in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad and/or any other relevant authority for the time being in force; and

(d) authority be and is hereby given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and, in connection therewith:

- (i) to enter into and execute, sign and deliver on behalf of the Company, any documents, agreement and/or arrangement with any person, and in all cases with full power to assent to any conditions, modifications, variations and/or amendments thereto as the Directors may deem fit and expedient in the best interest of the Company; and
- (ii) to do all such acts and things as the Directors of the Company may deem fit and expedient in the best interest of the Company.”

(Please refer to Explanatory Note 6)

(8) Proposed Utilisation of Transponder Capacity on the MEASAT-3d satellite by MEASAT Broadcast Network Systems Sdn Bhd, a wholly-owned subsidiary of the Company and the Proposed Early Termination of the Agreement for the Utilisation of Transponder Capacity on the MEASAT-3b satellite

Resolution 9

NOTICE OF ANNUAL GENERAL MEETING

“THAT approval be and is hereby given to the Company, through MEASAT Broadcast Network Systems Sdn Bhd (“MBNS”), its wholly-owned subsidiary, and/or subsidiaries or nominees of the Company, to utilise transponder capacity on the MEASAT-3d satellite in accordance with the terms and conditions of the conditional agreement entered into between MBNS and MEASAT Communication Systems Sdn Bhd (formerly known as MEASAT Management Sdn Bhd), a wholly-owned subsidiary of MEASAT Global Berhad (“MGB”) on 18 April 2019, the salient terms of which are set out in Part A of the Company’s Circular to Shareholders dated 15 May 2019; and to terminate the agreement entered into between MBNS and MEASAT International (South Asia) Ltd (“MISAL”) dated 12 April 2018 for the utilisation of transponder capacity on the MEASAT-3b satellite via the execution of a termination agreement between MBNS and MISAL, a wholly-owned subsidiary of MGB, the salient terms of which are set out in Part A of the Company’s Circular to Shareholders dated 15 May 2019;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this resolution.”

(Please refer to Explanatory Note 7)

(9) Proposed Shareholders’ Mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with the following related parties:

Usaha Tegas Sdn Bhd and/or its affiliates	Resolution 10
Maxis Berhad and/or its affiliates	Resolution 11
MEASAT Global Berhad and/or its affiliates	Resolution 12
Astro Holdings Sdn Bhd and/or its affiliates	Resolution 13
Sun TV Network Limited and/or its affiliates	Resolution 14
GS Home Shopping Inc. and/or its affiliates	Resolution 15
SRG Asia Pacific Sdn Bhd and/or its affiliates	Resolution 16
Grup Majalah Karangraf Sdn Bhd and/or its affiliates	Resolution 17
Ultimate Print Sdn Bhd and/or its affiliates	Resolution 18

“THAT approval be and is hereby given pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with each of the abovementioned parties, respectively pursuant to Resolutions 10 to 18, the details of which are set out in Part B of the Company’s Circular to Shareholders dated 15 May 2019;

Provided that such transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the parties with which such recurrent transactions are to be entered into than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT the mandate conferred by the respective resolutions shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- (b) the expiration of the period within which such Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) the resolution is revoked or varied by a resolution passed by the shareholders in a general meeting,

whichever is the earliest;

NOTICE OF ANNUAL GENERAL MEETING

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the resolution being passed.

(Please refer to Explanatory Note 8)

(10) Proposed Dividend Reinvestment Plan and the Proposed Issuance of Shares

Resolution 19

“THAT, subject to compliance with all applicable laws (as may be amended, modified or re-enacted from time to time), the Constitution of the Company, and the regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad and/or any other relevant regulatory authority:

- (a) approval be and is hereby given for the establishment of a dividend reinvestment plan that provides the shareholders of the Company an option to reinvest their cash dividend declared by the Company in new ordinary shares in the Company (“Proposed DRP”);
- (b) the Directors of the Company be and are hereby authorised:
 - (i) to establish and implement the Proposed DRP and the terms and conditions of the Proposed DRP;
 - (ii) to determine, in their sole and absolute discretion, whether the Proposed DRP will apply to any cash dividend (whether interim, final, special or any other types of cash dividend) declared;
 - (iii) to allot and issue such number of new ordinary shares in the Company (“Shares”) from time to time as may be required to be allotted and issued pursuant to the Proposed DRP until the conclusion of the Company’s next Annual General Meeting, upon the terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company (“Proposed Issuance of New Shares”);
 - (iv) to do all such acts and enter into all such transactions, arrangements, agreements, deeds and undertakings and to execute, sign and deliver, for and on behalf of the Company, all such documents and impose such terms and conditions or delegate any part of their powers as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed DRP and the Proposed Issuance of New Shares, with full power to assent to any conditions, modifications, variations, and/or amendments including suspension and termination of the Proposed DRP as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities;

THAT the new Shares shall, upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that the holders of the new Shares shall not be entitled to any dividend, rights, allotments and/or distributions in respect of which the entitlement date is before the allotment date of the new Shares issued pursuant to the Proposed DRP;

AND THAT the issue price of the said new Shares, which will be determined by the Directors on the price-fixing date to be determined and announced relating to the relevant dividend, shall be at an issue price of not more than 10% discount to the five-day volume weighted average market price (“VWAMP”) of the Shares immediately prior to the price-fixing date, where upon, the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount.”

(Please refer to Explanatory Note 9)

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON (LS0007908)

Company Secretary

15 May 2019

Kuala Lumpur

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1) Audited Financial Statements and the Reports of the Directors and Auditors thereon

The audited financial statements are laid at the annual general meeting (“AGM”) in accordance with Section 340(1)(a) of the Companies Act 2016 (“Act”). There is no requirement for the shareholders to approve and hence, this agenda item is meant for discussion only and will not be put forward for voting.

