

20 YEARS
CELEBRATING YOU



ASTRO MALAYSIA HOLDINGS BERHAD
(Company No. 932533-1)
(Incorporated in Malaysia under the Companies Act, 1965)

ANNUAL REPORT 2016



At Astro, we're driven by
who **you** are – your traditions,
dreams, ever-changing needs and even quirks.
And we **aspire to leave a mark on your world,**
however small it may be. Since launching in 1996, our vision,
achievements, innovations and evolution have all been about you –
enriching your life with great content, services, experiences and more.
You have inspired us to Go Beyond in all we do.
From a single screen, we have grown into a multiscreen, multiroom
and multimedia experience. All to ensure we have everything we
need to lift your day, personalised to your tastes and preferences too.
Always on the go? We have gone beyond the living room to delight you
anywhere with great mobile content and innovative apps.
Like to pick and choose? Our **On Demand services** provide you instant
access to the entertainment of your choice. If you're a TV show fan,
we bring you new episodes of hit series from the U.S.,
U.K., Korea, Hong Kong, China and India via same-day broadcast.
Our unbeatable world of live sports and prestigious live events,
including the **OSCARs**, will have you cheering as you share
the triumphs of your heroes and heroines. And if you prefer to
enjoy it all in **HD**, our range of HD content will be a feast
for your eyes.
After all, we were the first to introduce **HD in**
to all that the world-class local
content on offer, and you
Malaysia.
we strive to nurture both on-air and off-air local talents,
and elevate them to the world stage. On the silver screen,
our films have been record-breaking sensations beloved
by Malaysians of all ages, across all ethnic groups. As we
welcome our **20th anniversary**, we look forward to
many more years of innovation, inspiration and unity.
All so we can grow with you, discover with you, and
serve you better. **It's our way of leaving**
a small mark on your world –
by celebrating you

Financial Year Ended 31 January

2016

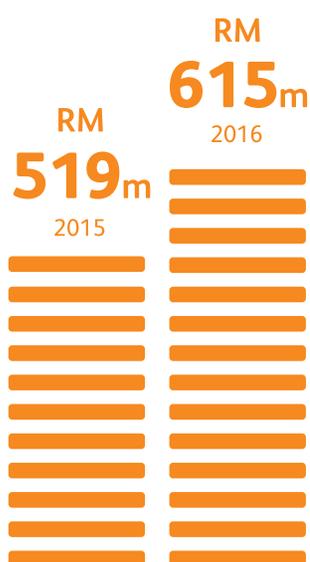
FACTS AT A GLANCE



REVENUE

RM 5.2bn 2015 RM 5.5bn 2016

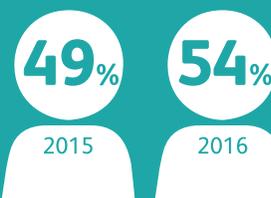
PATAMI



HOUSEHOLD PENETRATION



SHARE OF VIEWERSHIP



ARPU



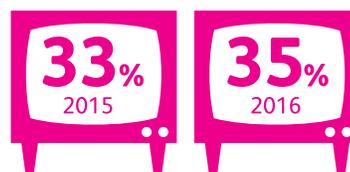
RADIO LISTENERS



ADVERTISING INCOME



SHARE OF TV ADEX



SHARE OF RADEX



GO SHOP REVENUE



AVERAGE MONTHLY UNIQUE ONLINE USERS



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OUR COMPANY



Astro Malaysia Holdings Berhad is a leading content and consumer group in Malaysia and ASEAN, with a focus on ideation, creation, aggregation, distribution and monetisation of content.

With a customer base of 4.8 million or approximately 67% penetration of total households in Malaysia, Astro serves 20 million individuals by offering a wide range of media and entertainment spanning across television, radio, digital media and home shopping. Our value proposition includes 183 TV channels broadcast via our DTH Satellite TV, IPTV and OTT platforms, of which 69 are Astro branded and 54 are in HD. Our customers have a variety of options when it comes to viewing preferences: we provide HD, PVR, OD, IPTV services via Astro B.yond; as well as on AOTG and Tribe. We also offer a non-subscription freemium service called NJOI, which offers 28 channels – of which two are in HD – and 20 radio stations.

We originate and create world-class content for consumption within Malaysia as well as for distribution regionally. Our robust in-house production capabilities are built on two decades of experience and customer insights – thus underpinning our position as a leading producer of vernacular content that caters to ASEAN's diverse, multilingual communities. We produced approximately 13,000 hours of content this year covering a variety of genres, and our award-winning content IPs break viewership records regularly with their innovative formats and high production quality. Our content brands are also monetised in a truly 360° manner, expanding beyond screens into merchandising and live events.

We own 18 radio stations – which include the highest-rated stations across Malaysia's four main languages. Available terrestrially and online, as well as aggregated onto our listening app called Raku, these radio stations reach over 12.8 million listeners weekly in Malaysia. We also house one of the top Malay entertainment sites in Malaysia and the country's No.1 YouTube channel through Astro Gempak, and own a variety of digital publications, applications and platforms. Our focus on a platform-agnostic approach is reflected in our home shopping business, Go Shop, available on two dedicated TV channels as well as via e-commerce and mobile.

Astro has won the Gold award in the Media and Entertainment category of the Putra Brand Awards for the past six years, including 'Brand of the Year' in 2012 and 'Brand Icon' in 2013. Other awards include 'Organisation of the Year' at the 2015 National Award for Management Accounting, Gold and Silver Stevie Awards at the 9th Annual Stevie Awards for Sales and Customer Service, a Silver award for Diversity and Inclusiveness Reporting at the National Annual Corporate Report Awards 2015, and a Bronze Stevie Award at the 2015 International Business Awards for Corporate Social Responsibility Program of the Year (Asia, Australia and New Zealand category) for the Astro Kasih Sports Initiative. These awards are in recognition of Astro's regional market leadership, efforts to exemplify innovation and outstanding commitment to corporate responsibility.

Corporate Structure



TV & Radio

MEASAT Broadcast Network Systems Sdn Bhd 100%

- Astro Radio Sdn Bhd 100%
 - > DVR Player.Com Sdn Bhd 100%
- Perfect Excellence Waves Sdn Bhd 100%
- MEASAT DigiCast Sdn Bhd 100%
- Maestra Broadcast Sdn Bhd 100%
- MEASAT Radio Communications Sdn Bhd 100%
- Radio Lebuhraya Sdn Bhd 100%
- Yayasan Astro Kasih*

Astro Productions Sdn Bhd 100%

Astro Productions Services Sdn Bhd 100%

Astro (Brunei) Sdn Bhd 100%

- Kristal-Astro Sdn Bhd 50%

Digital Media & Publications

Astro Digital Sdn Bhd 100%

- Astro Digital 5 Sdn Bhd 100%
- Astro Digital Publications Sdn Bhd 100%

Tribe Limited 100%

Media Sales & Content

Astro Entertainment Sdn Bhd 100%

- Maestro Talent and Management Sdn Bhd 100%
- Astro Arena Sdn Bhd 100%
- Astro Sports Marketing Sdn Bhd 100%
 - > Asia Sports Ventures Pte Ltd 100%
- Astro Awani Network Sdn Bhd 80%
- Spark Asia TV Pte Ltd 30%
- Red Communications Sdn Bhd 29%

Astro Shaw Sdn Bhd 100%

- Tayangan Unggul Sdn Bhd 100%
- Nusantara Films Sdn Bhd 100%
- Karya Anggun Sdn Bhd 100%

Retail

Astro Retail Ventures Sdn Bhd 100%

- Astro GS Shop Sdn Bhd 60%

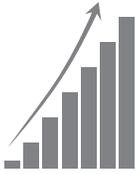
Others

Astro Group Services Sdn Bhd 100%

MBNS Multimedia Technologies Sdn Bhd 100%

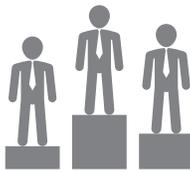
- Advanced Wireless Technologies Sdn Bhd 25%

Market Landscape



Economic Trends

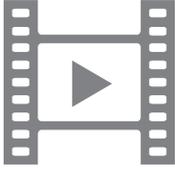
- Malaysia's GDP is expected to grow by approximately 4%-4.5% in 2016
- Existing macro-economic uncertainties may weaken consumer and business confidence which may tighten entertainment and media spend in the near term
- These wider macro-economic issues have maintained its pressure on the Malaysian Ringgit, further accentuating the soft economic environment. Astro monitors the market closely and maintains a conservative approach to treasury risk management, customised to its business needs
- Astro continues to cater to different consumer segments with varying levels of willingness to spend, by providing a wide range of tiered products at multiple price points, from our freemium service NJOI to our Family Pack, Value Pack, Super Pack and Super Pack Plus



Competition

- In 2015, a number of online video platforms such as Hooq, iflix and Netflix launched their services in the region aiming to capitalise on the growing population of online media consumers. Aided by the proliferation of connected devices, these new media players target the digital native segment that demands a more personalised viewing experience and seeks new types of content genres such as short form and user-generated videos
- Astro has evolved its service offering to account for these competitive dynamics and shifts in consumption behaviours. Most notably we continue to enhance our AOTG proposition, with the service now also available to NJOI customers. Additionally, AOTG provides a download-to-go feature, enabling users to download and watch offline
- Astro differentiates itself by strengthening its vernacular, international and sports proposition through investing in more live, premium and signature content. Astro launched OD in FY16, giving users access to free content, a subscription-based library, as well as a browse and purchase store. OD has over 10,000 hours of content available including complete seasons of TV series and a large movie library incorporating both local and Hollywood offerings
- Astro entered into the regional OTT space recently by launching Tribe. Tribe is our very own fully digital mobile-first startup, adopting key learnings from global best OTT providers, centered on building a community of fans around the most popular content genres, particularly in the younger demographic – allowing for consumption anytime, anywhere. Tribe will seek complementary partnerships with telecommunications and media companies in each market as it expands – bringing live sports, Asian classics and day/date Korean entertainment among others to a wider audience. As a fully digital business model, it will cater to a digital generation in a format they know best

Market Landscape



Increase in Own-Content Investment

- IP creation and ownership is increasingly prioritised by pay-TV operators as a means to differentiate their content offering as well as to generate commercial benefits through licensing and syndication. Their growth moving forward is largely predicated on the increase of original local content
- The number of collaborations and partnerships within the Asian content space continue to rise in line with the growing appetite for fresh content in the region
- Creation and aggregation of the best vernacular and Asian-centric content, across multiple genres is a key focus for Astro and consequently has helped to increase viewership and household penetration
- In FY16, Astro created over 13,000 hours of content for our 69 Astro branded channels and five feature films for theatrical release. Notably, *Polis Evo* generated over RM18 million in GBO collection, making it the highest-ever grossing Malaysian movie up to 2015. Our experience in producing high quality content has secured us high profile regional production deals such as *Asia's Got Talent* and the 28th SEA Games which we aim to build upon in the future



E-commerce

- In Malaysia, e-commerce is forecast to achieve a double digit growth rate in 2016, fuelled by growing affluence, rise in internet penetration levels, enhanced online shopping experience as well as better supporting infrastructure in place
- Astro launched Go Shop in January 2015 with a Malay-language channel that has exceeded expectations. In October, we supplemented our offering with a Mandarin-language channel to capitalise on not only the growing popularity of the service but to reach a wider audience
- With the aim of realising the potential of online merchandising, Astro also launched iSooka which sells merchandise of selected IPs within our content portfolio such as *Star Wars*, *Transformers*, and *OlaBola* to name a few. This is in line with our strategy to better monetise our content and ensure the brand extends beyond the TV screen



Technological Innovation

- The rapid digitalisation of our operating environment has brought about an unprecedented democratisation of consumer access to a wide range of internet and app-based products and services. What were previously well-defined boundaries between TV, radio and the internet are now far less distinct. This raises the need to build and adopt new and innovative technologies to enhance our competitive advantage
- There is a critical need for media companies to approach feature improvement, personalisation and performance measurement with greater precision, yielding a differentiated and richer experience across viewing platforms
- Astro has enabled its Return Path Data capabilities through connected boxes and via our DTAM system which allows for more informed and targeted decisions by advertisers. Additionally, by harnessing the power of big data, we gain new insights into our customers' viewing habits, thus allowing us to refine our programming strategy
- Astro has also taken a technological leap forward in the delivery of OD content, with all OD content now stored in the cloud. This enables a quicker, more seamless delivery of content to our customer across multiple screens, while enhancing the overall user experience. All of our viewing interfaces now come complete with recommendation engines, catering to consumer preferences as well as improving viewer retention

How We Create Value

We aim to be the leading source of consumers' entertainment needs and to create shareholder value by driving growth efficiencies and innovation throughout our business.

Please refer to pages 5 to 7 for further details.

Please refer to pages 89 to 93 for further details.

Our Business Model	Market Landscape	Key Risks							
<p>Content leadership We ideate, create, produce, invest in and aggregate local and international content to provide a comprehensive content proposition</p>	<ul style="list-style-type: none"> Differentiation through IP creation and ownership Increase of content collaborations within Asia Arrival of new OTT players 	Content cost	Strategic partnerships & alliances	Governance					
<p>Customer first We focus on delivering the best value proposition and user experience to our customers including households, individuals and media buyers through an emphasis on process improvement and data analytics</p>	<ul style="list-style-type: none"> Demand for new content genres and personalised viewing Challenging macro conditions and depreciation of the Malaysian Ringgit 								
<p>Innovation in products and services We offer differentiated products and services at tiered price points while increasing our digital presence across multiple platforms</p>	<ul style="list-style-type: none"> Varying levels of willingness to spend Digitalisation of media space 								Financial
<p>Staying abreast of emerging technologies We provide best-in-class user experiences through continuous investment in leading technologies to ensure seamless delivery of content across multiple screens</p>	<ul style="list-style-type: none"> Increasing need for improved features and personalisation Shift in consumption behaviours 								
<p>Diversification of business We pursue growth opportunities which complement our core business to diversify and generate revenue, profit and cash flow growth</p>	<ul style="list-style-type: none"> Growing e-commerce space Access to greater range of internet and app-based products and services 	Strategic partnerships & alliances	Governance						Financial
<p>Investing in talent We recognise the importance of attracting, developing and retaining the best on and off-air talent while instilling a culture that underpins continuous growth</p>	<ul style="list-style-type: none"> An expanding global talent pool Increased competition for the best and brightest 								

How We Create Value

Growth Opportunities



Growing the customer base

We will continue to expand our customer base through a dual-model pay-TV and NJOI strategy, as well as our OTT offerings



Increasing ARPU

We aim to move customers up the value chain through continuous enhancement, upselling, repackaging and bundling of our products and services



Expanding share of adex

By providing more targeted advertising solutions across multiple platforms, we look to further expand our adex share, underpinned by growing viewership and listenership



Content licensing

By producing and aggregating original content that travels, we aim to establish ourselves as a regional player with cross-border appeal



Driving e-commerce

We are expanding the business by leveraging on invested infrastructure and existing capabilities that will provide the platform for further growth



Regional expansion

We are embarking on our regional expansion strategy through building collaborations with partners across ASEAN, while leveraging on our investments in content and platforms in order to serve a wider addressable market

Value Creation



Long-term business sustainability

We see the bigger picture and embrace change and innovation. We understand the changing dynamics of the industry and are focused on achieving our short-term goals and delivering in the long run



Supporting the economy

We believe that the value we offer to consumers, corporations and employees will contribute towards a sustainable economy



Realising shareholder value

We are committed to rewarding our shareholders consistently through our dividend policy and capital appreciation



A socially responsible corporation

We care deeply about our community and as a responsible corporate citizen, we ensure that our business is conducted with integrity and aim to leave a lasting impact via our long-term focused initiatives throughout Malaysia

Chairman's Statement



We are humbled by our achievements over the past two decades and remain dedicated to growing our business while navigating the vibrant and dynamic media landscape

The introduction of digital business models into our industry has made previously well-defined boundaries now far less distinct, leading to an unprecedented ease of access for consumers to a wide range of content and services – a trend that enables new opportunities for Astro. For the financial year ended 31 January 2016, we delivered strong operational and financial results, highlighted by the many milestones achieved throughout the year. Despite a soft consumer environment, Astro maintained its robust financial performance, with revenue and PATAMI growth of 5%, and 18% respectively, along with strong cash flow generation of approximately RM1.3 billion.

Chairman's **Statement**

**IN 2016, ASTRO
WILL CELEBRATE
20 YEARS AS ONE
OF MALAYSIA'S
LEADING
INTEGRATED
MULTIMEDIA
COMPANIES**

**TUN DATO' SERI
ZAKI BIN TUN AZMI**

Independent Non-Executive Chairman

Our focus is clear. We recognise that continuous enrichment of our content and product proposition, coupled with a best-in-class customer experience, is critical to grow and serve Astro's 4.8 million households and 20 million individuals. Our success thus far is underpinned by the efforts of our diverse 4,700 strong workforce, and also through effective collaboration with all our stakeholders.

COMMITMENT TO SHAREHOLDER RETURNS

Our commitment to long-term shareholder returns remains a key priority. Highlighting this is the growth of our earnings per share, which increased by 18% from 10.0 sen in FY15 to 11.8 sen in FY16. Based on our strong performance this year, we paid quarterly interim dividends of 2.75 sen per share, thereby increasing the payout by 22% as compared to the previous financial year. The Board of Directors is also pleased to recommend a final dividend of 1.0 sen per share for FY16 at the forthcoming Annual General Meeting, bringing the total dividend to 12 sen per share for the year, representing a payout of 103% of PATAMI. Since our listing in October 2012, we have rewarded our shareholders with dividends totalling over RM1.9 billion.