2) Re-election and Re-appointment of Directors

(a) Resolutions 1 and 2 – Rule 126 of our Constitution provides that at each AGM, one-third (1/3) of our Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third (1/3), shall retire from office, provided that all Directors shall retire from office once at least on each three years, but shall be eligible for re-election.

Based on the number of Directors who are subject to retirement by rotation, two out of seven Directors (excluding Directors who are retiring under Rule 115) shall retire at this AGM. Lim Ghee Keong (“LGK”) and Simon Cathcart (“SC”) shall retire by rotation at this AGM and being eligible, have offered themselves for re-election as Directors of our Company.

(b) Resolutions 3 and 4 – Rule 115 of our Constitution provides that any Director appointed, either to fill a casual vacancy or as an addition to the existing Board of Directors (“Board”), shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. A Director retiring under this Rule shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

Accordingly, Tunku Alizakri bin Raja Muhammad Alias (“TAZ”) and Mazita binti Mokty (“MM”) who were appointed to the Board on 15 February 2019 are standing for re-election at this AGM and being eligible, have offered themselves for re-election as Directors of our Company.

Based on the annual Board Effectiveness Evaluation, our Board is of the collective view that the said Directors who are retiring in accordance with Rule 126 have satisfactorily discharged their roles and responsibilities to act in the best interest of our Company while the Directors who are seeking re-election in accordance with Rule 115 were appointed on 15 February 2019 after a rigorous process and assessment by our Board and our Nomination and Corporate Governance Committee based on the established Board Selection Criteria to determine their suitability.

Our Board has thereby recommended that LGK, SC, TAZ and MM be re-elected as Directors of our Company.

Please refer to Part A of the Statement Accompanying Notice of AGM.

3) Director’s Fees and Benefits

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

At our AGM held on 7 June 2018, the fees and benefits to our Non-Executive Directors (“NEDs”) for the period commencing 8 June 2018 until the forthcoming AGM in June 2019 were approved based on the remuneration rates set out in Explanatory Note 4, Resolution 6 of the 2018 Notice of AGM for an estimated amount of up to RM3.54 million. The utilisation as at 31 January 2019 (approximately eight months) is RM1.71 million. Based on the current Board size and estimated number of meetings until the forthcoming AGM, the total utilisation is expected to be approximately 86% of the approved amount.

NOTICE OF ANNUAL GENERAL MEETING

Our Company is seeking our shareholders' approval for the payment of our NEDs' fees and benefits for the period commencing 28 June 2019 up till the next AGM to be held in 2020 ("Relevant Period") in accordance with the remuneration rates set out below, payable on a monthly basis and/or as and when incurred. The remuneration rates are unchanged from the rates approved by our shareholders in 2018 as our Board is of the view that the rates remain competitive and reasonable having regard to the role complexities and responsibilities of our NEDs:

Type of Fees/Benefits	Amount (RM)
Board Chairman	520,000 per annum
Non-Executive Director	280,000 per annum
Audit and Risk Committee	
• Chairman	50,000 per annum
• Member	25,000 per annum
Remuneration Committee	
• Chairman	40,000 per annum
• Member	20,000 per annum
Nomination and Corporate Governance Committee	
• Chairman	40,000 per annum
• Member	20,000 per annum
Meeting Allowances	1,000 per day
Benefits	Company car, petrol and driver for the Board Chairman

The estimated Directors' fees and benefits for the Relevant Period are expected to remain unchanged from the previous year at approximately RM3.54 million. In determining the estimated total Directors' fees and benefits for the Relevant Period, the size of our Board and Board Committees as well as the number of meetings estimated to be held during the Relevant Period were taken into consideration.

If Resolution 5 is passed, Directors' fees and benefits will be paid by the Company on a monthly basis and/or as and when incurred.

4) Re-appointment of Auditors

Our Board, through our Audit and Risk Committee, had reviewed and was satisfied with the performance and independence of PricewaterhouseCoopers PLT ("PwC") during the financial year ended 31 January 2019. The Board has thereby recommended the re-appointment of PwC as Auditors of the Company to hold office until the conclusion of the next AGM in 2020 in accordance with Section 271 of the Act, under Resolution 6.

5) Authority for Directors to Issue Ordinary Shares

Resolution 7, if passed, will provide the authority and empower our Directors, pursuant to Sections 75 and 76 of Act, to issue and allot new ordinary shares in our Company up to 10% of the total number of issued shares of our Company ("Proposed General Mandate"). This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM in 2020.

Please refer to Part B of the Statement Accompanying Notice of AGM for further details of the Proposed General Mandate.

NOTICE OF ANNUAL GENERAL MEETING

6) **Renewal of Authority for the Company to Purchase its Own Shares**

Resolution 8, if passed, will renew the authority granted by our shareholders at our AGM held on 7 June 2018 to continue to empower our Directors to purchase shares of our Company through Bursa Malaysia Securities Berhad up to 10% of the total number of issued shares of our Company (“Proposed Share Buy-Back”). This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM in 2020.

Please refer to Part C of the Statement Accompanying the Notice of AGM for further details of the Proposed Share Buy-Back.