Underpinned by our growth strategy and the highly cash generative nature of our business, we remain committed to rewarding shareholders for their support.

ASTRO FULFILLING A BIGGER ROLE

At Astro, we are dedicated to the development of Malaysia's media industry and its talent pool, a responsibility we undertake with diligence and care. Our role extends to actively collaborating with government bodies such as the Ministry of Communications and Multimedia Malaysia, the Malaysian Communications and Multimedia Commission (MCMC) and the Ministry of Domestic Trade and Consumer Affairs to support the advancement of the thriving, local media industry. This includes initiatives to proactively address content piracy, which is increasingly shifting online, foster innovation and provide industry



FY16 Interim Dividends



Total Dividends Paid Since Listing



Chairman's Statement

feedback to further refine the media regulatory regime. In addition, we commissioned production services of approximately RM70 million to local production houses to support the continuous development of the local creative market. Our commitment to Malaysia's film industry has also boosted box office returns and produced a thriving environment for new talent, having produced the top-performing local movies over the past three years.

We continue to work alongside Pinewood Iskandar Malaysia Studios (PIMS) to offer world-class integrated television content production services at its studios, with the aim of ensuring that PIMS becomes the destination for content creators, and ultimately making it a regional production hub.

Overall, we collaborate with more than 18,000 local, small medium enterprises, provide advertising space for more than 2,200 corporations and make available media solutions to more than 24,000 commercial establishments and hotels. We believe these collaborations have made a positive impact on the Malaysian economy through direct, indirect and induced spending – encapsulating GDP, tax and employment. Based on 2015 statistics, it is estimated that we contributed approximately RM2.9 billion of gross value added services to the country's GDP.

GOOD CORPORATE GOVERNANCE A CORNERSTONE OF ASTRO

The Board continues to uphold and implement the highest standards of corporate governance and international best practices throughout Astro, while providing

strategic guidance to encourage a robust and sustainable culture of high performance and consistent improvement. Further details of our governance, risk management and compliance initiatives are provided in the relevant sections of this Annual Report.

We value the benefits of diversity and are able to leverage on our Board who have a mix of varied experience, knowledge and competencies to work closely with the senior management team.

OUR COMMUNITY

I am heartened by the active role Astro plays in the wider community. During the past 12 months, Astro talent volunteered 19,925 hours of their own time for 143 different projects under our employee volunteer programme,



Astro Kasih, covering our four focus areas of Lifelong Learning, Community Development, Sports and Wellness, and Environment.

We believe that education is a catalyst for positive change in the community. This is reinforced by our collaboration with the Ministry of Education to build

three Astro Kasih Hostels; namely SK Magandai and SK Malinsau in Sabah and SK Sg. Paku in Sarawak. In 2015, we continued to assist the schools to increase attendance and academic performance by maintaining the hostels, as well as organising special workshops and classes for its students.

Chairman's Statement

Furthermore, we remain committed in bridging the urban-rural education gap by providing the Kampus Astro Learning System to 10,000 schools and teacher activity centres across Malaysia. In addition, we have established 24 Astro Kasih Knowledge Zone mini libraries in charity homes for underprivileged children in an effort to encourage reading.

1MCC-Astro Kem Bola and Kem Badminton Astro continue to give young aspiring Malaysian athletes an opportunity of a lifetime to train and practice with professional players and coaches. In 2015, 32 participants were selected to attend training at West Ham United's Football Academy in London, England, while 30 players were selected for Intensive Advanced Badminton Training in Tokyo, Japan. We hope that these experiences will not only further hone their skills but also spur them on to realise their dreams of becoming world class athletes.

As part of the Astro Kasih Beautiful Malaysia initiative, Astro Kasih collaborated with the Sabah State Government to promote and raise public awareness on the need to preserve the environment. More than 1,000 university students participated in this programme, assisting with the installation of 400 special environmental bins in five public parks in and around Kota Kinabalu.

IN APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to the Ministry of Communications and Multimedia, MCMC and other government bodies that we partner with for their guidance, insights, cooperation and shared ambition in raising the bar for Malaysia's media industry, and we look forward to further collaboration in the years to come.

To our valued stakeholders – customers, shareholders, business partners, content suppliers and vendors – I would like to convey my appreciation for your steadfast contributions.

To my fellow Directors, as always, thank you for your invaluable support and wise counsel throughout the year.

Finally, I would also like to applaud Team Astro for your resolute efforts, perseverance and Go Beyond attitude in ensuring that we remain a deserving market leader.

Tun Dato' Seri Zaki bin Tun Azmi
On behalf of the Board of Directors



Group Chief Executive Officer's Statement

In our quest to constantly reinvent ourselves, we successfully expanded our core business, strengthened key pillars, and embarked on new growth opportunities, culminating in a year of highlights for Astro

CUSTOMERS	REVENUE	EBITDA	PATAMI
4.8 million	5.5 billion	1.9 billion	615 million
Y-o-Y +9%	Y-o-Y +5%	Y-o-Y +7%	Y-o-Y +18%

**DEAR SHAREHOLDERS,
2015 WAS ANOTHER
YEAR OF GROWTH AND
MILESTONES FOR TEAM
ASTRO. IN SPITE OF THE
CHALLENGING OPERATING
ENVIRONMENT, THE
COMPANY ACHIEVED
STRONG OPERATIONAL
AND FINANCIAL RESULTS**

DATO' ROHANA ROZHAN

Executive Director & Group Chief Executive Officer

2016 will mark our 20th year in the business, during which we have been honoured to be the nation's preferred source of entertainment, sports, news and learning content across Malaysia's media landscape. As we enter into this third decade, we acknowledge that the competition for consumers' time and share of wallet will be even more vigorous, particularly as digital proliferates deeper into the ever-evolving media industry. Maintaining our position will require a heightened centricity towards each individual consumer, and dynamism about everything we pursue.

Group Chief Executive Officer's **Statement**

We have always identified ourselves as a content and consumer company, and as such, our success is predicated on our ability to remain razor sharp in our focus to better serve our customers, with greater insights, and to continuously reaffirm our position as a leading creator of signature IPs as well as aggregator and distributor of relevant content.

With TV household penetration now at 67%, and a radio reach of 12.8 million weekly listeners, we now count a total of 4.8 million households and more than 20 million individuals as part of the Astro family. In the years to come, we aim to extend our reach and 360° engagement by continuing to embrace innovation and global best-in-classes to always better serve our customers.

Group Chief Executive Officer's Statement

Our Key Focus Pillars Are:

CUSTOMER REACH

Expanding our Horizons through NJOI

NJOI continued its strong growth in 2015, surpassing its one-millionth customer mark in addition to launching two HD channels on the platform.

Monetisation via prepaid usage has grown over the past two years, and we have enabled nine channels to NJOI customers on the go, an extension of our AOTG service now available for all NJOI customers. Throughout the year, we further enhanced our network and operations to promote greater prepaid top-up flexibility. As the business develops, we aim to expand the existing prepaid model into base and bundled packs, inclusive of a widened channel portfolio and pay-per-view options. We believe the growth in NJOI customers will continue to drive greater reach and engagement with our content, thus achieving advertising and sponsorship growth, direct monetisation through prepaid, and over time – an upgrade path through to our pay platform.

Going Beyond for our Pay-TV Customers

Our efforts have resulted in over 40% of our base, now premium customers, subscribing to HD, PVR, Multiroom and On Demand (OD). Our newly-launched OD service now has 350,000 connected customers who have downloaded and watched over 275,000 shows per month, a five-fold increase in consumption. With popular vernacular programmes and the best international content offered on a same day basis as their premiere, our customers have an extensive choice of the latest in entertainment. In addition, customers can access complete box sets of past seasons and episodes on OD Free and OD Plus through connected boxes and AOTG. This not only supplements linear viewing on our platforms, but also provides premium content and value for our customers.

CONTENT LEADERSHIP

We put content for our customers at the heart of all we do. We are increasing our concentration and investments on key signatures, original IP ownership/

co-ownership, premium and differentiated content, and live events and sports. These are clear differentiators which set us above and apart in an increasingly crowded world, resulting in our TV viewership growing an unprecedented five percentage points over the past year to 54%.

Vernacular is the New Premium

Over the past year, we produced over 13,000 hours of content, with 22 of our own shows surpassing the one million viewership mark. Viewership of vernacular programmes such as *Gegar Vaganza*, *Kilauan Emas*, *Ceria Popstar*, *Classic Golden Melody*, *Evening Edition*, *International Hua Hee Karaoke* and *International Superstar* outstrip many of our Hollywood offerings, highlighting the importance of vernacular content to Malaysian viewers. Our vernacular content travels beyond local shores – with IPs like *Classic Golden Melody* broadcast live in Singapore and *Hua Hee Karaoke International* telecast in both China and Singapore. *International Superstar*, our No.1 Indian singing show, was broadcast live in 27 countries.

Our signature IPs are presented holistically in a 360° manner: live and at on-ground events, through social media, talent engagement and merchandising; extending the life of every IP and enabling immersion, clearly differentiating our content in a crowded marketplace.

Top Malaysian Movies

We are privileged to play a part in regenerating the local film industry and building a thriving, creative and sustainable ecosystem in 2016 and beyond. This year, our successes include *Polis Evo*, which became the highest-ever grossing Malaysian movie up to 2015 when it made RM18 million



Group Chief Executive Officer's **Statement**



at the local box office and exceeded all previous Astro pay-per-view movie records. It surpassed the record set by another one of our films, *The Journey*, the year before. More recently, we released *OlaBola* which not only performed well, but also celebrates Malaysia's strength in diversity and complementarity – resulting in over RM16.5 million in gross box office receipts.

For viewers at home, our commitment to providing the latest content available extends to the small screen. This is achieved through OD, Astro First and Astro Best, through which customers are offered the most sought-after movies within a near cinema window.

Premium and Differentiated International Content

We recognise the need to deliver the best of international content at the same time as their original premiere as our clearly differentiated value proposition to our customers. In 2014, we premiered 22 day/date hit shows, followed by 78 hit shows in 2015. These include highly popular series from the US and the UK such as *Game of Thrones*, *Veep*, *Silicon Valley*, *Brooklyn Nine-Nine* and *Downton Abbey*. We also added same day as Korea, China, Taiwan and Singapore content such as *Hwajeong*, *Glamorous Temptation* and *Dad! Where Are We Going?*.

Continued Strength in Live Sports and Events

We are excited that we have once again secured broadcast rights for three new seasons of the English Premier League. Live sports is a key differentiator versus our competitors, which cements our position as the nation's home of sports. With major sporting events such as the UEFA EURO 2016, Rio 2016 Olympics and 2016 Thomas & Uber Cup, 2016 is expected to be a great sporting year and we look forward to bringing it all to our viewers live and in HD.

Group Chief Executive Officer's Statement

We became the first in the ASEAN region to broadcast live on television The International 5: Dota 2 Championships, the largest online gaming competition in the world. The championship was hugely popular with millennials, encouraging us to broadcast a total of six eSports tournaments in 2015 and capturing 5.3 million viewers. We are thrilled to be the broadcast pioneer of eSports in the region and look forward to breaking similar new ground in the future.

Content Production

Our best-in-class content production has resulted in collaboration with various partners in high profile entertainment and sporting events. We worked with FremantleMedia Asia for *Asia's Got Talent*, billed as the biggest talent competition franchise in the world; Contineo Media for the Asian Television Awards 2015; as well as on the 28th SEA Games, the KL City Grand Prix and the Barclays Asia Trophy, among many others. We are committed to working with all parties to make Malaysia a regional hub for ASEAN content production.



CUSTOMER EXPERIENCE

We consistently improve our services through integrating customer intelligence and market research initiatives into our ecosystem. We are grateful that our dedication to excellence has resulted in our customer service index rising from 77 in 2015 to 78 in 2016 through a continuous measurement of satisfaction levels. This puts us in the top 10th percentile of brands in Asia (excluding India).

Mobile Focused

Rising mobile internet penetration, adoption of smart devices and a younger demographic has brought about a rapid shift in consumption behaviour towards smaller screens on mobile and tablet devices, resulting in mobility – a key emphasis for Astro.

As consumption moves away from linear TV programming with a stationary STB, we have augmented our offerings with a range of mobile companion apps, as well as social and web content. Embracing mobility means better embedded mobile technology – not just for second

screening, but to aid engrained behaviour in search navigation, recommendations and preferences in pursuit of a second-to-none experience. In addition, all our key online sites have been made mobile responsive.

In a few select areas, we have even gone as far as launching 100% mobile-only propositions. For example, our digital music and radio streaming service Raku, plus our digital publications business Astro Go Read, offer primary engagement through native iOS and Android apps over mobile devices to end consumers.

Group Chief Executive Officer's Statement



Big Data and Return Path Capabilities

We have gained new insights into our customers' viewing habits by harnessing the power of big data, allowing us to better offer them more of what they love. Our Return Path Data capabilities through connected STBs and via our Dynamic Television Audience Measurement (DTAM) system allow for informed and better targeted decisions when it comes to media buys by advertisers. In the coming year, we look to further leverage on audience measurement tools, and to enhance our digital management and data platforms.

E-COMMERCE

Our e-commerce business grew from strength to strength with Go Shop delivering its first full year of operations via Malay and Mandarin-language shopping channels. 410,000 customers bought over 980,000 products from Go Shop, resulting in RM189 million of revenues in 2015. Furthermore, online and mobile commerce sales are growing strongly and accounted for 21% and 17% respectively of total sales, while Go Shop's digital platforms recorded a compelling 5.5 million page views monthly.

As we advance our e-commerce strategy, we will continue to strengthen our Go Shop business model and relevance, in addition to capitalising on the popularity of our content by monetising it through merchandise. We also unveiled a new e-commerce platform, iSooka, focusing on content-branded merchandise.

By leveraging on invested infrastructure and tapping into our growing customer base, we are optimistic about the growth opportunities in e-commerce in tandem with the rise of Malaysia's e-commerce industry, predicted to reach a total market size of RM16 billion by 2020. Moving forward, we will further integrate our e-commerce business to our core pillars like Watch, Listen and Read, building on the strength of our franchises and IPs to drive stronger scale and differentiation.

EMBRACING DIGITAL

Our customers are embracing the digital shift in content, experience and servicing. At Astro we recognise our need to embrace this change to stay current and

relevant across our value chain – from ideation to production, marketing, selling and servicing, through to consumption. We also see huge opportunities in going digital, including our ability to ensure optimal allocation of resources.

Digital End-to-End Platform

We see a huge opportunity in the digitalisation of our end-to-end customer service model, which would enable us to serve our customers better. To date, we have enabled our customers to shop, perform service transactions, make payments through our very own Astro Payment Gateway, and purchase convenient top-ups, all with the click of a button. We have enabled geo-mapping capabilities which allow us to deliver better, targeted services to customers based on their demographic profile – underpinning our customer-first philosophy. Our aim is to architect an end-to-end digital self-serve environment with a wide range of internet, app-based products and services.

Digital Content

We have ensured that our signature IPs are available across our digital platforms. Our digital spin-offs and derivative content are extremely well-received, ranging from game apps featuring our radio show hosts to over a million YouTube views for *Geng UPSR*, Malaysia's first interactive UPSR revision drama. In 2015, we also created our first digital mini-series called *The House*, which garnered over nine million in viewership. We are constantly developing new content that resonates with viewers across ages and viewing preferences. We see opportunity for Astro to scale especially in areas of natural strength such as content creation and distribution.

Group Chief Executive Officer's Statement



A Mobile-First OTT Product

Recently, we marked a new milestone for Astro with the launch of Tribes, our OTT service for ASEAN video consumers and our very own fully digital mobile-first startup.

Tribes is premised on Astro's aspiration to build on our customer reach and achieve optimal content scale, leveraging on our experience in serving our diverse customers and marketplace. It remains our commitment to build on our vernacular capabilities and signature IPs, as Astro, as well as in collaboration with key partners regionally and internationally. Understanding that there is no one-size-fits-all go to market strategy, Tribes will seek complementary win-win partnerships with local telecommunications and media companies in each market, to jointly build on customer reach, and relationships, while leveraging on combined invested platforms and technologies, to deliver a greater customer experience.

Adapting key learnings from global best OTT providers for customer experience, Tribes is additionally centred on building a community of fans around content genres of choice – adding an element of social engagement and currency,

particularly among the younger demographic. To date, we have inked a collaboration with Axiata Digital Services, that has launched the XL Tribes service in Indonesia. We hope to launch in a few more markets in 2016.

OUR ROLE IN THE COMMUNITY

It is our privilege as Team Astro to build on our four pillars of focus when it comes to serving the community: Lifelong Learning, Community Development, Sports and Wellness, and Environment.

Some of our initiatives include Kem Badminton and Kem Bola. Last year, we shared the story of Emily, now age 13, who became the top student in SK Magandai. Emily continues to reach for her dreams and is now a scholar in Sekolah Sukan Malaysia Sabah (SSMS) and represents Malaysia in the under-14 squad in international friendly tournaments. Similarly, Emily's teammate – Anis, age 15, was also offered a place in the same school and now represents Malaysia in the under-16 squad.

Five girls from Kem Bola 2015: Finaz, Alyaa, Tijani, Fatin and Waitie have places in SSMS and will undergo training as members of the Malaysia under-14 squad. They are set to follow in the footsteps of their seniors and represent our country in international tournaments this coming year. We are inspired by our talented kids and remain their greatest cheerleaders, with every belief that their futures will be exceptionally bright.

NURTURING OUR TALENT

Our talent, both on and off-air are our success story. Diversity and complementarity are in our DNA and we

now count 4,700 employees as part of Team Astro, whose demographics reflect our marketplace and the customers we aspire to serve. We aim to foster a culture to nurture our talent so they can do their best work every day, fulfil their potential and shine in Malaysia and beyond.

Our superstars such as Dato' Aznil Nawawi, Zizan Razak, Lisa Surihani, Johan and Jack Lim remain No.1 in the hearts of Malaysians as they strengthen their presence in the linear, social media and digital space. Our news talent have also become household names, such as Kamarul Haron, Ashwad Ismail, Dzulfirzal Zulkapli and Siow Hui Mei. Not only are they leaders in their respective fields, they are also able to expand their horizons across the industry using Astro's wide range of platforms, resulting in a versatile talent line-up of actors, singers, models, thought leaders and brand ambassadors.

Polis Evo, the highest-ever grossing local movie up to 2015, was written and produced by Joel Soh, Kyle Goonting and Anwari Ashraf, our very own scholars who graduated from Emerson College, the University of New South Wales and Middlesex University respectively in film-related studies. Their drive and enthusiasm inspire us and hopefully other young Malaysians to follow in their footsteps.

We are also committed to innovate and develop new talent for TV, radio and digital spaces. This includes YouTube sensation, Daiyan Trisha; well-known fashion and lifestyle blogger, Hanis Zalikha; social media personality, Sweet Farhanna; as well as Raysha Rizrose and Syamin Farid, who were both finalists of the Dewi Remaja 2015 contest. Jaa, an Instagram sensation, is now a talent on ERA fm.

Group Chief Executive Officer's **Statement**

Leaders of Team Astro make it our mission to create a safe environment for all members of our Group to take risks, evolve, innovate and create. We fully recognise that in order to be a worthy market leader, we need to continuously transform and grow as individuals, as Team Astro and as an organisation. In 2015, we were voted the 'Most Popular Graduate Employer' in the Broadcasting/Media sector in Malaysia's 100 Leading Graduate Employers Award. We were also placed No.1 in the Arts and Media Industry in the Graduan Brand Awards in a survey conducted in 2014.

I wish to take this opportunity to thank Team Astro for their energy, passion and commitment in pursuit of always being better.

THE ROAD AHEAD

We have much to look forward to in 2016. Our operating environment today sits at the intersection of media, technology and entertainment, a sphere that is constantly under disruption and endures frequent and rapid global shifts. In order to secure the long term sustainability of our business, we need to be at the forefront of shaping the future of this domain, not just for the nation but the region.

While we expect the coming year to be a challenging one, we will proactively manage new business realities to ensure market leadership. We aim to grow the business, underpinned by our premium and freemium propositions

and by delivering high quality local and international content across multiple genres through TV, radio and digital media platforms. Besides this, we target expanding our share of advertising spend by leveraging off our rising TV viewership, radio listenership and digital reach. E-commerce will also be a key growth driver for us moving forward. We maintain good visibility on our key cost lines and capital expenditure requirements, for which we will continue to make disciplined choices. Above all, we will strive to preserve our customers' loyalty and trust by always giving them best-in-class experiences with Astro.

Across the region, we see incredible new opportunities and we remain anchored to our pledge to deliver on our growth strategy and generate consistent shareholder returns. To achieve this, we will innovate with greater speed, agility, efficiency and capability in this rapidly changing world, and opportunistically look at new effective and economic ways of doing business.

On a final note, thank you on behalf of Team Astro, for believing and placing your trust in us for the past 20 years, and for allowing us the privilege of accompanying you on our journey to Go Beyond. Thank you to all of Astro's stakeholders: from shareholders and regulators, to our suppliers and business partners, and especially to our customers for your ongoing support. Have a great year ahead.



Our Kem Bola Girls

Left to right:

Emily Joinin (13), Anis Aishah Binti Asiati Raili (15), Nur Syafinaz Binti Abdul Rajak (13), Waitie Taming (13), Nur Qiasatina Tijani Binti Hairun Nizam (13), Nuralyaa Natasha Binti Zulkefli (13), Nur Fatin Binti Rozani (13)

DATO' ROHANA ROZHAN

On behalf of Team Astro

Operational and Financial Highlights

	FY16	FY15	FY14	FY13	PF ⁽²⁾ FY12
Operational Results					
TV household penetration ('000)	4,818	4,429	3,884	3,485	3,067
Pay-TV gross additions ('000)	373	411	499	456	334
MAT churn	9.5%	9.9%	9.9%	7.8%	6.6%
Net additions ('000)	389	547	400	418	136
Pay-TV net additions ('000)	40	69	167	209	136
NJOI net additions ('000)	349	478	233	209	N/A
HD services take-up ('000)	1,938	1,939	1,675	1,264	772
Customers on PVR STBs ('000)	877	715	532	299	83
Multiroom take-up ('000)	411	386	312	218	116
ARPU (RM)	99.3	99.0	96.0	93.2	89.0
Share of TV viewership ('000)	54%	49%	47%	43%	41%
Radio listenership ('000)	12,758	12,935	12,193	12,344	11,652
Adex (RM million)	640	589	582	504	461
Financial Results (RM million)					
Revenue	5,475	5,231	4,791	4,265	3,889
EBITDA	1,941	1,808	1,616	1,388	1,415
EBIT	1,115	920	777	786	990
PBT	829	721	569	575	864
PAT	608	514	448	420	630
PATAMI	615	519	448	418	624
Financial Ratios					
Return on invested capital	31%	34%	30%	28%	23%
Net debt/EBITDA (times)	1.6	1.2	1.3	1.5	2.3
Revenue growth	5%	9%	12%	10%	6%
EBITDA margin	35%	35%	34%	33%	36%
PBT margin	15%	14%	12%	13%	22%
PAT margin	11%	10%	9%	10%	16%
Dividend per share (sen) ⁽¹⁾	12.0	11.0	9.0	4.0	N/A
Financial Position (RM million)					
Equity attributable to equity holders of the Company	601	694	613	512	483
Total assets	6,901	6,731	7,104	6,518	6,514
Total borrowings	3,805	3,503	3,664	3,703	3,710
Net debt	3,169	2,150	2,030	2,095	3,232

Notes:

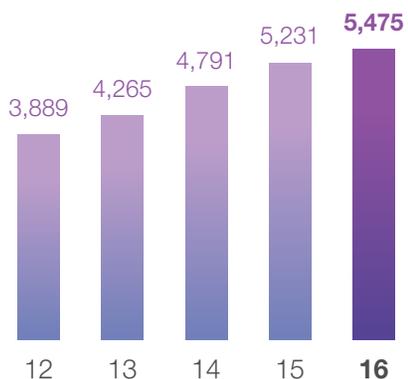
⁽¹⁾ Dividend per share consists of interim and final dividends post-IPO declared and proposed in respect of the designated financial years

⁽²⁾ The proforma numbers as set out on pages 22 to 23 are prepared on the assumption that the AMH Group was in existence throughout the reported financial year. This is to provide a meaningful comparison of the financial and operational performance of the group between the reporting periods

Operational and Financial Highlights

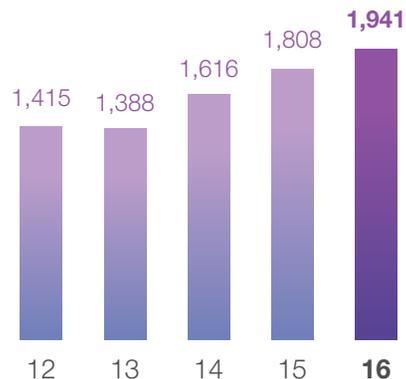
REVENUE

Financial Year Ended 31 January
(RM million)



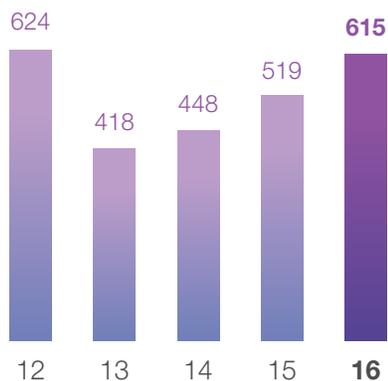
EBITDA

Financial Year Ended 31 January
(RM million)



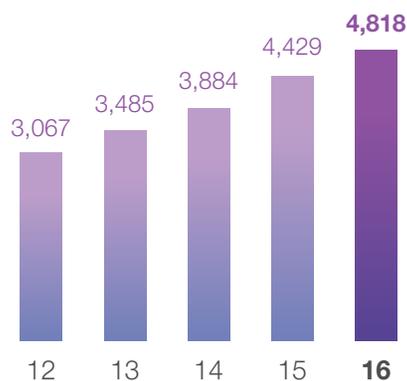
PATAMI

Financial Year Ended 31 January
(RM million)



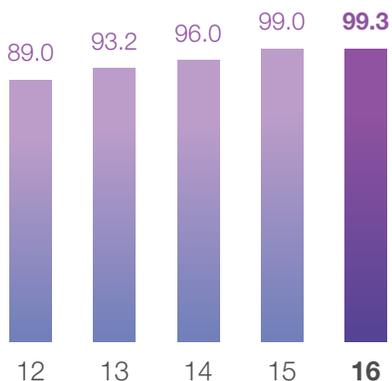
ASTRO HOUSEHOLD PENETRATION

Financial Year Ended 31 January
(*000)



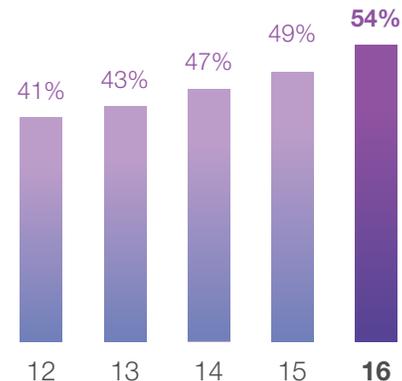
ARPU

Financial Year Ended 31 January
(RM)



SHARE OF TV VIEWERSHIP

Financial Year Ended 31 January



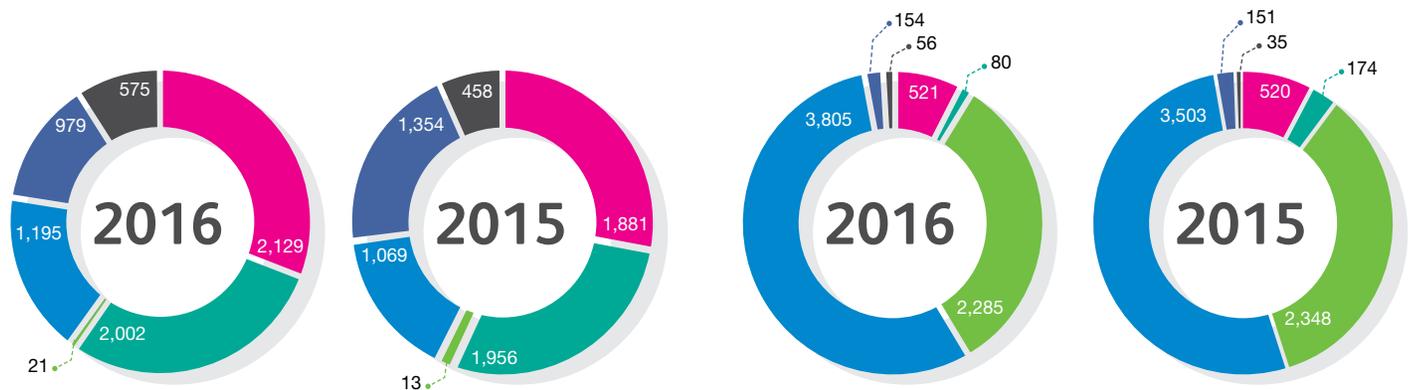
Segmental Analysis and Quarterly Financial Performance

	FY16		FY15	
	RM million	%	RM million	%
Revenue				
Television	4,987	91%	4,931	94%
Radio	296	5%	261	5%
Other	192	4%	39	1%
	5,475	100%	5,231	100%
PBT				
Television	691	83%	616	85%
Radio	170	21%	142	20%
Other	(32)	(4%)	(37)	(5%)
	829	100%	721	100%

(in RM million)	Q1	Q2	Q3	Q4	FY16
Revenue	1,330	1,369	1,374	1,402	5,475
EBITDA	472	490	474	505	1,941
EBIT	266	281	270	298	1,115
PBT	230	184	137	278	829
PAT	167	135	103	203	608
PATAMI	168	137	106	204	615

Simplified Group Statement of Financial Position

	FY16 RM million	FY15 RM million
Assets		
Property, Plant & Equipment	2,129	1,881
Intangible Assets	2,002	1,956
Inventories	21	13
Receivables, Deposits & Prepayments	1,195	1,069
Deposits, Cash & Bank Balances & Unit Trusts	979	1,354
Other	575	458
	6,901	6,731
Equity & Liabilities		
Share Capital	521	520
Reserves	80	174
Payables & Accruals	2,285	2,348
Borrowings	3,805	3,503
Taxation & Deferred Tax Liabilities	154	151
Other	56	35
	6,901	6,731



ASSETS

EQUITY & LIABILITIES

- Property, Plant & Equipment
- Intangible Assets
- Inventories
- Receivables, Deposits & Prepayments
- Deposits, Cash & Bank Balances & Unit Trusts
- Other

- Share Capital
- Reserves
- Payables & Accruals
- Borrowings
- Taxation & Deferred Tax Liabilities
- Other

Statement of Value Added

	FY16 RM million	FY15 RM million
Value Added		
Revenue	5,475	5,231
Operating expenses	(2,627)	(2,571)
Other operating income	90	104
Total value added	2,938	2,764
Reconciliation:		
PAT	608	514
Add: Depreciation, impairment and amortisation	1,186	1,216
Finance costs	346	250
Government	242	233
Non-controlling interest	7	6
Staff cost	549	551
Total value added (available for distribution)	2,938	2,764
Value Distributed		
Employees		
Staff costs	549	551
Government		
Tax	221	207
Regulatory	21	26
Providers of capital		
Dividends	650	507
Finance costs	346	250
Non-controlling interest	7	6
Reinvestment and future growth		
Depreciation, impairment and amortisation	1,186	1,210
Retained earnings	(42)	7
Total distributed	2,938	2,764

Key Milestones

1996

- Through the launch of MEASAT-1, MBNS, one of our wholly-owned subsidiaries, commenced digital DTH satellite pay-TV services with 22 TV and five radio stations
- Introduced format radio programming, the first broadcaster to introduce this into the Malaysian market

1997

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

2003

- Surpassed one million residential pay-TV subscribers

2007

- Surpassed two million residential pay-TV subscribers
- Introduced Astro On Demand, Malaysia's first TV Near Video-On-Demand service

2009

- Launched the Astro B.yond initiative which comprises hybrid DTH and broadband-enabled STBs and distribution platform to provide among others, HD services
- Launched Astro B.yond with the first HD service in Malaysia
- Won the 'CASBAA Chairman's Award' for our outstanding contribution to the pay-TV industry in the region

2010

- Introduced the first 3D broadcast in Malaysia and Southeast Asia for the 2010 FIFA World Cup
- Launched the Astro B.yond PVR
- Launched the innovative Astro Tutor TV UPSR examination revision channel
- Received the Gold award in the Media and Entertainment category at the Putra Brands Awards 2010

2011

- Introduced Astro B.yond IPTV, in collaboration with TIME, to deliver IPTV through TIME's fibre optic broadband network
- Launched Astro First, the first pay-per-view movie with near cinema window offerings in Malaysia, made available through our STBs
- Surpassed three million residential pay-TV subscribers
- Received the Gold award in the Media and Entertainment category at the Putra Brands Awards 2011

2012

- Launched NJOI, Malaysia's first non-subscription based DTH satellite TV

2014

- Astro's *The Journey* set a new box-office record for the highest-ever grossing Malaysian movie up to 2015 with box office collections of over RM17 million within 56 days of theatrical release
- Entered into a partnership with Azteca, a producer of Spanish language programming and Global Station, a production house in Malaysia for the production and distribution of telenovelas to be distributed to Malaysian, regional and international audiences
- Voted the top brand in the Media and Entertainment category at the Putra Brand Awards 2014 for the fifth consecutive year
- Launched the 'Same Day' campaign where Astro's customers can watch the latest US and UK TV series on a same day and date basis as its premiere broadcast in its country of origin

- Received 'Brand of the Year' and Gold awards in the Media and Entertainment category at the Putra Brand Awards 2012
- Launched AOTG, our entertainment service for smartphones, tablets and PCs, as well as broadband-based VOD
- Listed Astro Malaysia Holdings Berhad on the Main Market of Bursa Securities

2013

- Launched AOTG International to enable Malaysians to watch Astro TV content on smartphones, tablets and notebooks anywhere in the world
- Signed an agreement with TM Net Sdn Bhd for the carriage of Astro SuperSport HD and Astro SuperSport 2 HD on HyppTV
- Chosen as one of the Putra Brand Icons and emerged as the top brand in the Media and Entertainment category at the Putra Brand Awards 2013
- Launched Astro B.yond IPTV with Maxis, offering the best of Astro TV, high speed broadband and home voice services