7) **Proposed Utilisation of Transponder Capacity on the MEASAT-3d Satellite and the Proposed Early Termination of the Agreement for the Utilisation of Transponder Capacity on the MEASAT-3b Satellite**

Detailed information regarding the proposed utilisation of transponder capacity on the MEASAT-3d satellite and the proposed early termination of the agreement for the utilisation of transponder capacity on the MEASAT-3b satellite is set out in Part A of the Circular to Shareholders dated 15 May 2019. Resolution 9, if passed, will enable our Company’s wholly-owned subsidiary, MEASAT Broadcast Network Systems Sdn Bhd to utilise additional transponder capacity on the MEASAT-3d satellite to facilitate its business operations.

8) **Proposed Shareholders’ Mandate for Recurrent Related Party Transactions**

Detailed information regarding recurrent related party transactions is set out in Part B of the Circular to Shareholders dated 15 May 2019. Resolutions 10 to 18, if passed, will enable our Company and/or subsidiaries to enter into recurrent related party transactions in the ordinary course of business of a revenue or trading nature, which are necessary for our Group’s day-to-day operations, based on terms not more favourable to the related parties than those generally available to the public. Such mandate shall lapse at the conclusion of the next AGM in 2020 unless authority for its renewal is obtained from our shareholders at such general meeting.

9) **Proposed Dividend Reinvestment Plan and the Proposed Issuance of Shares**

Detailed information regarding the proposed dividend reinvestment plan (“Proposed DRP”) is set out in Part C of the Circular to Shareholders dated 15 May 2019. Resolution 19, if passed, will enable our Company to establish and implement the Proposed DRP, which will provide our shareholders with the opportunity to reinvest the whole or part of their cash dividends in new ordinary shares in our Company. The resolution will also provide the authority and empower our Directors to issue new ordinary shares in our Company pursuant to the Proposed DRP. Such authority to issue new shares shall lapse at the conclusion of the next AGM in 2020 unless authority for its renewal is obtained from our shareholders at such general meeting.

NOTICE OF ANNUAL GENERAL MEETING

NOTES ON ABSTENTION FROM VOTING

Our Directors who are referred to in Resolutions 1 to 4 are interested in the relevant resolutions and will therefore abstain from voting on the said resolutions in respect of his/her direct shareholdings in our Company at the forthcoming AGM. The said Directors will also ensure that persons connected to him/her will also abstain from voting on the relevant resolutions at the forthcoming AGM.

NOTES ON PROXY

- (1) In accordance with Rule 106.5 of our Constitution, a member of our Company ("Member") entitled to attend and vote at a meeting of our Company is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, participate, speak and vote for him/her subject to the following provisions:
 - (i) save as provided for Note (2) below, the Act and any applicable law, each Member shall not be permitted to appoint more than two proxies to attend the same meeting; and
 - (ii) where a Member appoints more than one proxy, the appointment shall be invalid provided that he/she specifies the proportion of his/her holdings to be represented by each proxy.
- (2) For the avoidance of doubt and subject always to Note (1)(ii) above, the Act and any applicable law:
 - (i) where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus account it holds, and
 - (ii) where a Member is an authorised nominee, he/she may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in our Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one instrument of proxy and specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
- (3) There shall be no restriction as to the qualification of the proxy. Hence, a proxy may but need not be a Member.
- (4) The instrument appointing a proxy shall be in writing and:
 - (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
 - (ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
- (5) The original instrument appointing a proxy must be deposited at the office of our Company's share registrar, Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, no later than Wednesday, 26 June 2019 at 9.30 a.m.; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Fax copies of the duly executed form of proxy are not acceptable.
- (6) If the form of proxy is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.
- (7) A proxy appointed to attend and vote at the meeting shall have the same rights as the Member to attend, participate, speak and vote at the meeting.
- (8) The lodging of a completed form of proxy does not preclude a Member from attending and voting in person at the meeting should the Member subsequently decide to do so. Should you subsequently decide to attend the AGM, you are requested to rescind your earlier appointment of proxy, and notify our share registrar as soon as practicable.

NOTES ON VOTING RIGHTS AND PROCEDURES

- (1) In accordance with Rule 106 of our Constitution, each Member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect

of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.

- (2) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions as set out in this Notice of Seventh AGM will be conducted by way of a poll. Every Member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for every share held by him. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way.
- (3) Our Company has appointed its share registrar, Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) ("Boardroom") as Poll Administrator to conduct the poll by way of electronic voting ("e-voting") and Boardroom Corporate Services Sdn Bhd (formerly known as Boardroom Corporate Services (KL) Sdn Bhd) as independent scrutineers to verify the poll results. E-voting for each of the resolutions as set out in this Notice of Seventh AGM will take place only upon conclusion of deliberations of all business to be transacted at the Seventh AGM or in such manner as directed by our Chairman. The registration for attendance will be closed at a time declared by our Chairman, to facilitate the commencement of the poll.
- (4) E-Polling Stations will be set up for the purpose of conducting the poll using Boardroom's e-polling system at the adjacent polling room. Each e-Polling Station will be equipped with a terminal and a barcode reader. Each Member/proxy will be directed to the e-Polling Station with his/her personalised barcode slip which is issued during registration for the Seventh AGM.
- (5) Voting can also be done using your own smartphone/tablet device via Boardroom Mobile e-Polling Application, as described below:

Voting Using Your Own Smartphone Device

- Members and proxy holders ("Voter") are advised to download the Boardroom Mobile e-Polling Application onto their device before attending the meeting.
- The Boardroom Mobile e-Polling Application download is available at no cost from Google Play Store or Apple App Store.
- Please refer to the information below on how to download the Boardroom Mobile e-Polling Application.
- You are encouraged to approach Boardroom's personnel at the Device Counter to check your devices' readiness to participate in the poll voting.