Event Highlights 2015



FEBRUARY

- Launched Astro's Korean Pack - Oh!K HD is the premier destination for Korean drama series, variety and trendy talk shows while Channel M HD offers the latest K-pop music, entertainment news and lifestyle programmes
- Introduced the first HD channel on NJOI, Astro Xi Yue HD, which has the best Asian drama series, documentaries and variety shows
- Sinar FM reinvented its branding and content to appeal to the modern Malay listeners, including introducing a new set of announcers
- Astro's 23 hours live coverage of the Thaipusam celebrations in Batu Caves, Selangor generated a massive following worldwide, setting a new record with a reach of 41.4 million on Facebook

MARCH

- The launch of Prudential Astro Masters 2015, Malaysia's biggest and most popular national amateur golf series. Over 5,000 local golfers played at 21 golf courses nationwide, with the grand finalists competing at the Nirvana Bali Golf & Country Club and Bali National Golf & Country Club in Indonesia

APRIL

- All Astro SuperSport, Fox Sports and Eurosport channels became accessible on AOTG, making live sporting events available anytime, anywhere
- Raku, Malaysia's personalised audio streaming service by Astro Radio, was launched. Malaysians can now stream millions of songs and over 20 live radio stations on the web and on their mobile devices

Event Highlights 2015

MAY

- Subscription-free satellite TV service, NJOI, continued to resonate with Malaysians and reached its one-millionth customer milestone
- Astro Arena renewed its partnership with the Olympic Council of Malaysia to provide coverage of local sports for another five years
- Appointed by FremantleMedia Asia, Astro Productions provided broadcast equipment and technical crew to produce the inaugural season of *Asia's Got Talent*

JUNE

- Astro Arena aired 16 hours of live daily coverage of the 28th SEA Games. A 180-member production team was sent to Singapore to deliver extensive coverage for Malaysians
- Partnered with Malay Mail to grant Astro customers free access to Malay Mail's e-paper

JULY

- Commenced collaboration with Kantar Media to offer advertisers and media buyers in Malaysia better insight into the viewing habits of Malaysian pay-TV homes. The proprietary system, DTAM, uses Return Path Data technology to capture and collate viewing data directly from Astro STBs
- Became the first broadcaster to offer live eSports coverage in the region, starting with The International 2015: Dota 2 Championships. The eight hours of live daily broadcast attracted 1.7 million viewers
- Launched three dedicated sports channels, WWE Network, SETANTA Sports HD and Astro Cricket HD to provide non-stop coverage for Malaysian sports fans



AUGUST

- Introduced three new channels: HGTV HD, Nat Geo People HD and Star Chinese Channel
- Malaysians voted Astro as the top entertainment and media brand in the Putra Brand Awards for the 6th consecutive year
- In conjunction with Merdeka celebrations, Astro paid tribute to Malaysia through two Negaraku campaigns. The first campaign showcased the multiethnic and multilingual landscape of Malaysia by celebrating Malaysian films. Astro also brought back the KitaSama Blood Donation Drive in seven locations nationwide

Event Highlights 2015

SEPTEMBER

- The 'Same Day' campaign, offering Astro customers the latest and most popular TV series on the same day as the US and UK, returned with bigger titles including *Empire*, *Scandal*, *The Walking Dead*, *Heroes Reborn* and *Quantico*
- AOTG introduced a download feature, enabling downloads of TV shows and movies for offline viewing
- In conjunction with the inaugural 'Hari Sukan Negara', Astro organised 'Astro Hari Sukan Get Fit', where participants completed a 3km run at Astro's All Asia Broadcast Centre in Bukit Jalil. Over 600 Astro staff and talent ran with national athletes in support of this initiative by the Ministry of Youth and Sports
- XLR8, organised by Astro Digital Publications, thrilled motoring enthusiasts with two days of motoring activities and a display of the world's most desirable automobiles, as well as iconic cars made famous by movies and television series
- *Classic Golden Melody*, Astro's popular singing competition ventured beyond Malaysia to Singapore in partnership with MediaCorp, where the best talent from the two countries battled to be crowned champion
- Astro Radio extended the production of local content for ERA fm Sarawak to 14 hours daily with the launch of 'Carta Era Kamek'

OCTOBER

- Announced *OlaBola*, the latest movie helmed by Chiu Keng Guan, the Director of *The Journey*. Set in the 1980s, *OlaBola* is an uplifting movie about Malaysia's football team that overcame great odds to achieve greatness
- Launched OD service, which enables customers to watch movies and TV series instantly on TV and electronic devices
- *Polis Evo* became the highest-ever grossing Malaysian movie up to 2015, with box office collections of RM18 million
- Go Shop launched its Mandarin-language shopping channel, following the success of its Malay-language channel

NOVEMBER

- The 2015 Kem Badminton Astro programme culminated with 30 participants training at the National Training Centre in Tokyo
- Launched 'Shortcuts', a new short film competition, aimed at developing Malaysian creative talent. The best three scripts were awarded a grant of RM40,000 each to produce short films, which will be showcased at local and regional film festivals as well as on Astro's A-List Channel
- Astro Radio extended the production of local content for MY FM in East Malaysia to 10 hours daily with the launch of 'MY FM Super Drive' in Sarawak and 'MY FM Music Brunch' in Sabah



Event Highlights 2015

DECEMBER

- The first local eSports tournament, Malaysia Cyber Games: Dota 2 Championships, was broadcast live on Astro
- Astro Arena and the Malaysian Hockey Confederation (MHC) entered into a partnership to bring domestic hockey leagues and international tournaments to local sports fans. Astro Arena was appointed as the official broadcast partner for MHC events
- Rolled out its 2016 Chinese New Year campaign with the launch of its mascot, Ho Yeah



Longest Live Streamed-Festival (22-25 January 2016)

JANUARY 2016

- AOTG was made accessible to NJOI customers who can now access and enjoy nine channels on their mobile devices
- Astro sets Guinness World Record for the 'Longest Live Streamed Festival' with 55 hours of live streaming of Thaipusam on Astro Ulagam's website and Facebook. The unprecedented coverage attracted audiences from the US, the UK, Canada, India, Sri Lanka, Singapore and Malaysia, and saw Astro Ulagam achieve a Facebook reach of 119 million

Awards 2015

FEBRUARY

8th Edison Awards

- Best HD Bollywood Movie Channel of the Year – BollyOne HD
- Best TV Format of the Year – *International Superstar*
- Best Cultural Event of the Year – Pongu Tamizh
- Best Overseas Artist – Geetha (THR Raaga announcer)

9th Annual Stevie Awards for Sales & Customer Service

- Gold Award
 - > Innovation in Customer Service
- Silver Award
 - > Innovation in Sales

MARCH

Sportswriters Association of Malaysia – 100 Plus Awards 2014

- Special Report Award
- Overall Journalism Award

Asian Legal Business (ALB) Malaysia Law Awards 2015

- Technology, Media and Telecommunications (TMT) In-house Team of the Year Award

APRIL

Anugerah Bintang Popular 2014

- Penyampai Radio Lelaki Popular – Johan
- Group/Duo Popular – Akim & the Majistret
- Penyanyi Lelaki Popular – Akim
- Pengacara Lelaki Popular – Datuk Aznil Haji Nawawi
- Penyanyi Wanita Popular – Adira
- Pelawak Lelaki Popular – Abam

ASEAN International Film Festival and Awards (AIFFA) 2015

- Best Film – *Terbaik Dari Langit*
- Best Actor – Bront Palarae (*Terbaik Dari Langit*)

New York Festivals Television & Film Awards 2015

- Bronze World Medals
 - > Astro Mustika HD's April Special – Sound Design: Promotion/Open & IDs
 - > Maharaja Lawak Mega 2013 (Comedy Rescue Ranger) – Camerawork: Promotion/Open & IDs
 - > Maharaja Lawak Mega 2013 (Comedy Rescue Ranger) – Production Design: Promotion/Open & IDs
 - > Tamil New Year – Special Visual Effects: Promotion/Open & IDs

2015 Chinese New Year Greeting Advertisement Award

- 2nd Prize
 - > Creative Category (Readers' Choice)



MAY

Asia Recruitment Awards 2015

- Gold Award
 - > Recruitment Professional of the Year
 - > Best Career Website – Astro Careers
- Silver Award
 - > Best Employer Brand Development – Beyond Work
- Bronze Award
 - > Best Graduate Recruitment Programme – Interns of the Galaxy

PWH Music Awards 2015

- Best Mini Album – *The Journey* (Geraldine Gan)
- Best Original Drama/Movie Soundtrack – 'Hao Shi Guang' of *The Journey* (Geraldine Gan) Top 10 Original Songs (Local) – 'BFF' (Geraldine & Jie Ying)
- Best Original Dialect Song – 'A-Gong Eh Ka Ta Chia' (Freddie Ng ft. Xiao Mi)
- Best Local Vocal Album – 'Wei Ai Qing Gan Bei' (Irene Tam)
- Silver Award
 - > Best Newcomer – Geraldine Gan
- Bronze Award
 - > Most Popular Karaoke Song – 'BFF' (Geraldine & Jie Ying)

Awards 2015



AUGUST

Putra Brand Awards 2015

- Gold Award
 - > Top Entertainment and Media Brand
- Gold Award
 - > Media Network – ERA fm
- Silver Award
 - > Media Network – hitz fm

The Sparks Awards for Media Excellence 2015

- Gold Award
 - > Best Media Solution (Radio) – Mamee Chef
 - > Best Media Solution (Social Media) – Kosong Kosong
- Silver Award
 - > Best Media Solution (Radio) – Inti College
 - > Best Event by a Media Owner – Air Asia Challenge
 - > Best Programme Promotion – *Maharaja Lawak Mega 2015*
- Bronze Award
 - > Best Media Solution (Digital) – MyCybersale
 - > Best Media Solution (Integrated Media) – Kosong Kosong

SEPTEMBER

Asian CSR Award 2015

- Education Improvement – Astro Kasih Hostel & EkoVillage Programme

National Award for Management Accounting (NAfMA)

- Organisation of the Year

27th Festival Filem Malaysia

- Filem Box Office – *The Journey*
- Anugerah Khas Juri – *Terbaik Dari Langit*
- Anugerah Khas Juri – *Amir & Loqman Pergi Ke Laut*
- Sinematografi Terbaik – *The Journey*
- Lakon Layar Terbaik – *Amir & Loqman Pergi Ke Laut*
- Pelakon Lelaki Terbaik – Lee Sai Peng (*The Journey*)
- Pelakon Wanita Terbaik – Fazura (*Manisnya Cinta Di Cappadocia*)
- Lagu Tema Asal Terbaik – Yuna (*Lagenda Budak Setan 3*)
- Pelakon Pembantu Lelaki Terbaik – Amirul Affendi (*Terbaik Dari Langit*)
- Pelakon Pembantu Wanita Terbaik – Nadiya Nisaa (*Terbaik Dari Langit*)
- Skor Muzik Asal Terbaik – Ooi Su Lyn & Teoh Eng Hooi (*Manisnya Cinta Di Cappadocia*)
- Filem Bukan Dalam Bahasa Melayu Terbaik – *The Journey*

JUNE

Promax BDA Global Awards

- Silver Award
 - > World Cup Promo

2015 Hainan Film Festival

- Best Cinematography – *Terbaik Dari Langit*
- Special Jury Award – *The Journey*

PRWeek Awards Asia 2015

- Bronze Award
 - > Arts, Entertainment and Media Campaign of the Year – *The Journey*

Awards 2015

HR Excellence Awards 2015

- Gold Award
 - > Excellence in Compensation and Benefits Strategy
 - > Excellence in Employer Branding
- Bronze Award
 - > Excellence in CSR Practices

Anugerah Media Kesihatan Kementerian Kesihatan 2015

- Anugerah Kewartawanan Kesihatan Terbaik 2015 – Kategori TV

OCTOBER

Thomas Edison Advertisement Awards

- Best Reality Teaser Ad – *International Superstar 2015*
- Best Themed Ad – Chakravathy

2015 International Business Awards

- Bronze Stevie Award
 - > Corporate Social Responsibility Program of the Year (in Asia, Australia and New Zealand) – Astro Kasih Sports Initiative

NOVEMBER

Malaysia Effie Awards

- Silver Award
 - > Dunia Ceria – Engaged Community Category

Anugerah Skrin 2015

- Pelakon Wanita Terbaik Filem – Lisa Surihani (*Dendam Orang Mati*)

2015 Malaysia's 100 Leading Graduate Employers Awards

- Most Popular Graduate Employer for Broadcasting/Media Sector

Anugerah Cemerlang Keselamatan & Kesihatan Pekerjaan Kebangsaan 2015

- Anugerah Komunikasi

16th National Customer Experience Industry Awards Night 2015

- Gold Award
 - > Best New Contact Centre Award – Astro Go Shop
 - > Best Recruitment Process in Contact Centre – Corporate Category
 - > Best Video Presentation of Call Centre – On Boarding Gamification Culture (Corporate Category)
 - > Best Outbound Professional (SRU) – Individual Category
- Silver Award
 - > Best Team Manager
- Bronze Award
 - > Best Technology Innovation – Corporate Category
 - > Best Inbound Professional CSE
 - > Best QA
 - > Best Outbound Professional (Correspondence)

9th Asia Pacific Screen Awards 2015

- Best Feature Film – *Cemetery of Splendour* (Astro Shaw)

Malam Anugerah Kewartawanan Dewan Bahasa dan Pustaka (DBP)

- Anugerah Media Elektronik (Televisyen)
- Anugerah Kewartawanan Televisyen

National Annual Corporate Report Awards (NACRA) 2015

- Silver Award
 - > Diversity and Inclusiveness Reporting

Adam Smith Awards Asia 2015

- Best Accounts Receivable Solution

JANUARY 2016

30th Anugerah Juara Lagu Awards

- Juara – Akim & The Majistret
- Persembahan Terbaik – 'Potret' (Akim & The Majistret)

Financial Calendar

16 June 2015

- Announcement of the unaudited results for the first quarter ended 30 April 2015
 - Announcement of the first interim single-tier dividend of 2.75 sen per ordinary share in respect of FY16
-

15 July 2015

- Payment date for the first interim single-tier dividend of 2.75 sen per ordinary share for FY16
-

16 July 2015

- Payment date for the final single-tier dividend of 2.0 sen per ordinary share for FY15
-

15 September 2015

- Announcement of the unaudited results for the second quarter ended 31 July 2015
 - Announcement of the second interim single-tier dividend of 2.75 sen per ordinary share in respect of FY16
-

13 October 2015

- Payment date for the second interim single-tier dividend of 2.75 sen per ordinary share for FY16
-

8 December 2015

- Announcement of the unaudited results for the third quarter ended 31 October 2015
- Announcement of the third interim single-tier dividend of 2.75 sen per ordinary share in respect of FY16

7 January 2016

- Payment date for the third interim single-tier dividend of 2.75 sen per ordinary share for FY16
-

22 March 2016

- Announcement of the unaudited results for the fourth quarter ended 31 January 2016
 - Announcement of the fourth interim single-tier dividend of 2.75 sen per ordinary share and a proposed final single-tier dividend of 1.0 sen per ordinary share in respect of FY16
-

21 April 2016

- Payment date for the fourth interim single-tier dividend of 2.75 sen per ordinary share for FY16
-

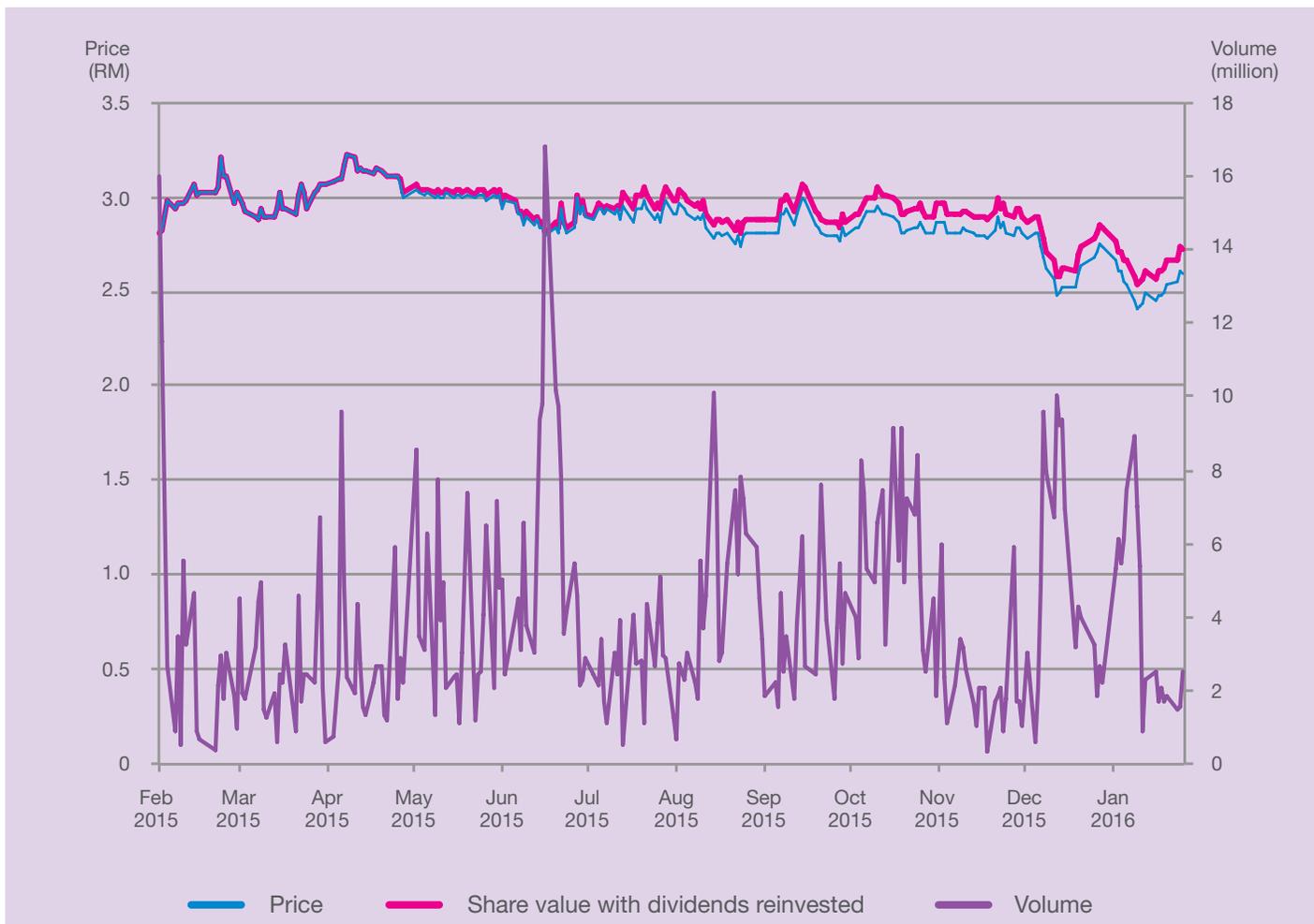
3 May 2016

- Notice of Fourth Annual General Meeting and Extraordinary General Meeting; and the issuance of Annual Report and Circular to Shareholders
-

1 June 2016

- Fourth Annual General Meeting and Extraordinary General Meeting

Investor Relations



OUR CHARTER

We are an active manager of invested capital in line with our commitment to deliver long-term shareholder value via capital appreciation and a progressive dividend policy. Since our listing in October 2012, Astro has declared interim dividends on a quarterly basis along with a final dividend, providing cash returns to shareholders consistently.

Our dividend policy includes achieving a payout of at least 75% of our profits to our shareholders. This year, we announced four quarterly dividend payments of 2.75 sen per share, an increase of 22% from the previous year's, and subject to shareholder approval, a final dividend payment of 1.0 sen per share. Our total dividends of 12.0 sen per share for FY16 equates to a dividend yield of approximately 4.1%. We remain a highly cash-generative business, with FCF being 207% of PATAMI, and total dividend payout being 51% of FCF.

INVESTOR ENGAGEMENT

At Astro, we recognise the importance of establishing an effective communication platform with all of our shareholders – large and small, institutional and private, local and international. We proactively engage with the investment community to share our strategy, investment thesis and business performance as well as maintain ongoing dialogue between senior management and all stakeholders.

Our Investor Relations team conducts formal events with institutional investors during the year, as well as a regular series of one-on-one and group meetings. In the past year, we conducted over 150 meetings and teleconference calls. These interactions provide analysts and investors with updates on the company and industry developments, such that they are able to make more informed decisions on our stock.

Investor Relations

Over the past year, our senior management participated in the UBS Corporate Day, JP Morgan Asia Yield 1x1 Forum, Invest Malaysia Conference and Credit Suisse AIC Hong Kong 2015, in addition to non-deal roadshows held in global financial capitals worldwide. We count among our largest shareholders reputable, long-only institutional funds locally and from around the globe.

As a means to further engage with shareholders and the general public, we maintain a frequently updated corporate portal, corporate.astro.com.my. The website houses annual reports, shareholder circulars, share price information, news releases and presentations to the investment community alongside information on Astro's product and service suite.

We always welcome feedback from the investment community to further improve our interactions with them. The Investor Relations team can be contacted via ir@astromalaysia.com.my.

FINANCIAL ANNOUNCEMENTS

Each quarter, our financial results are released publicly through announcements to Bursa Securities, containing detailed financial statements, summary financial and operational indicators and analyses of performance. We also present our results to research analysts and fund managers who cover our stock via quarterly conference calls, which include a comprehensive Q&A session chaired by our GCEO and supported by our senior management team.

Biannually, a press conference is also held to update the media and to answer key questions in line with our commitment to providing open lines of communication with the wider investment community.

ANALYST ENGAGEMENT

We are committed to conducting constructive dialogue with shareholders to ensure that we understand key issues and are able to clearly communicate our position. As at 31 January 2016, we are actively covered by 26 research houses, 14 of which have a 'Buy' call or equivalent recommendations.

SHARE PRICE PERFORMANCE

In FY16, our shares generated a return of -0.5% with quarterly dividends reinvested, versus a -3.5% return by the FTSE Bursa Malaysia KLCI Index over the same period.

DIVIDENDS

The Company strives to pay dividends within 30 days from the date of declaration in the case of interim dividends or shareholders' approval in the case of final dividends. In FY16, the Company met the 30-day period in relation to dividends declared and paid out in respect to the past four quarters:

	Declaration Date	Entitlement Date	Payment Date
Q1 FY16	16 June 2015	1 July 2015	15 July 2015
Q2 FY16	15 September 2015	2 October 2015	13 October 2015
Q3 FY16	8 December 2015	23 December 2015	7 January 2016
Q4 FY16	22 March 2016	6 April 2016	21 April 2016

Corporate Information



BOARD OF DIRECTORS

TUN DATO' SERI ZAKI BIN TUN AZMI
Independent Non-Executive Chairman

AUGUSTUS RALPH MARSHALL
Non-Independent Non-Executive
Deputy Chairman

**DATO' ROHANA BINTI
TAN SRI DATUK HAJI ROZHAN**
Executive Director &
Group Chief Executive Officer

DATUK CHIN KWAI YOONG
Independent Non-Executive Director/
Senior Independent Director

**DATO' MOHAMED KHADAR BIN
MERICAN**
Independent Non-Executive Director

BERNARD ANTHONY CRAGG
Non-Independent Non-Executive
Director

DATUK YVONNE CHIA
Independent Non-Executive Director

QUAH BEE FONG
Non-Independent Non-Executive
Director

LIM GHEE KEONG
Alternate Director to
Augustus Ralph Marshall

Corporate Information

COMPANY SECRETARY

Liew Wei Yee Sharon (LS7908)

REGISTERED OFFICE

3rd Floor, Administration Building
All Asia Broadcast Centre
Technologia Park Malaysia
Lebuhraya Puchong-Sungai Besi
Bukit Jalil, 57000 Kuala Lumpur
Malaysia

Telephone No. : +603 9543 6688**Fax No.** : +603 9543 3007**Website** : corporate.astro.com.my**SHARE REGISTRAR****Symphony Share Registrars Sdn Bhd**

Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor, Malaysia

Telephone No. : +603 7841 8000**Helpdesk No.** : +603 7849 0777**Fax No.** : +603 7841 8151 /
+603 7841 8152**AUDITORS AND REPORTING
ACCOUNTANTS****PricewaterhouseCoopers**

Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50710 Kuala Lumpur
Malaysia

Telephone 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** : Trading & Services**PRINCIPAL BANKERS****CIMB Bank Berhad**

20th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Telephone No. : +603 2261 8888

Citibank Berhad

Level 45, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Telephone No. : +603 2383 8585

Malayan Banking Berhad

32nd Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia
Telephone No. : +603 2070 8833

RHB Bank Berhad

Level 7, Tower Three
RHB Centre
Jalan Tun Razak
50450 Kuala Lumpur
Malaysia
Telephone No. : +603 9287 8888



Board of Directors



Board of **Directors**



From left to right:

Augustus Ralph Marshall | Datuk Chin Kwai Yoong | Datuk Yvonne Chia | Tun Dato' Seri Zaki Bin Tun Azmi |
Bernard Anthony Cragg | Quah Bee Fong | Dato' Mohamed Khadar Bin Merican | Dato' Rohana Rozhan

Board of **Directors' Profiles**

Tun Dato' Seri Zaki Bin Tun Azmi

Independent Non-Executive Chairman

Malaysian, age 70, male, was appointed as Independent Non-Executive Chairman of the Company on 15 August 2012. He is also Chairman of our Nomination and Corporate Governance Committee.

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

Tun Zaki 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 is the chairman of the board of University Malaysia Sabah and is the Chancellor of Multimedia University and MAHSA University.

Augustus Ralph Marshall

Non-Independent Non-Executive Deputy Chairman

Malaysian, age 64, male, was appointed as Director and Executive Deputy Chairman of the Company on 21 March 2011 and was re-designated as Non-Independent Non-Executive Deputy Chairman on 18 September 2012. He is also a member of our Remuneration Committee.

Ralph Marshall has more than 30 years' experience in financial and general management. He is an executive director of Usaha Tegas Sdn Bhd (UTSB) and group chief executive officer of Astro Holdings Sdn Bhd group including executive deputy chairman of ASTRO Overseas Limited. He also serves as a non-executive director on the boards of several other companies in which UTSB has significant interests such as Maxis Communications Berhad and Johnston Press plc (listed on the London Stock Exchange plc). In addition, he is a director in an independent non-executive capacity and chairman of the audit committee of KLCC Property Holdings Berhad (listed on the Bursa Securities), a non-executive director of MEASAT Global Berhad and KLCC REIT Management Sdn Bhd (the management company of KLCC Real Estate Investment Trust).

He is an Associate of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Certified Public Accountants.

Board of **Directors' Profiles****Dato' Rohana Rozhan**

Executive Director & Group Chief Executive Officer

Malaysian, age 53, female, was appointed as Executive Director and Chief Executive Officer of the Company on 21 March 2011 and 1 April 2011, respectively. She was re-designated as Group Chief Executive Officer on 1 April 2016.

Dato' Rohana Rozhan is also the Chief Executive Officer of MEASAT Broadcast Network Systems Sdn Bhd, a wholly-owned subsidiary of the Company, a position she has held since 2006. Prior to her appointment as Chief Executive Officer, she was the Chief Financial Officer of Astro All Asia Networks Limited, where she was instrumental in our listing on the then Main Board of the Kuala Lumpur Stock Exchange in 2003.

She holds a Bachelor of Arts (Hons) degree in Accounting and Economics from the University of Kent, Canterbury, UK. She is a Fellow of the Chartered Institute of Management Accountants, UK and a Member of the Malaysian Institute of Accountants. She has also completed the Advanced Management Program at Harvard Business School, USA. Previously, she was attached to the Unilever group of companies from 1985 to 1995, both in UK and Malaysia, where she held various management positions and gained substantial experience in financial, marketing and business management.

She is a director of DTV Haber Ve Gösel Yayincilik A. S., owned by Dogan TV, the largest media group in Turkey and Media Innovations Pte Ltd, which owns Fetch TV, an internet protocol television services provider in Australia.

Datuk Chin Kwai Yoong

Senior Independent Director

Malaysian, age 67, male, was appointed as Independent Non-Executive Director of the Company on 21 March 2011 and designated as Senior Independent Director on 15 August 2012. He is also Chairman of our Audit Committee and a member of our Nomination and Corporate Governance Committee, and Remuneration Committee.

Datuk Chin Kwai Yoong is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Certified Public Accountants as well as the Malaysian Institute of Accountants.

Datuk Chin Kwai Yoong was an audit partner with PricewaterhouseCoopers from 1982 until his retirement in 2003. During his tenure as partner, he was an executive director in charge of the Consumer & Industrial Products & Services Group. He also served as director of the Audit and Business Advisory Services division, and of the Management Consulting Services division.

He has extensive experience in the audits of major companies in the banking, oil and gas, and automobile industries as well as in the heavy equipment, manufacturing, construction and property development sectors. He was also involved in corporate advisory services covering investigations, mergers and acquisitions, and share valuations.

He is a director of Deleum Berhad and Genting Berhad (both listed on the Bursa Securities), and also a director of Bank Negara Malaysia.

Board of **Directors' Profiles**

Datuk Yvonne Chia

Independent Non-Executive Director

Malaysian, age 63, female, was appointed as Independent Non-Executive Director of the Company on 1 January 2014. She is also a member of our Audit Committee, and Nomination and Corporate Governance Committee.

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

Datuk Yvonne Chia has over 30 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 an independent non-executive director of Shell Refining Company (Federation of Malaya) Berhad (listed on the Bursa Securities) and Silverlake Axis Limited (listed on Singapore Exchange Ltd).

She is also a council member of Asian Institute of Chartered Bankers, a trustee of Pemandu Corporation and Teach for Malaysia Foundation, and an Honorary Professor of the University of Nottingham School of Economics.

Bernard Anthony Cragg

Non-Independent Non-Executive Director

British, age 61, male, was appointed as Independent Non-Executive Director of the Company on 21 March 2011 and was re-designated as Non-Independent Non-Executive Director on 15 August 2012. He is also a member of our Audit Committee.

Bernard Cragg holds a degree in Mathematics from Liverpool University. He is a Chartered Accountant and had spent over eight years in PricewaterhouseCoopers.

Bernard Cragg is the chairman of the board of GlobalData Plc (formerly known as Progressive Digital Media Group plc) and a deputy chairman of Alternative Networks plc (both listed on the London Stock Exchange plc). He formerly held various senior management positions in Carlton Communication plc (listed on the London Stock Exchange plc) for over 17 years including as its group financial controller, company secretary and group finance director. He has served as chairman of the board of Datamonitor plc and i-mate plc (both listed on the London Stock Exchange plc) and was previously a director of Workspace Group plc, Mothercare plc, Arcadia Group plc and Bristol & West Plc, a part of the Bank of Ireland (UK) Financial Services.

Board of **Directors' Profiles****Quah Bee Fong**

Non-Independent Non-Executive Director

Malaysian, age 45, female, was appointed as Non-Independent Non-Executive Director of the Company on 24 April 2015.

Quah Bee Fong holds a Bachelor of Commerce (Honours) degree, majoring in Management Economics and Finance from the University of Guelph, Ontario, Canada. She has more than 20 years' experience in equity research and investments.

Prior to joining Khazanah Nasional Berhad ("Khazanah") in 2005, she was attached with various investment banks and stockbroking companies in Malaysia and the region.

She is currently a director in the Investments division of Khazanah. She also sits on the boards of various creative and media companies within Khazanah's portfolio companies.

Dato' Mohamed Khadar Bin Merican

Independent Non-Executive Director

Malaysian, age 60, male, was appointed as Independent Non-Executive Director of the Company on 21 March 2011. He is also Chairman of our Remuneration Committee and a member of our Audit Committee.

Dato' Khadar is a Member of the Institute of Chartered Accountants in England and Wales as well as the Malaysian Institute of Accountants.

Dato' Khadar has more than 30 years' experience in financial and general management and had served as an auditor and a consultant in an international accounting firm before joining a financial services group in 1986. He had held various senior management positions in Tradewinds Corporation Bhd (listed on the Bursa Securities) between 1988 and 2003, including as president and chief operating officer.

He is the chairman of the board of RHB Capital Berhad (listed on the Bursa Securities) and RHB OSK Securities (Thailand) Public Company Limited (listed on The Stock Exchange of Thailand). He is also a director of Sona Petroleum Berhad and AirAsia Berhad (both listed on the Bursa Securities), RHB Bank Berhad and RHB Investment Bank Berhad. He was named "Chairman of the Year" by the Minority Shareholders Watchdog Group (MSWG) in the MSWG Annual Corporate Governance Index and Award 2013.

Lim Ghee Keong

Alternate Director to Augustus Ralph Marshall

Malaysian, age 48, male, was appointed as Alternate Director to Augustus Ralph Marshall on 21 March 2011.

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

He has more than 20 years' experience in treasury and credit management. Prior to joining the Usaha Tegas Sdn Bhd (UTSB) Group in 1995, he was attached to General Electric Capital Corporation in the USA and Ban Hin Lee Bank in Malaysia.

He is currently the chief operating officer of UTSB and serves on the boards of several other companies in which UTSB group has interests, such as Maxis Berhad (listed on the Bursa Securities), Tanjong Public Limited Company 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.

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 10 years
3. None of the Directors have any sanctions and/or penalties imposed on them by any regulatory bodies during FY16
4. None of the Directors have any family relationships with any Directors and/or Major Shareholders of the Company

Senior Leadership



Senior Leadership

Front row, from left to right:

Dato' Rozalila Abdul Rahman
Chief Executive Officer,
Go Shop

Henry Tan Poh Hock
Chief Operating Officer

Liew Swee Lin
Chief Commercial Officer

Phuah Aik Chong
Chief Technology Officer

Dato' Rohana Rozhan
Executive Director &
Group Chief Executive Officer

Back row, from left to right:

Grace Lee Hwee Ling
Group Financial Controller
& Chief Risk Officer

Faizal Mansor
Chief Executive Officer,
Astro Productions

Iskandar Samad
Chief Executive Officer,
Tribe

Raymond Tan Wei Ming
Chief Investment Officer

Paul Thomas Kannimmel
Director,
Human Capital

Rohaizad Mohamed
Senior Vice President,
Broadcast & Operations

Datuk Jake Abdullah
Chief Executive Officer,
Astro Radio



Senior Leadership Team's Profiles

1. Dato' Rohana Rozhan

Executive Director & Group Chief Executive Officer

Please refer to her profile in the Board of Directors' profile section on page 43.