Voters Who Do Not Have Devices

- Voters will be ushered by Boardroom's personnel to the e-Polling Station that will be set up in the meeting room to cast their vote.
- Boardroom's personnel will be present at each polling station to assist Voters with the voting process

Access to Boardroom Mobile e-Polling Application

- You will be required to use the camera function of your device to capture the QR code to access the Boardroom Mobile e-Polling Application.
 - Detailed instruction on how to vote will be provided in the meeting before the start of the voting session.
- (6) Please cast your vote for the relevant resolutions at the desired terminals provided in the adjacent polling room as directed by Boardroom. Upon completion of the poll verification, the Seventh AGM will resume for the declaration of the poll results by our Chairman.

MEMBERS ENTITLED TO ATTEND

For purpose of determining a Member who is entitled to attend this AGM, our Company will request Bursa Malaysia Depository Sdn Bhd, in accordance with Rule 89.1(b) of our Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a Record of Depositors ("ROD") as at 20 June 2019. Only a depositor whose name appears on the ROD as at 20 June 2019 shall be entitled to attend the meeting or appoint a proxy(ies) to attend and/or vote on his/her behalf.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) And 12.06(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”)

PART A (Resolutions 1 to 4)

RE-ELECTION OF DIRECTORS PURSUANT TO OUR CONSTITUTION OF THE COMPANY

The profiles of our Directors who are standing for re-election under Resolutions 1 to 4 as stated in the Notice of the Seventh Annual General Meeting (“AGM”) are stated on pages 62 to 63 of the Integrated Annual Report 2019.

PART B (Resolution 7)

RENEWAL OF AUTHORITY FOR DIRECTORS TO ISSUE ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)

Our shareholders of the Company had approved a resolution to authorise our Directors to issue new ordinary shares in our Company pursuant to Sections 75 and 76 of the Act (“General Mandate”) at the Sixth AGM held on 7 June 2018.

Our Company has not issued any new shares pursuant to the General Mandate which will lapse upon the conclusion of this AGM.

Resolution 7, if passed, will provide the authority and empower our Directors, pursuant to Sections 75 and 76 of the Act, to issue new ordinary shares in our Company up to an aggregate number not exceeding 10% of the total number of issued shares of the Company for the time being, and to make or grant offers, agreements or option in respect of such shares, from the date of this AGM until the next AGM of our Company for such purposes as our Directors deem necessary. The proposed General Mandate will provide flexibility to our Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investments, working capital, and/or acquisitions. In any event, our Board will exercise its authority to issue shares only if it considers it to be in the best interests of our Company.

PART C (Resolution 8)

RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK”)

1. INTRODUCTION

On 7 June 2018, our Company had obtained shareholders’ approval for the authority to be granted to our Company to purchase its own shares of up to 10% of the total number of issued shares of our Company. The said approval shall, in accordance to the MMLR of Bursa Securities, expire at the conclusion of the forthcoming Seventh AGM of our Company scheduled to be held on 27 June 2019.

On 26 March 2019, our Board announced the intention to seek shareholders’ approval for the Proposed Renewal of Authority for Share Buy-Back at the forthcoming AGM.

The purpose of this Statement is to provide you with the relevant information pertaining to the Proposed Renewal of Authority for Share Buy-Back and to seek your approval for Resolution 8 as set out in the Notice of AGM.

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You are advised to read the contents of this Statement carefully before voting on the resolution pertaining to the Proposed Renewal of Authority for Share Buy-Back to be tabled at our forthcoming AGM. If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Securities takes no responsibility for the contents of this Statement and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or due to your reliance upon the whole or any part of the contents of this Statement. Bursa Securities has not perused the contents of this Statement. You should rely on your own evaluation to assess the merits and risks of the Proposed Renewal of Authority for Share Buy-Back (as set out in this Statement).

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

2. DETAILS OF THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

2.1 Proposed Renewal of Authority for Share Buy-Back

Our Company proposes to seek its shareholders' approval for renewal of the authority granted to our Company for the purchase of our Company's ordinary shares ("AMH Shares") of up to 10% of the total number of issued shares of our Company ("Proposed Share Buy-Back"), which will be subject to compliance with Section 127 of the Act, the Constitution of our Company, the MMLR of Bursa Securities and any other prevailing laws and rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

The Proposed Renewal of Authority for Share Buy-Back, if granted by our shareholders, shall be effective upon the passing of the ordinary resolution at our forthcoming AGM until:

- (a) the conclusion of the next AGM;
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever is the earliest ("Authority Period").

2.2 Quantum

For illustrative purposes, based on our Company's total number of issued shares as at the latest practical date comprising 5,214,314,500 AMH Shares, the maximum number of AMH Shares that can be purchased pursuant to the Proposed Share Buy-Back is 521,431,450 AMH Shares representing 10% of the total number of our Company's issued shares.

However, the maximum number of AMH Shares that our Company can purchase may change and would depend on our Company's total number of issued shares at the time of such purchase. For example, any issuance of AMH Shares pursuant to our Management Share Scheme would increase our Company's total number of issued shares and hence, increase the maximum number of AMH Shares that can be purchased.

The Proposed Share Buy-Back will allow our Board to exercise its power to purchase AMH Shares at any time during the Authority Period. However, having this authority does not imply that our Board is obliged to exercise the same.

2.3 Funding

It is our Company's intention to use internally-generated funds to finance the purchase of AMH Shares and any decision by the Board to purchase will depend on, amongst others, the availability of funds as well as market conditions and sentiments.

Notwithstanding the above, the maximum amount of funds to be used for the purchase of AMH Shares pursuant to the Proposed Share Buy-Back will not exceed the aggregate of our Company's retained earnings. Based on the latest audited financial statements as at 31 January 2019, our Company's retained earnings were RM168.6 million.