2. Henry Tan Poh Hock

Chief Operating Officer

He joined our Group in May 2008 and is currently responsible for all content, marketing, branding and airtime sales strategy encompassing creative, media, digital, promotions, publicity and synergy across all distribution channels including TV, radio, publications, digital and film. He is also currently Chairman of Go Shop.

He has 26 years' experience in the media industry. Before joining our Group, he served as chief executive officer from 2006 to 2008 at Group M (Malaysia and Singapore), and prior to that, as chief executive officer from 2000 to 2006 of Mindshare Malaysia, both part of the WPP group. His other experiences in the media industry include his tenure with HVD Entertainment, a Malaysian television production company from 1996 to 2000 as the general manager and Ogilvy & Mather Advertising, from 1988 to 1996, where his last position was as the media director. His other experiences from 1986 to 1988 include his tenure with Hewlett-Packard Australia and Pan Global Wang Computers.

He graduated from Chisholm Institute of Technology, Australia (now known as Monash University) in 1986 with a double degree in Marketing and Communications.

3. Liew Swee Lin

Chief Commercial Officer

She joined our Group in 2010 and is responsible for driving Astro's market expansion strategy as well as delivering sustainable and profitable growth. She oversees a multidisciplinary team encompassing product management, segment marketing, sales, customer experience, operations and supply chain. She is also accountable for steering Astro's venture into e-commerce and currently serves as a Director of Go Shop.

Prior to assuming her role in Astro, she held the EVP – Consumer Banking position at Alliance Bank Malaysia Bhd and was an executive director on the board of Alliance Islamic Bank Bhd. Previously, having held senior leadership positions at Standard Chartered Bank and OgilvyOne Worldwide, a WPP Group company, she has gained diverse management experience in media and financial services with exposure to retail banking fast moving consumer goods and insurance across Asia Pacific.

She received her Masters in Science in International Marketing from University of Strathclyde, UK and is an accredited Certified Financial Planners (CFP, US). She is also a certified Member of the Financial Planning Association of Malaysia.

Senior Leadership Team's Profiles

4. Grace Lee Hwee Ling

Group Financial Controller & Chief Risk Officer

She joined our Group in January 2001 and assumed her current position in May 2013. She is currently responsible for ensuring that the Group's portfolio of companies achieve their optimal value creation capabilities while balancing the rigour of risk management.

She is primarily responsible for ensuring that strategic execution of business plans deliver on our operating and financial goals to create long term value for our shareholders. She oversees the planning, budgeting, forecasting, management reporting and financial reporting processes, governance and controls, as well as enterprise risk management. She is also a Director of Go Shop. Prior to joining Astro, she served at PricewaterhouseCoopers' Assurance and Advisory division.

She graduated from Curtin University, Australia with a degree in Accounting and Finance. In 2000, she received a Masters in Business Administration with Distinction from Charles Sturt University, Australia and is an Australian Fellow of Certified Practising Accountant (FCPA Aust.), a Certified Information Systems Auditor (CISA, US) and is Certified in the Governance of Enterprise IT (CGEIT, US).

5. Raymond Tan Wei Ming

Chief Investment Officer

He joined our Group in June 2012 and is responsible for Astro's financial, capital and investment management. In particular, he oversees corporate development and investor relations, business partner advisory, treasury, tax, as well as strategic contracts and procurement.

He has more than 20 years' experience in the fields of investment banking, private equity, accounting, treasury and audit. Prior to joining Astro, he was a director of Credit Suisse London in the Telecom, Media and Technology Group of the Investment Banking division, where he provided financial and strategic advice to clients in the pay-TV, media, mobile infrastructure and gaming sectors across Europe, Middle East and Africa. Prior to joining Credit Suisse, he worked for Barclays Capital London in the Financial Sponsors and Leveraged Finance group. Before joining Barclays Capital, he worked at Macquarie Bank, FH Faulding & Co and Deloitte in various investment and finance roles.

He received a Masters in Business Administration from the London Business School, UK, and holds a Bachelor of Commerce, majoring in Accounting and Finance from the University of Adelaide, Australia. He is also a member of Chartered Accountants Australia and New Zealand, and a Fellow of the Financial Services Institute of Australasia.

Senior Leadership Team's Profiles

6. Phuah Aik Chong

Chief Technology Officer

He joined our Group in July 1995 and assumed his current position in July 2015. He has overall responsibility across Astro's products and technology, covering home products, digital, technology (broadcast, IT and online), data and analytics, and IT security.

He delivers value through business transformations by building state-of-the-art CRM and billing ecosystems, underpinned by new technology solutions and driving for overall improvement in system availability and operation efficiency across all enterprise and digital platforms. He has led the introduction of new features and upgrades across the products reaching our customers: DTH, IPTV, AOTG and mobile, our new OTT service (Tribe), plus the adoption of cloud and mobility to deliver these new products and services.

He holds a Masters in Business Administration from University of Chicago – Booth School of Business, USA, and is a graduate in Electronic and Computer Engineering from Universiti Pertanian Malaysia.

7. Paul Thomas Kannimmel

Director, Human Capital

He joined our Group in 2015 and is responsible for overseeing Human Capital strategy and operations.

He started his career in research and development at Universiti Kebangsaan Malaysia (UKM) before joining Glaxo, where he began his 23 years in the pharmaceutical industry in a variety of roles covering sales, sales training, manufacturing, human resources and general management. Prior to joining Astro, his last two roles were as Regional HR director, Asia Pacific for Pfizer and as Regional HR head for Global Growth & Organisation ASEAN at GE.

He received his Bachelor Degree in Biochemistry from UKM in 1989 and went on to complete his Masters in Business Administration from the University of Hull, UK in 1996.

8. Dato' Rozalila Abdul Rahman

Chief Executive Officer, Go Shop

She joined Go Shop as Chief Executive Officer in 2014. She is responsible to drive and manage the company with the vision of becoming the No.1 e-commerce brand in Malaysia.

She oversees marketing, sales, customer experience, operations and supply chain management at Go Shop and works with stakeholders to formulate a regulatory and business environment to build and grow the company's vision, services and brand.

She has 26 years' marketing and sales experience gained at multinationals including Unilever Malaysia, Kellogg Asia Marketing and Reckitt Benckiser. Prior to assuming her role in Astro, she served as chief marketing officer with Telekom Malaysia Berhad where she was responsible for group marketing, retail products and customer service management. Before that, she held the positions of head of Segment Marketing and general manager in the Consumer Business division at Maxis Communications Berhad. She was also previously the director of Sales and Marketing at Bank Simpanan Nasional.

She holds a Bachelor in Food Science and Technology from Universiti Putra Malaysia.

Senior Leadership Team's Profiles

9. Datuk Jake Abdullah

Chief Executive Officer, Astro Radio

He joined our Group in 1996 and assumed his current position in May 2013.

He was briefly seconded to 1M4U under the Prime Minister's Office, where he set up this volunteer organisation and spearheaded its numerous activities. He returned to Astro Radio on 1 May 2013 and was promoted to Chief Executive Officer, Astro Radio. He was also instrumental in setting up two Astro affiliated radio stations in India (Aamar FM and Power FM) and two in Jakarta (Gen FM and Jak FM).

He holds a Doctorate from the University of Sedona, Arizona in Metaphysical Sciences.

10. Iskandar Samad

Chief Executive Officer, Tribe

He joined our Group in November 2015 and is responsible for our new digital and OTT businesses like Tribe, our very own fully digital mobile-first startup and Raku, our radio and music streaming service.

Prior to joining Astro, he was head of special projects at Axiata Group Berhad, where he was involved in strategy and business development as well as strategic partnerships for the core telecommunications business, and business development and incubation of new digital ventures.

He started his career in 2008 with McKinsey & Company, where he spent five years serving clients across the ASEAN region. During this time, he worked across strategy, finance, mergers and acquisitions, marketing, and operations over a wide range of industries, including telecommunications and media.

He graduated from the University of Cambridge in 2004 with a First Class degree in Electrical Engineering & Information Sciences, and received a Doctorate in Engineering from the same university four years later.

11. Faizal Mansor

Chief Executive Officer, Astro Productions

He joined our Group in August 2015 as Chief Executive Officer of Astro Productions and Head of Astro Awani. His responsibility is to enhance the performance of the two organisations where he is responsible for providing their overall strategic direction, as well as their marketing, business development and regulatory activities.

He was previously the chief financial officer of Malaysia Airports Holdings Berhad, leading its financial transformation and international expansion since 2006. Prior to that, he held several financial leadership roles in industries like construction, wastewater management, manufacturing and banking.

He started his career with the Securities Commission Malaysia and has had extensive experience in treasury, corporate finance and investment banking initially with the Bank of Tokyo-Mitsubishi and subsequently with the AmBank Group.

He is a Fellow Member of the Chartered Accountants Australia and New Zealand. He has a Bachelor of Science in Accounting from Rutgers University and a Masters in Business Administration from Ohio University, as well as a Diploma in Aviation from IATA.

12. Rohaizad Mohamed

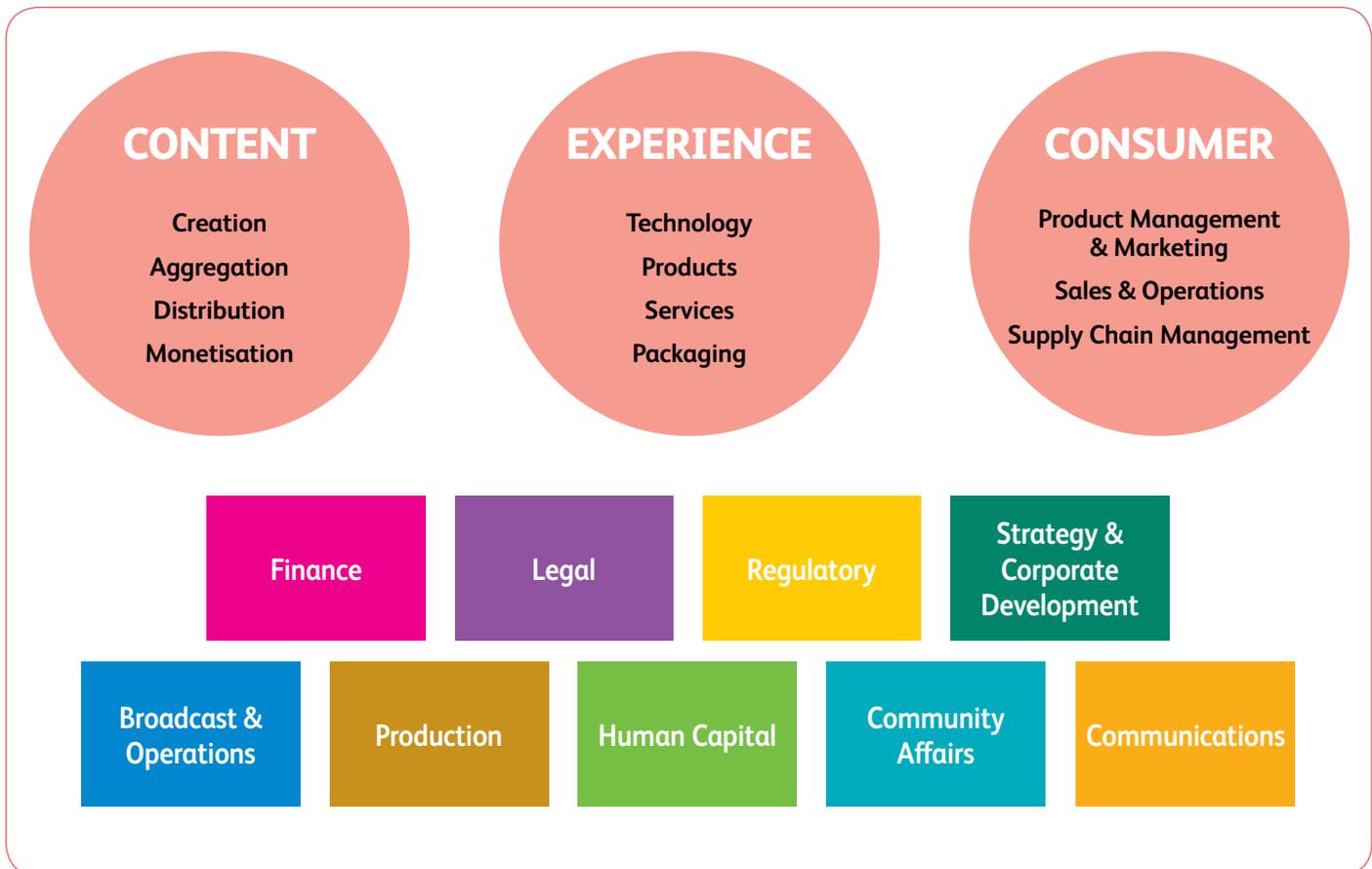
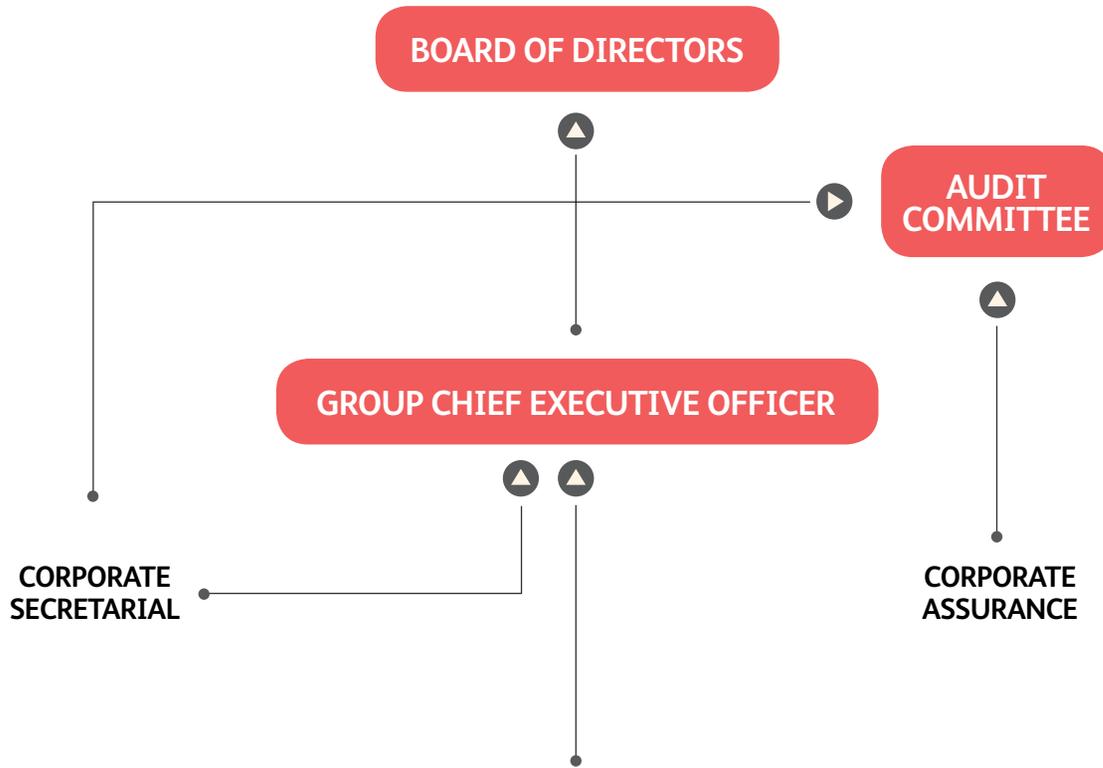
Senior Vice President, Broadcast & Operations

He joined our Group in March 1996 and assumed his current position in February 2009. He is currently responsible for ensuring operational excellence of our broadcast operations and engineering, IT operations and support, property and space management, and content compliance.

He has 29 years' experience in broadcast operations and engineering. Prior to joining our Group, he was with Media Prima Berhad from 1986 to 1996 under its TV3 broadcasting operations where his last position held was as Head of Broadcast Maintenance and IT Operations.

He obtained a Diploma in Electronics Engineering from University of Technology MARA, Malaysia in 1986.

Organisational Structure



Statement on Corporate Governance

As the Board of Astro, we recognise our role as the custodian of long-term value creation and franchise development, and thus, our responsibility for promoting a strong culture of corporate governance. Corporate governance is an ongoing and all-encompassing process which defines the way our businesses are operated and how we treat our stakeholders, who include our shareholders, customers, suppliers, employees and the community.

At the core of our corporate governance framework, are the key legislations and guidelines which are applicable to Astro as a public company listed on Bursa Malaysia, comprising the Act, MMLR and CG Code. As we continue to look beyond our own shores and aspire to become ASEAN's top media brand, we are also guided by international best practices to the extent practicable.

Since 2015, Astro has been admitted to the FTSE4Good Bursa Malaysia Index, which sets high standards for companies with environmental, social and governance practices.

The Board had approved this statement on 22 March 2016 and is satisfied that our Group is in compliance with the principles and recommendations outlined in the CG Code. As previously reported, our NCGC is chaired by the Chairman of our Board who is an Independent Director^{Note 1} and hence, we believe that this does not detract from the spirit of the CG Code's recommendations.