2.4 Treatment of Purchased Shares

In accordance with Section 127 of the Act, our Board may, at its discretion, deal with the purchased AMH Shares in the following manner:

- (a) cancel all or part of the AMH Shares so purchased;
- (b) retain all or part of the AMH Shares so purchased as treasury shares, which may subsequently be cancelled, distributed as share dividends to the shareholders and/or resold on Bursa Securities in accordance with the MMLR;
- (c) transfer all or part of the AMH Shares so purchased as purchase consideration or for the purpose of or under an employees' share scheme;
- (d) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- (e) dealt with in any other manner as may be prescribed by the prevailing laws and rules, regulations, orders guidelines and requirements issued by the relevant authorities at that time.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

In the event our Company ceases to hold the purchased AMH Shares as a result of the above, our Company may purchase additional AMH Shares pursuant to the Proposed Share Buy-Back provided that the total number of AMH Shares purchased (including the treasury shares existing at that time) does not exceed 10% of our Company's total number of issued shares at the time of the purchase.

While the purchased AMH Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in AMH for any purpose including substantial shareholdings, take-overs, notices and the requisition, quorum and the result of a vote on a resolution at a general meeting of our Company.

Pursuant to the MMLR, a listed company (i) may only purchase its own shares on Bursa Securities at a price which is not more than 15% above the weighted average market price of the shares for the five market days immediately before the date of the purchase; and (ii) may only resell or transfer the treasury shares at a price which is:

- (a) not less than the weighted average market price for the shares for the five market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for the shares for the five market days immediately before the resale or transfer provided that –
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The authority for the Proposed Share Buy-Back will provide our Company with additional flexibility in respect of its capital management initiatives, whereby our Company has the option, if so implemented, to use any surplus funds in an efficient manner to purchase AMH Shares from the open market. The Proposed Share Buy-Back, if implemented, may also assist in stabilising the supply and demand as well as the market price of AMH Shares.

Further, the purchase by our Company of its own shares is expected to result in an improvement to its EPS (given the decrease in the share base used for the computation of the same), which in turn would benefit the shareholders. Alternatively, any purchased AMH Shares which are retained as treasury shares may be resold on the Bursa Securities at a potentially higher price and/or distributed as share dividends to the shareholders.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

4.1 The Proposed Share Buy-Back, if implemented, may help stabilise the supply and demand of AMH Shares traded on the Main Market of Bursa Securities, which may in turn mitigate short-term volatility of the market price of AMH Shares and support our Company's intrinsic value from our Company's perspective.

Our Board may retain the AMH Shares purchased as treasury shares and subsequently distribute them as share dividends to the shareholders or cancel the treasury shares.

In addition, Our Company may have the opportunity to realise potential capital gains if the AMH Shares purchased are resold at prices higher than the purchase prices and such proceeds may be subsequently used for investment opportunities arising in the future, working capital and/or to be distributed as dividends to our shareholders.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- 4.2 However, the Proposed Share Buy-Back, if implemented, will reduce the amount of financial resources available for distribution to shareholders and may result in our Group having to forego other investment opportunities that may emerge in the future, or deprive our Group of interest income that can be derived from the funds utilised for any purchase of AMH Shares. In addition, any purchase of AMH Shares will reduce our Group's cashflow by the value of the AMH Shares purchased.

Such decrease in our Group's financial resources may be mitigated as the AMH Shares purchased and retained as treasury shares may be subsequently resold.

- 4.3 Our Board does not expect the Proposed Share Buy-Back to have any material disadvantage to our Company and our shareholders as it will be implemented only after due consideration of the financial resources of our Group and of the resultant impact on our Company and our shareholders. Our Board, in exercising any decision to purchase any AMH Shares, will take into consideration our Company's and shareholders' best interests.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

5.1 Share capital

The Proposed Share Buy-Back will not have any effect on the total number of issued shares of our Company unless the AMH Shares purchased are cancelled.

For illustrative purposes, based on our Company's total number of issued shares as at 31 January 2019 amounting to 5,214,314,500 ordinary shares and assuming the maximum permissible number of AMH Shares that may be purchased by our Company pursuant to the Proposed Share Buy-Back amounts to 521,431,450 ordinary shares ("Maximum Purchase") and the subsequent cancellation of all shares purchased, our Company's total number of issued shares would decrease from 5,214,314,500 to 4,692,883,050.

5.2 EPS

The effects of the Proposed Share Buy-Back on the earnings and EPS of our Group will depend on various factors including the number of AMH Shares purchased as well as any income foregone in connection with funding such purchases. Nonetheless, as highlighted in Section 3 above, the purchase of AMH Shares will result in a lower number of shares being taken into account for purposes of EPS computation, which is expected to improve the EPS of our Group.

5.3 Net Assets and Net Assets per share

If the Proposed Share Buy-Back is implemented, the net assets attributable to equity shareholders ("NA") of our Group will decrease by the purchase value of AMH Shares upon purchase. If the treasury shares are cancelled and/or distributed as share dividends, there will be no additional effect on the NA of our Group. If the treasury shares are resold, the NA of our Group will increase by the sale value of AMH Shares. When the purchase and resale of AMH Shares are taken as a whole, there will be a net increase in the NA of our Group if the resale value is higher than the purchase value and a net decrease if the resale value is lower than the purchase value.

Further, the NA per share of our Group will increase if the purchase price of AMH Shares is less than the NA per share at the time of purchase, and will decrease if the purchase price of AMH Shares is more than the NA per share at the time of purchase. The converse effect will also apply if the treasury shares are subsequently resold.