SUMMARY OF KEY ACTIVITIES OF THE BOARD DURING FY16

We are pleased to provide a high level summary of key matters deliberated by our Board during the course of FY16:

- a) One of our key roles and responsibilities is to define and set the strategic direction for Astro. As in previous years, we reviewed the strategies for the next five years, budget and targets developed by our management team. Astro remains focused on delivering against our content and consumer strategies, as well as an innovation roadmap that is supported by a state of the art technology platform, all of which are necessary to maintain our competitive edge in the markets that we operate in. In a challenging economic environment, our Board also focused on expenditure optimisation strategies and prioritising expansion strategies in tandem with current and potential market changes, particularly the weaker Malaysian Ringgit, cautious consumer spending, and increasing content cost while balancing a best-in-class consumer experience.

During the year, we allocated more time for discussions in relation to strategic planning, crisis management and talent development at our quarterly Board meetings. We believe that an effective Board should be forward-looking and especially in this digital era, the management of companies must be nimble and quick to make decisions, whether it is to seize an opportunity or defend its market share. In the coming financial year, we will continue to enhance the effectiveness of our Board meetings with clearly identified agenda based on a calendar of key and ongoing focus areas such as those mentioned above for Board discussion.

- b) As part of our oversight responsibility, we reviewed the operating results on a quarterly basis, which were tracked against the approved budget and targets. We deliberated and ultimately approved the Company Scorecard, which sets out the KPIs by which management performance will be evaluated at the year-end appraisals. Further details on the KPIs are set out on page 70.

Note 1: The CG Code recommends that the Nomination Committee should be chaired by the Senior Independent Director.

Statement on Corporate Governance

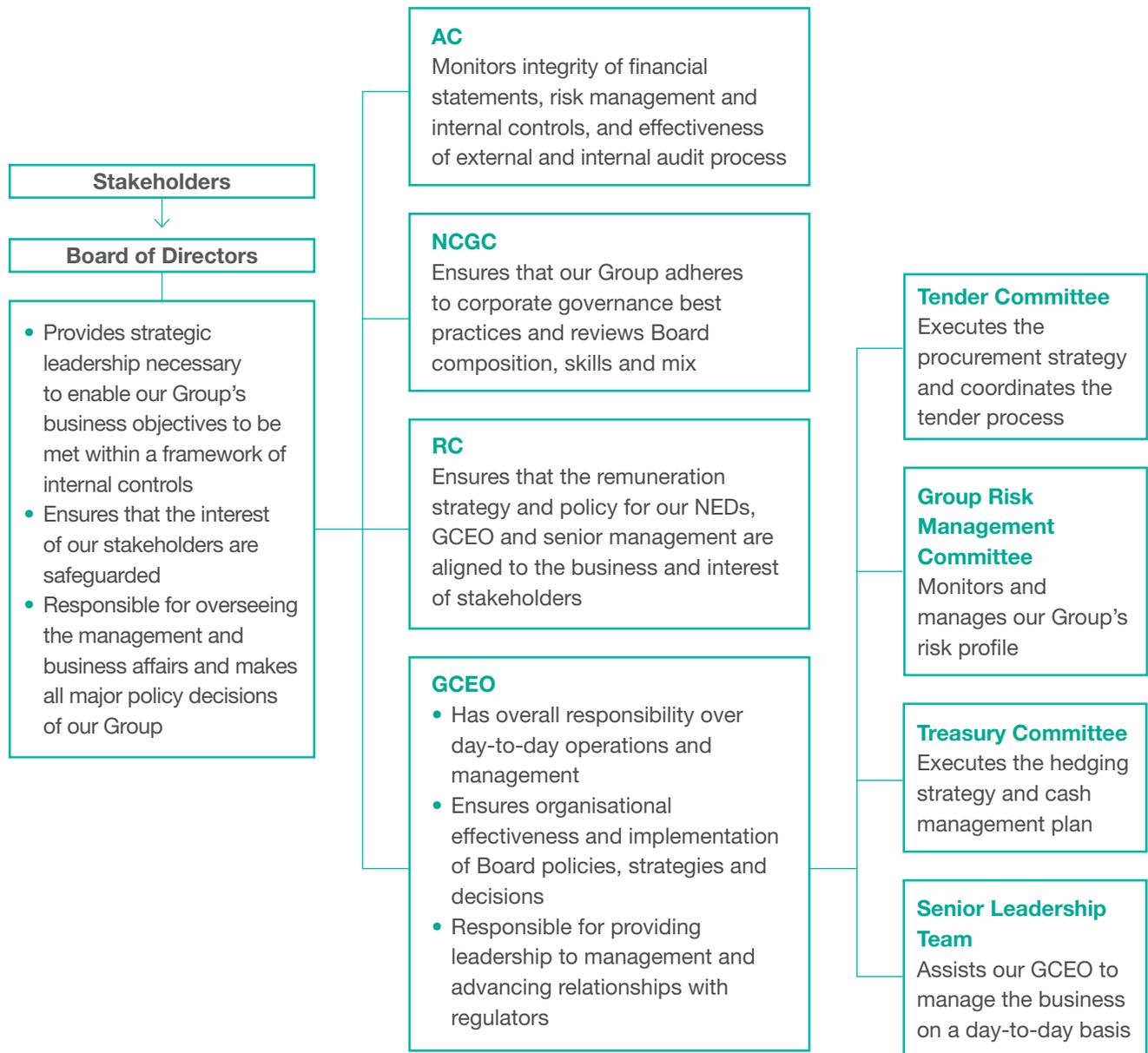
- c) During the year, Astro entered into several new collaborations in content in order to bring the best viewing experience to our customers. We evaluated several proposals, including an investment in Red Communications, a local production house specialising in creating and producing television programs targeted at women, children and youth, which has produced notable programs such as *Oh My English!* and *Hua Hee Seko-lah*. More recently, we endorsed a collaboration with Axiata group to launch Tribe, a standalone OTT service in Indonesia and expect to evaluate more of such strategic partnerships in the coming financial year.
- d) The impact of the foreign exchange currency fluctuations during the past year was deliberated in detail at our quarterly Board meetings, where together with management's analysis and taking advice from experts, we reviewed the appropriateness of our hedging strategies and discussed mitigation strategies.
- e) We also reviewed the adequacy of our Group's material controls and risk management plans throughout the year, either on our own or through the AC. Our reviews during the year included security policies and procedures as well as the overall security roadmap and our crisis management and business continuity plan. The AC assists in reviewing the status of risk management activities by the respective business segments on a quarterly basis.
- f) We recognise talent management as a key pillar to our continued business growth and implemented a new talent development programme for emerging leaders in our organisation, including collaborations with globally recognised institutions of learning namely, INSEAD, MBS, etc.
- g) We also assessed the effectiveness of our Board, Board Committees and their respective charters/terms of reference to bring the provisions in line with best practices. Through the AC, we also assessed the effectiveness of our external and internal auditors in discharging their duties.

OVERALL GOVERNANCE STRUCTURE

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The overall governance structure, as shown on page 55, centres around the roles and responsibilities of our Board and the Board Committees which have been entrusted to look into specific areas such as audit and internal controls, remuneration, nomination of Directors and corporate governance, vis-à-vis their relationship with and oversight over the management team led by our GCEO.

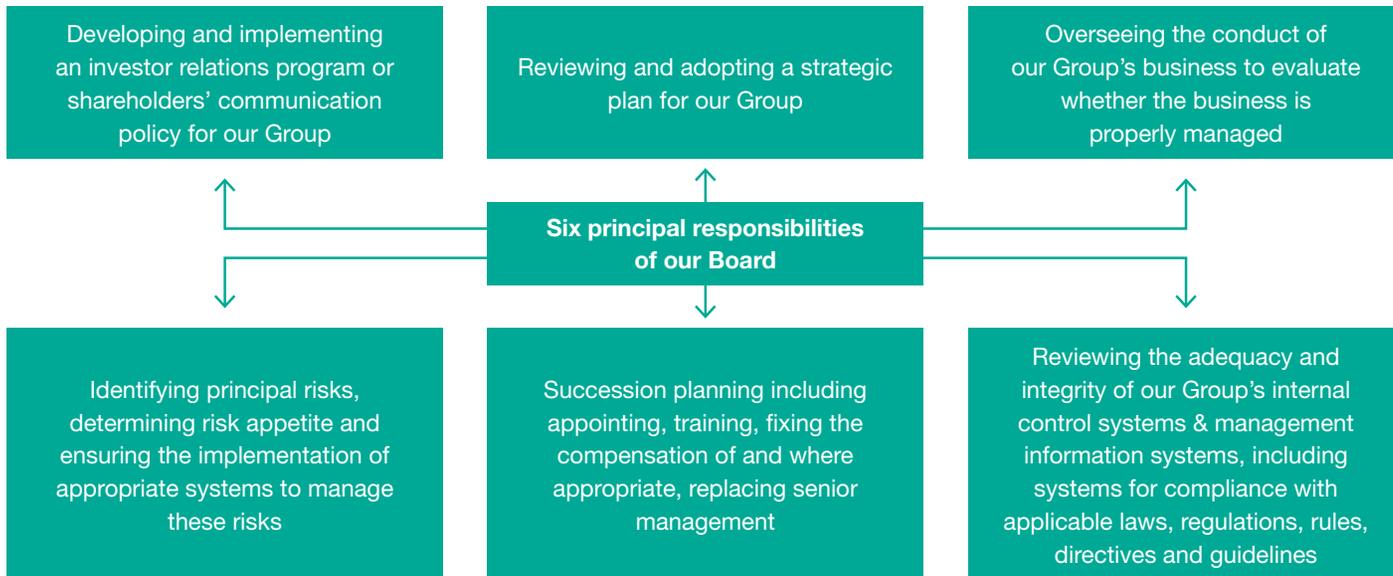
Statement on Corporate Governance



Our role, as a Board, is to govern and supervise; while the management team manages and runs the operations. We are responsible to guide the strategic direction, supervise management, review performance and determine the risk parameters. Our Board Charter contains specific guidance to our Directors on, inter alia, the key values, principles and ethos of the Group, the Board's principal responsibilities, reserved matters, Directors' qualification standards, orientation and training, compensation, code of conduct, annual performance evaluation, access to independence advice, the division of responsibilities and Board meeting procedures. The Board Charter, List of Reserved Matters and Terms of Reference of the Board Committees are published on Astro's website, corporate.astro.com.my and they are reviewed at least once every year.

Statement on Corporate Governance

For ease of reference, our principal responsibilities as the Board are mapped out in the diagram below:



1.1 Clear Functions Reserved for the Board and Delegated to Management

We have established a list of Board Reserved Matters, which is reviewed periodically, to require specific matters of strategic importance or with material impact to be subjected to a review and approval by the Board. Such matters include transactions exceeding the authority delegated to our GCEO, strategic business plan and annual budget, audited and quarterly financial statements, dividends, equity investments/divestments and RPTs.

In respect of the management of our Group, our Board has delegated to our GCEO, as provided in the LOA, the authority to approve operational and capital expenditure, execution of contracts, procurement, litigation and human resources matters such as promotions and dismissal of employees. The LOA sets out the specific approval thresholds for management decisions and it is regularly reviewed to reflect the dynamic expansion/changes within our Group. Any changes to the limits of our GCEO under the LOA will require Board approval.

Separation of roles of our Board Chairman and GCEO

We have complied with the CG Code's recommendation that the role of the Chairman of the Board and GCEO should be separated. A summary of their key roles and responsibilities is set out below:

Board Chairman	<ul style="list-style-type: none"> • Responsible for the leadership, operations and governance of the Board and Board Committees • Ensures Board effectiveness and conduct • Chairs all Board and shareholders' meetings
GCEO	<ul style="list-style-type: none"> • Has overall responsibility over day-to-day operations and management • Ensures organisational effectiveness and implementation of Board policies, strategies and decisions • Responsible for providing leadership to management and advancing relationships with regulators and stakeholders • Accountable to our Board and reports to our Board at every Board meeting and on all material issues, as and when required

Statement on Corporate Governance

1.2 Formalised Ethical Standards

We have stood by our COBE in engagements with our stakeholders to uphold a high standard of business ethics based on principles of fairness and impartial practices. We also expect our vendors to be aligned and hence, they are required to comply with the principles outlined in the COBE in their dealings with us.

Setting the tone from the top, 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. In 2015, over 5,000 employees (inclusive of contract staff) from our head office at Technology Park Malaysia and branch offices, had completed the assessment. We have made available a copy of the COBE on Astro's website, corporate.astro.com.my. Compliance to the COBE is monitored by our CA as part of its ongoing reviews.

Our Board is also guided by a Directors' Code of Conduct and Ethics which was adopted in 2013, in addition to the key values, principles and ethos set out in the Board Charter. The Directors' Code of Conduct and Ethics is based on the guiding principles derived from "The Principles of Public Life" as described by the Nolan Committee (1996) and the Directors' Code of Ethics issued by Suruhanjaya Syarikat Malaysia (Companies Commission of Malaysia).

Conflicts of Interests

The Act requires directors of companies to act honestly and use reasonable diligence in discharging his office. He also has a duty to avoid conflicts of interest, whereby he should not use his position or information obtained in his capacity as a director for personal gains. Our Articles of Association clearly prescribes that our Directors shall 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.

To assist in the monitoring of conflicts, it is our responsibility to inform the Company Secretary of our directorships and shareholdings in companies outside Astro in accordance with Sections 131 and 135 of the Act. Based on our disclosure, the Company Secretary will update the Register of Director's Interests and table the changes at the quarterly Board meetings.

The duty to avoid conflicts of interest extends to our employees. In accordance with the COBE, our employees should not engage in any activity which interferes with the proper performance of their duties and they shall not accept or perform any work for any other organisation without the Company's prior written approval. If he has any financial interest or own, either directly or indirectly, beneficial interest in other companies, he is required to disclose his interest and obtain consent in writing prior to entering into any transaction with such entity. In any event, upon becoming aware of a conflict, our employees are required to notify the Director, HC and consent of the Company should be obtained.

Insider Trading

Our Directors and principal officers have been advised of their obligations under Chapter 14 of the MMLR as well as the prohibitions under the Capital Markets and Services Act 2007 in relation to the offence of insider trading. Quarterly notifications on open periods and closed periods for dealings in shares of the Company based on our financial calendar are sent by the Corporate Secretarial division and a summary of dealings in shares is tabled for notation at the quarterly Board meetings.

The Company also discloses any dealings in the Company's shares by our Directors and principal officers, which can be accessed through our corporate and Bursa Malaysia's website.

Statement on Corporate Governance

The interests of our Directors and GCEO in the shares of our Company are disclosed on page 297. The share ownership of our key senior management is indicated in the table below:

Name	Position Held	No. of shares in the Company held as at 31 January 2016	No. of unissued shares in the Company pursuant to the Share Scheme
Henry Tan Poh Hock	Chief Operating Officer	1,141,600	2,999,300
Liew Swee Lin	Chief Commercial Officer	830,000	1,679,900
Rohaizad Mohamed	Senior Vice President, Broadcast & Operations	206,000	857,300
Phuah Aik Chong	Chief Technology Officer	54,800	572,500
Paul Thomas Kannimmel	Director, HC	-	356,900
Grace Lee Hwee Ling	Group Financial Controller & Chief Risk Officer	62,200	563,300
Datuk Jake Abdullah	Chief Executive Officer, Astro Radio	-	393,900
Dato' Rozalila Abdul Rahman	Chief Executive Officer, Go Shop	-	-

1.3 Strategies Promoting Sustainability

As Astro operates in a dynamic market, we appreciate that our business approach has a wide impact on the communities we serve and they, in turn, have a significant impact on our business goals. Embedding strategies to manage economic, environmental, social and competitive risks, while optimising opportunities are therefore necessary to ensure long-term sustainability.

Astro gives back to the Malaysian community through programmes undertaken by Yayasan Astro Kasih (a charitable foundation established as a company limited by guarantee) and we are pleased to provide an update on pages 161 to 162.

1.4 Access to Information and Advice

Our Directors have full and unrestricted access to information pertaining to the businesses and affairs of the Group and to obtain independent professional advice at the expense of the Company as entrenched in our Board Charter. The exchange of information between our Board and management is not restricted to the quarterly Board meetings. There are regular engagements between our Board and management through pre-Board and pre-AC meetings which are held quarterly to discuss key areas and issues as well as adhoc private sessions.

In order to ensure that our Directors are able to discharge their duties without fear of legal repercussions, the Group maintains Directors' and Officers' Liability Insurance to indemnify our Directors and officers against liability incurred by them during the discharge of their duties while holding office. The quantum of the policy is reviewed from time to time to ensure that it is appropriate. The indemnification does not cover any negligence, fraud and breach of duty/trust by our Directors and officers.

Statement on Corporate Governance

The Company Secretary issues a formal Notice of Board Meeting and agenda together with a comprehensive set of meeting papers at least five business days prior to the Board meeting. This has enabled our Directors to have immediate access to the meeting materials, and allowed us to control the circulation of highly sensitive information and benefit from cost reductions. She holds a law degree and is licensed by the Companies Commission of Malaysia. Her responsibilities include advising the Board and management on matters relating to the constitution of companies and facilitating compliance with the MMLR and the relevant companies' legislations. The Corporate Secretarial division supports in the execution of corporate proposals and acts as the Secretary to the Board Committees, Tender Committees and subsidiaries' Boards. In addition to her statutory duties, the Company Secretary plays a key role to facilitate communication between the Board and management.