5.4 Working Capital

The Proposed Share Buy-Back is not expected to have a material effect to our Group's working capital in view that our Company will only purchase its own shares if our Company has surplus funds, after taking into consideration the capital expenditure and working capital requirements of our Group.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

5.5 Proforma Effects on Our Substantial Shareholders' and Directors' shareholdings

Based on the Register of Substantial Shareholders, Register of Directors' Shareholdings and the total number of issued shares of our Company as at 16 April 2019, the proforma effects of the Proposed Share Buy-Back on the substantial shareholders' and Directors' shareholdings in our Company (assuming Maximum Purchase from shareholders of our Company other than from the said substantial shareholders and Directors) are as follows:

Name	Notes	As at 16 April 2019				After Maximum Purchase pursuant to the Proposed Share Buy-Back			
		Direct		Indirect		Direct		Indirect	
		No. of AMH Shares	%	No. of AMH Shares	%	No. of AMH Shares	%	No. of AMH Shares	%
Substantial shareholders:									
Pantai Cahaya Bulan Ventures Sdn Bhd		1,077,735,927	20.67	-	-	1,077,735,927	22.97	-	-
Khazanah Nasional Berhad	1	-	-	1,077,735,927	20.67	-	-	1,077,735,927	22.97
All Asia Media Equities Limited		1,013,297,290	19.43	-	-	1,013,297,290	21.59	-	-
Usaha Tegas Entertainment Systems Sdn Bhd	2	235,778,182	4.52	1,013,297,290	19.43	235,778,182	5.02	1,013,297,290	21.59
Usaha Tegas Sdn Bhd	3	-	-	1,249,075,472	23.95	-	-	1,249,075,472	26.62
Pacific States Investment Limited	4	-	-	1,249,075,472	23.95	-	-	1,249,075,472	26.62
Excorp Holdings N.V.	5	-	-	1,249,075,472	23.95	-	-	1,249,075,472	26.62
PanOcean Management Limited	5	-	-	1,249,075,472	23.95	-	-	1,249,075,472	26.62
East Asia Broadcast Network Systems N.V.		421,939,707	8.09	-	-	421,939,707	8.99	-	-
East Asia Broadcast Systems Holdings N.V.	6	-	-	421,939,707	8.09	-	-	421,939,707	8.99
Tucson N.V.	7	-	-	421,939,707	8.09	-	-	421,939,707	8.99
Ananda Krishnan Tatparanandam	8	-	-	2,152,868,226	41.29	-	-	2,152,868,226	45.88
Harapan Terus Sdn Bhd	9	-	-	462,124,447	8.86	-	-	462,124,447	9.85
Dato' Haji Badri bin Haji Masri	10	-	-	462,124,447	8.86	-	-	462,124,447	9.85
Tun Haji Mohammed Hanif bin Omar	10	-	-	462,124,447	8.86	-	-	462,124,447	9.85
Mohamad Shahrin bin Merican	10	200,000	0.00*	462,124,447	8.86	200,000	0.00*	462,124,447	9.85
Employees Provident Fund Board	11	435,224,964	8.35	-	-	435,224,964	9.27	-	-
Directors:									
Tun Dato' Seri Zaki bin Tun Azmi		1,050,000	0.02	-	-	1,050,000	0.02	-	-
Datuk Yvonne Chia		100,000	0.00*	-	-	100,000	0.00*	-	-
Richard John Freudenstein		-	-	-	-	-	-	-	-
Renzo Christopher Viegas		50,000	0.00*	-	-	50,000	0.00*	-	-
Lim Ghee Keong		1,000,000	0.02	-	-	1,000,000	0.02	-	-
Simon Cathcart		-	-	-	-	-	-	-	-
Shahin Farouque bin Jammal Ahmad		-	-	-	-	-	-	-	-
Tunku Alizakri bin Raja Muhammad Alias		-	-	-	-	-	-	-	-
Mazita binti Mokty		-	-	-	-	-	-	-	-
Vernon Das (Alternate Director to Lim Ghee Keong)		-	-	-	-	-	-	-	-

* negligible

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) *Khazanah is deemed to have an interest in the AMH Shares by virtue of PCBV being a wholly-owned subsidiary of Khazanah.*
- (2) *UTES is deemed to have an interest in all of the AMH Shares in which AAME has an interest, by virtue of UTES holding 100% equity interest in AAME. In addition to the deemed interest held via AAME in AMH, UTES holds directly 235,778,182 AMH Shares representing 4.52% equity interest in AMH.*
- (3) *UTSB is deemed to have an interest in the AMH Shares by virtue of UTSB holding 100% equity interest in UTES. Please refer to Note (2) above for UTES' direct and deemed interests in the AMH Shares.*
- (4) *PSIL is deemed to have an interest in the AMH Shares by virtue of PSIL holding 99.999% equity interest in UTSB. Please refer to Note (3) above for UTSB's deemed interest in the AMH Shares.*
- (5) *PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. Please refer to Note (4) above for PSIL's deemed interest in the AMH Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the AMH Shares, it does not have any economic or beneficial interest in such AMH Shares, as such interest is held subject to the terms of such discretionary trust.*
- (6) *EABSH is deemed to have an interest in all of the AMH Shares in which EABNS has an interest, by virtue of EABSH holding 100% equity interest in EABNS.*
- (7) *Tucson is deemed to have an interest in all of the AMH Shares in which EABSH has an interest, by virtue of Tucson holding 100% equity interest in EABSH. Please refer to Note (6) above for EABSH's deemed interest in AMH Shares.*
- (8) *TAK is deemed to have an interest in the AMH Shares, by virtue of the following:*
 - (i) *PanOcean's deemed interest of 1,249,075,472 AMH Shares representing 23.95% equity interest in AMH are held directly by UTES and AAME;*

Although TAK is deemed to have an interest in the AMH Shares, he does not have any economic or beneficial interest in such AMH Shares, as such interest is held subject to the terms of a discretionary trust referred to in Note (5) above;
 - (ii) *the interests of EABNS, Pacific Broadcast Systems N.V. ("PBS"), Home View Limited N.V. ("HVL"), Southpac Investments Limited N.V. ("SIL"), Ujud Cergas Sdn Bhd ("UCSB"), Metro Ujud Sdn Bhd ("MUSB"), Mujur Sanjung Sdn Bhd ("MSSB"), Prisma Gergasi Sdn Bhd ("PGSB") and Ujud Murni Sdn Bhd ("UMSB") which collectively hold directly 903,792,754 AMH Shares representing 17.33% equity interest in AMH. TAK is deemed to have an interest in the 903,792,754 AMH Shares collectively held by EABNS, PBS, HVL, SIL, UCSB, MUSB, MSSB, PGSB and UMSB by virtue of him holding 100% equity interest in their respective ultimate holding companies viz. Tucson, Orient Systems Limited N.V., Home View Holdings N.V., Southpac Holdings N.V., All Asia Radio Broadcast N.V., Global Radio Systems N.V., Maestra International Broadcast N.V., Maestra Global Radio N.V. and Global Broadcast Systems N.V.*
- (9) *HTSB is deemed to have an interest in all of the AMH Shares through its wholly-owned subsidiaries, namely, Berkat Nusantara Sdn Bhd, Nusantara Cempaka Sdn Bhd, Nusantara Delima Sdn Bhd, Mujur Nusantara Sdn Bhd, Gerak Nusantara Sdn Bhd and Sanjung Nusantara Sdn Bhd. (collectively, "HTSB Subsidiaries").*

The HTSB Subsidiaries hold such AMH Shares under discretionary trusts for Bumiputera objects. As such, HTSB does not have any economic interest in such AMH Shares as such interest is held subject to the terms of such discretionary trusts.
- (10) *He is deemed to have an interest in the AMH Shares by virtue of his 25% direct equity interest in HTSB. However, he does not have any economic interest in such AMH Shares as such interest is held subject to the terms of the discretionary trusts referred to in Note (9) above.*
- (11) *Held through nominee companies managed by portfolio managers.*

As at 16 April 2019, based on the Record of Depositors, the public shareholding spread was 29.08%.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

6. IMPLICATION OF THE CODE

Under the Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 (“Code”), a mandatory offer obligation under Part III of the Code (“MGO”) arises when:

- (a) a person obtains control in a company as a result of a buy-back scheme by the company; or
- (b) a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company), as a result of a buy-back scheme by the company, increases his holding of the voting shares or voting rights of the company by more than 2% in any six-month period.

Future purchases by our Company of AMH Shares pursuant to the Proposed Share Buy-Back may result in UTSB and/or its affiliates triggering an obligation to undertake a MGO. It is our Board’s intention to implement the Proposed Share Buy-Back in a manner that will not result in any of the shareholders having to undertake a MGO pursuant to the Code.

7. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF AMH SHARES MADE IN THE PRECEDING 12 MONTHS

Our Company had not carried out any purchase of AMH Shares previously and as such, there has been no resale, transfer or cancellation of the treasury shares in the previous 12 months preceding the date of this Statement.

8. HISTORICAL SHARE PRICES OF THE COMPANY

The monthly high and low prices of AMH Shares as traded on the Main Market of Bursa Securities for the past 12 months from May 2018 to April 2019 are as follows:

	High RM	Low RM
2018		
April	2.09	1.75
May	1.91	1.31
June	1.85	1.35
July	1.86	1.57
August	1.97	1.74
September	1.86	1.46
October	1.57	1.21
November	1.41	1.05
December	1.41	1.19
2019		
January	1.70	1.31
February	1.70	1.53
March	1.66	1.48

The last transacted price of AMH Shares on 16 April 2019, being the latest practicable date prior to the despatch of this Statement, was RM1.50 per AMH Share.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

9. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the increase in the percentage shareholdings and/or voting rights in our Company arising from the implementation of the Proposed Share Buy-Back, none of our Directors and major shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back or future resale of treasury shares (if any).

10. DIRECTORS' RECOMMENDATION

Our Directors, having considered all relevant aspects, are of the opinion that the Proposed Share Buy-Back is in the best interest of our Company and recommend you to vote in favour of the resolution pertaining to the Proposed Renewal of Authority for Share Buy-Back at the forthcoming AGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by our Directors who collectively and individually accept full responsibility for the accuracy of the information contained herein. Our Directors confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any information herein misleading.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at 3rd Floor, Administration Building, All Asia Broadcast Centre, Technology Park Malaysia, Lebuhraya Puchong-Sungai Besi, Bukit Jalil, 57000 Kuala Lumpur between 9.00 a.m. to 5.30 p.m. on Monday to Friday (except public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:

- (i) Constitution of our Company; and
- (ii) Audited consolidated financial statements of our Company for the past two financial years ended 31 January 2018 and 31 January 2019.

Proxy Form



Number of shares held	CDS account no.

*I/We, _____ *NRIC*/Passport*/Company No. _____
(full name of Member in block letters) (compulsory)

of _____
(full address of Member in block letters)

and telephone no. _____, being a member of Astro Malaysia Holdings Berhad ("Company"), hereby appoint the following person(s) as my/our proxy:

	Full name of proxy in block letters	*NRIC*/Passport No.	No. of shares to be represented	Percentage
Proxy 1				
Proxy 2				
		Total:		100%

or failing *him*/her, THE CHAIRMAN OF THE MEETING as *my*/our proxy/*proxies to vote for *me/*us on *my*/our behalf at the **Seventh Annual General Meeting of the Company to be held on Thursday, 27 June 2019 at 9.30 a.m.** at the Grand Ballroom, Level 3A, Connexion@Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur and at any adjournment thereof.

*I/*We indicate with an "x" in the spaces below how *I/*we wish *my*/our vote to be cast:

No.	Ordinary Resolutions	For	Against	Abstain
1	Re-election of Lim Ghee Keong as a Director of the Company			
2	Re-election of Simon Cathcart as a Director of the Company			
3	Re-election of Tunku Alizakri bin Raja Muhammad Alias as a Director of the Company			
4	Re-election of Mazita binti Mokty as a Director of the Company			
5	Proposed Payment of Directors' Fee and Benefits for the period from 28 June 2019 until the next Annual General Meeting of the Company to be held in 2020			
6	Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors of the Company			
7	Proposed Renewal of Authority for Directors to Issue Ordinary Shares pursuant to Sections 75 and 76 of the Companies Act 2016			
8	Proposed Renewal of Authority for the Company to Purchase its Own Shares			
9	Proposed Utilisation of Transponder Capacity on the MEASAT-3d satellite by MEASAT Broadcast Network Systems Sdn Bhd, a wholly-owned subsidiary of the Company and the Proposed Early Termination of the Agreement for the Utilisation of Transponder Capacity on the MEASAT-3b satellite			
10	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Usaha Tegas Sdn Bhd and/or its affiliates			
11	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Maxis Berhad and/or its affiliates			
12	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with MEASAT Global Berhad and/or its affiliates			
13	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Astro Holdings Sdn Bhd and/or its affiliates			
14	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Sun TV Network Limited and/or its affiliates			
15	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with GS Home Shopping Inc. and/or its affiliates			
16	Proposed Shareholders' Mandate for Recurrent Related Party Transaction with SRG Asia Pacific Sdn Bhd and/or its affiliates			
17	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Grup Majalah Karangkrak Sdn Bhd and/or its affiliates			
18	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Ultimate Print Sdn Bhd and/or its affiliates			
19	Proposed Dividend Reinvestment Plan and the Proposed Issuance of Shares			

Subject to the abovestated voting instructions, *my*/our proxy may vote or abstain from voting on any resolutions as *he*/she/*they may think fit.

Dated this _____ day of _____ 2019

Signed by hand (if Individual)/by Affixation of Common Seal
(if Corporation)

NOTES ON PROXY

- (1) In accordance with Rule 106.5 of our Constitution, a member of our Company ("Member") entitled to attend and vote at a meeting of our Company is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, participate, speak and vote for him/her subject to the following provisions:
- (i) save as provided for Note (2) below, the Act and any applicable law, each Member shall not be permitted to appoint more than two proxies to attend the same meeting; and
 - (ii) where a Member appoints more than one proxy, the appointment shall be invalid provided that he/she specifies the proportion of his/her holdings to be represented by each proxy.
- (2) For the avoidance of doubt and subject always to Note (1)(ii) above, the Act and any applicable law:
- (i) where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus account it holds, and
 - (ii) where a Member is an authorised nominee, he/she may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in our Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one instrument of proxy and specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
- (3) There shall be no restriction as to the qualification of the proxy. Hence, a proxy may but need not be a Member.
- (4) The instrument appointing a proxy shall be in writing and:
- (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
 - (ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

- (5) The original instrument appointing a proxy must be deposited at the office of our Company's share registrar, **Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, no later than Wednesday, 26 June 2019 at 9.30 a.m.**; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Fax copies of the duly executed form of proxy are not acceptable.
- (6) If the form of proxy is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.
- (7) A proxy appointed to attend and vote at the meeting shall have the same rights as the Member to attend, participate, speak and vote at the meeting.
- (8) The lodging of a completed form of proxy does not preclude a Member from attending and voting in person at the meeting should the Member subsequently decide to do so. Should you subsequently decide to attend the AGM, you are requested to rescind your earlier appointment of proxy, and notify our share registrar as soon as practicable.

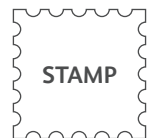
Members Entitled to Attend

For purpose of determining a Member who is entitled to attend this AGM, the Company will request Bursa Malaysia Depository Sdn Bhd, in accordance with Rule 89.1(b) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a Record of Depositors ("ROD") as at **20 June 2019**. Only a depositor whose name appears on the ROD as at **20 June 2019** shall be entitled to attend the meeting or appoint a proxy(ies) to attend and/or vote on such depositor's behalf.

PERSONAL DATA PRIVACY

By submitting the information in this form, you consent to Astro Malaysia Holdings Berhad (932533-V) processing your personal data in the manner stipulated in the Privacy Notice for Shareholders set out in <https://www.astro.com.my/privacy-notice-shareholders> and warrant that consent of the proxy(ies) and/or representative(s) whose personal data you have provided has also been obtained accordingly and that they have been informed of the privacy notice.

Please Fold Here



Boardroom Share Registrars Sdn Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
Level 6, Symphony House, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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ASTRO MALAYSIA HOLDINGS BERHAD 932533-V
(Incorporated in Malaysia under the Companies Act, 1965)

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