2. STRENGTHENING COMPOSITION

2.1 Criteria for Recruitment and Annual Assessment of Directors

Appointment of Directors and Board Diversity

An effective Board should have a diverse suite of knowledge and experience, and it is equally important for Directors to complement each other in respect of personality and background to ensure a Board that is cohesive. The selection criteria which is more particularly set out on pages 72 to 73, takes into account feedback obtained from the Board Effective Evaluation (BEE) undertaken by the NCGC annually. Our Board will ultimately make the appointment based on merit and contribution to the overall working of the Board. In relation to gender diversity, our Board includes three female Directors who have been appointed to the Board based on their knowledge, skills and experience.

In respect of gender diversity within our Group, we are pleased that 37.5% of our employees who are Senior Vice Presidents and Vice Presidents are female.

Annual Assessment of Directors

Our Board annually assesses the effectiveness of the Board as a whole, Board Committees and Directors individually through the NCGC. Further details are shared in the Report of the NCGC on pages 72 to 73.

In March 2016, the NCGC conducted an assessment of our Board's effectiveness and recommended the re-appointment of Tun Dato' Seri Zaki Bin Tun Azmi who has attained the age of 70 pursuant to Section 129(2) of the Act, and the re-election of Datuk Yvonne Chia and Mr. Augustus Ralph Marshall who are retiring by rotation at the forthcoming AGM in June 2016. Our Board (save for the interested Directors) is satisfied that they have continued to contribute to the Board's effectiveness and have discharged their responsibilities as Directors.

2.2 Formalised and Transparent Remuneration Policies for Directors

Our Board believes that remuneration should be adequate to attract, retain and incentivise individuals of the necessary calibre, expertise and experience to join the Board.

Remuneration of Non-Executive Directors

The key principles which underpin our Board's policies for NED remuneration are as follows:

- Adequate to attract, motivate and retain world-class non-executive talent.
- Consistent with recognised best practice standards for Chairman and NED remuneration.
- Reflect the experience, time commitment, level of responsibilities and complexity shouldered, special assignments and risks.

Statement on Corporate Governance

Our guidelines on NED remuneration provides that our Director's remuneration should be reviewed at least once in every three years taking into consideration various factors, including changes in the business, market environment, complexity and increase in time commitment. We will also take into consideration, the compensation that is paid to Directors of companies which operate in similar businesses and are comparable in size and market share.

In addition to Director's fee, our NEDs are entitled to additional remuneration for undertaking responsibilities as chairman or member of the Board Committees. A fixed meeting allowance of RM2,500 per day is paid for attendance at Board, Board Committee, pre-Board and shareholders' meetings.

In accordance with Article 119 of our Company's Articles of Association, the total amount of fees payable to NEDs that may be approved by our Board is subject to a maximum sum of RM6 million a year and shareholder's approval will be sought if the total fees payable to NEDs exceed this threshold (excluding allowances, reimbursement for expenditure incurred, remuneration as a board committee member and remuneration of our Executive Director/GCEO). Individual Directors do not participate in the discussions and determination of their own remuneration.

In line with corporate governance recommendations, our NEDs are not entitled to participate in our Share Scheme.

Remuneration of Executive Director/GCEO

Our Executive Director/GCEO is remunerated in accordance with the terms of her Employment Contract, which is approved by our Board. Either party may terminate the employment by giving six months' prior written notice. Her remuneration package is aligned to individual and corporate performance based on agreed KPIs established by the Board, and consists of three components (base salary, annual performance bonus and share incentives) which have taken into consideration the market competitive rates, industry standards, complexity and size of the organisation.

Our GCEO's remuneration has both fixed and variable components which are necessary to drive performance. She is entitled to a fixed monthly salary, EPF, participation in gratuity scheme, benefits in kind, provision of a company car and medical coverage. The variable component of her package refers to an annual discretionary performance bonus and share incentives pursuant to the Share Scheme, both of which are determined by our Board.

Our GCEO's annual performance bonus is determined after an evaluation by the RC of the Company's performance measured against the approved Company Scorecard, which carries both financial and non-financial KPIs including customer experience, governance/regulatory and people metrics. The FY16 Scorecard which was reviewed by the RC and approved by our Board, was cascaded from our GCEO to each divisional head and to the rest of the organisation to ensure alignment towards the set goals.

Our GCEO is further entitled to share awards in the form of RSUs and PSUs that will only vest upon satisfaction of a vesting criteria determined by our RC.

To the best of our knowledge, our GCEO's total remuneration is competitive relative to her peer group both locally and regionally.

Analysis of Total Directors' Fees in respect of FY16

The aggregate amount of Directors' fees paid in respect of FY16 amounted to RM1.8 million, which is within the limit of RM6 million set out in Article 119 of our Articles of Association. Based on our last review in 2013, our NED's total remuneration is comparable to its Malaysian comparators. The existing fee rates payable to our NEDs were approved by our Board in 2012.

Statement on Corporate Governance

The details regarding our Directors' fees and other remuneration paid to the NEDs individually and the remuneration of our Executive Director/GCEO are set out below. The breakdown of our GCEO's remuneration can also be referred to in the Audited Financial Statements on page 221.

	Fee (RM'000)										Total (RM'000)					
	Board	AC	Chairman	Member	Chairman	Member	RC	Chairman	Member	RC		Board Committees				
	Chairman	Director	Chairman	Member	Chairman	Member	RC	Chairman	Member	RC	Board Committees	Meeting Allowance (RM'000)	Salary & Bonus (RM'000)	Other Emoluments (RM'000) ^(a)	Benefits in Kind (RM'000) ^(b)	Total (RM'000)
NON-EXECUTIVE DIRECTORS																
Tun Dato' Seri Zaki	225	225	-	-	25	-	-	-	-	9	-	-	-	-	35	519
Bin Tun Azmi	-	225	-	-	-	-	-	10	-	9	-	-	-	-	-	244
Augustus Ralph Marshall	-	225	-	-	-	-	-	-	-	15	-	-	-	-	-	285
Datuk Chin Kwai Yoong	-	225	-	-	-	-	-	-	-	11	-	-	-	-	-	271
Dato' Mohamed Khadar Bin Merican	-	225	-	-	-	-	25	-	-	12	-	-	-	-	-	247
Bernard Anthony Cragg	-	225	-	-	-	-	-	-	-	12	-	-	-	-	-	255
Datuk Yvonne Chia	-	225	-	-	-	-	-	8 ^(c)	-	7	-	-	-	-	-	180
Quah Bee Fong ^(c)	-	173	-	-	-	-	-	-	-	2	-	-	-	-	-	56
Hisham Bin Zainal Mokhtar ^(d)	-	52	-	-	-	-	-	2	-	77	-	-	-	-	-	2,057
	225	1,575	25	30	25	20	25	20	25	20	20	77	-	-	35	2,057
EXECUTIVE DIRECTOR/GCEO																
Dato' Rohana Rozhan	-	-	-	-	-	-	-	-	-	-	-	-	8,137	2,511	35	10,683

^(a) Inclusive of EPF and share based payments

^(b) Inclusive of driver, car and fuel allowance

^(c) Prorated since her appointment as Director on 24 April 2015 and paid directly to Khazanah Nasional Berhad

^(d) Prorated up to his resignation as Director and NCGC member on 24 April 2015 and paid directly to Khazanah Nasional Berhad

^(e) Prorated since her appointment as NCGC member on 24 April 2015

Statement on Corporate Governance

The number of Directors whose total remuneration during the financial year falls within the required disclosure band is as follows:-

Executive Director	No. of Directors
RM10,650,000 - RM10,700,000	1
Non-Executive Directors	
RM200,000.00 - RM250,000.00	3
RM250,001.00 - RM300,000.00	3
RM500,000.00 - RM550,000.00	1

3. BOARD STRUCTURE

3.1 Board Composition

We have taken guidance from the Green Book: Enhancing Board Effectiveness (2006), that a Board is preferably no larger than ten Directors, has a balanced composition i.e. no more than two Executive Directors and at least one-third of the Board is independent. Our Board, as of the date of this statement, comprises eight members including an Executive Director (who is also the GCEO) and seven NEDs. 50% of our Board comprises INEDs. The background and experience of our Directors are shown below:

Directors' Background and Experience



We continuously review the adequacy of our Board size and composition, and Board succession. In this respect, our Board is pleased to recommend for shareholders' approval, the appointment of Dato' Abdul Rahman Bin Ahmad as additional INED of the Company at the forthcoming AGM. Our Board is of the view that Dato' Abdul Rahman will be able to contribute positively to the Board and management given his substantial experience in the media industry.

Statement on Corporate Governance

3.2 Tenure of Independent Directors

As at 31 January 2016, the tenure of our INEDs is as follows:

Tun Dato' Seri Zaki Bin Tun Azmi	- three years
Datuk Chin Kwai Yoong	- nine years
Dato' Mohamed Khadar Bin Merican	- twelve years
Datuk Yvonne Chia	- two years

Our INEDs are assessed annually based on the criteria which the Board has established. In assessing independence, we have considered the CG Code's recommendation for the tenure of independent Directors to be limited to nine years, and hence, do not encourage a Director whose term of appointment has exceeded a cumulative period of twelve years to be retained as an independent Director. However, the experience and knowledge of long-service Directors should also be taken into consideration and the Board has entrusted the NCGC to conduct an assessment of the independence of INEDs whose tenure has exceeded nine years prior to seeking shareholders' approval to retain the INEDs to remain on the Board.

Dato' Mohamed Khadar Bin Merican and Datuk Chin Kwai Yoong have exceeded nine years since they joined the Board of our previous holding company^{Note 2}. The Board had considered the tenure of Datuk Chin Kwai Yoong and based on our independence assessment, we strongly believe that he has continued to display all characteristics of a Director who is independent and the highest level of integrity expected of him. Therefore, the Company will seek its shareholders' approval to retain Datuk Chin Kwai Yoong as an INED at the forthcoming AGM. Dato' Mohamed Khadar Bin Merican, who was retained as our INED at the last AGM on 17 June 2015, will be re-designated as a Non-Independent Non-Executive Director at the conclusion of the forthcoming AGM.

4. FOSTERING COMMITMENT

4.1 Time Commitment

We are aware of the time commitment expected from a Director when we were appointed to the Board. Furthermore, the annual Board meeting calendar is planned and agreed with the Directors prior to the commencement of each new financial year.

We have formalised procedures for acceptance of external board appointments. Our Directors are required to provide immediate notification when accepting any new external board appointments and seek guidance from the Board Chairman on any potential conflicts of interest, if necessary. Any changes to their Directorships will be tabled at the quarterly Board meetings. None of our Directors are Directors of more than five public listed companies listed on Bursa Securities and we are satisfied that the present directorships in external organisations held by our Directors do not give rise to any conflicts of interests nor impair their ability to discharge their responsibilities to the Group.

A total of eight Board meetings were held during FY16. Private discussions with individual Directors and pre-AC meetings attended by management and external auditors were held at regular intervals throughout the year.

Note 2: Dato' Mohamed Khadar Bin Merican and Datuk Chin Kwai Yoong were appointed in August 2003 and March 2006, respectively to the board of Astro All Asia Networks Limited, an entity that held the Group's assets prior to the formation of the Company under a group reorganisation.

Statement on Corporate Governance

Name	AGM ^(a)	Board ^(b)		AC		Board Committees		RC	
	Attended	Attended	%	Attended	%	Attended	%	Attended	%
Tun Dato' Seri Zaki bin Tun Azmi	√	8/8	100%	-	-	1/1	100%	-	-
Augustus Ralph Marshall	√	8/8	100%	-	-	-	-	3/3	100%
Dato' Rohana Rozhan	√	8/8	100%	-	-	-	-	-	-
Datuk Chin Kwai Yoong	√	8/8	100%	4/4	100%	1/1	100%	3/3	100%
Dato' Mohamed Khadar Bin Merican	√	8/8	100%	4/4	100%	-	-	3/3	100%
Bernard Anthony Cragg	√	8/8	100%	4/4	100%	-	-	-	-
Hisham Bin Zainal Mokhtar ^(c)	√	2/2	100%	-	-	1/1	100%	-	-
Datuk Yvonne Chia ^(d)	√	8/8	100%	4/4	100%	1/1	100%	-	-
Quah Bee Fong ^(e)	√	6/6	100%	-	-	-	-	-	-
Number of meetings held in FY16	1	8		4		1		3	

^(a) AGM 2015 held on 17 June 2015

^(b) Includes Board Presentations

^(c) Resigned as a Director on 24 April 2015

^(d) Appointed as a member of NCGC on 24 April 2015

^(e) Appointed as a Director on 24 April 2015

4.2 Decisions of the Board

Pursuant to Articles 134 and 147 of our Articles of Association, decisions of our Board at a physically convened Board meeting shall be decided by a majority of votes or alternatively, circular resolutions must be signed by all the Directors who are present in Malaysia. The Company Secretary keeps the Minutes of the Board meetings, a draft of which is circulated to management and Directors for their comments prior to approval by our Chairman.

4.3 Directors' Training

Based on the training requirements identified by our Directors as part of the BEE, the Company Secretary ensures that training on appropriate topics are organised, whether conducted in-house or by external speakers, in conjunction with the quarterly Board meetings. In addition, our Directors are kept informed of available training programmes and a budget is in place to cater for such programmes.

Other than attending formal training programmes, our Directors also receive regular briefings on the market outlook, competitive landscape, consumer demographics and trends and technological developments, etc. from management and other invited speakers. All our Directors have attended and completed the Mandatory Accreditation Programme as prescribed by Bursa Malaysia.

Statement on Corporate Governance

The diagram and table below show the key learning areas and details of training attended by our Directors in FY16:



In-House Training

Date	Training/Course
30.03.2015	Applications and Implications of Anti-Bribery Laws on Astro
15.09.2015	Leveraging Cloud for Media Services – Rewards & Risks
07.12.2015	Global Media Landscape
08.12.2015	Update on Companies Bill

Corporate Governance, Risk Management and Internal Control

Date	Training/Course
04.02.2015	Cybercrime – What You Don’t Know Can Hurt You
08.04.2015	Remuneration Reward Practices 2015
06.05.2015	Strengthening Corporate Governance Disclosure Among the Listed Issuers
09.09.2015	Governance, Director Duties and Listing Requirements Updates for Directors of PLCs
21.09.2015	Bursa Malaysia CG Breakfast Series with Directors – Future of Auditor Reporting, The Game Changer for Boardroom
26.11.2015	Bursa CG Breakfast Series-Board Reward and Recognition
18.12.2015	Corporate Governance

Statement on Corporate Governance

Economics, Finance and Business

Date	Training/Course
05.02.2015	Goods and Services Tax Act 2014
13.03.2015	J.P. Morgan's ASEAN Yield Forum in Tokyo (Investor meetings)
23.03.2015 - 24.03.2015	18 th Annual Credit Suisse Asian Investment Conference 2015 Hong Kong (Investor meetings)
19.04.2015 - 20.04.2015	World Economic Forum Jakarta
22.04.2015 - 24.04.2015	Asia Pacific Pay-TV Operators Summit 2015 (APOS) Bali
27.04.2015 - 28.04.2015	A Paradigm for Profitable Growth and Scale/ALCO/Basle 3
14.05.2015	Asean Business Forum
04.06.2015 - 05.06.2015	A Paradigm for Profitable Growth and Scale/ALCO/Basle 3
06.06.2015	Changing Financial Services Sector-New Landscape and New Skillsets for Managers
19.09.2015	Pre Service Training with New Fellows and Alumni-Tech for Malaysia
01.10.2015	Briefings on Overseas Tax and Malaysian Financial Reporting Standard 9 – 'Financial Instruments'
07.10.2015	The Changing Banking Paradigm, New Skillsets and Values
12.10.2015 -13.10.2015	ASEAN Business Club – High Level Forums London
19.10.2015 - 20.10.2015	Economic Outlook
22.10.2015	Global Transformation Forum
03.11.2015 - 04.11.2015	Global Banking Conference
12.11.2015 - 14.11.2015	Women of Impact California
17.11.2015	Asean Competitiveness
08.12.2015	Certified Scrum Master Workshop
13.01.2016	Invitation to The New Auditor's Report – Sharing The UK Experience
19.01.2016 - 23.01.2016	World Economic Forum 2016 Davos

Board Leadership and Management

Date	Training/Course
25.02.2015	The Briefing on Charter Contracts
01.03.2015	Inculcating Innovation and Growth Through Public Private Partnership
16.03.2015 - 19.3.2015	The Boardroom Program – Retail Management Institute
08.05.2015	Lead the Change – Getting Women on Board
09.05.2015	Lead the Change – Women on Boards
10.06.2015 -11.06.2015	Mandatory Accreditation Programme for Directors of Public Listed Companies
03.09.2015	Board Chairman Series Part 2 – Leadership Excellence from The Chair
19.10.2015 - 20.10.2015	Do Minority Shareholders Trust You? Integrated Reporting
14.12.2015	Master Class on Leadership

Statement on Corporate Governance

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

Our Board is ultimately responsible for presenting a clear, balanced and comprehensive assessment of the Group's financial position, performance and prospects each time it releases its quarterly and annual financial statements to its shareholders as well as ensuring that the financial statements give a true and fair view of the results of operations and the financial state of affairs of our Group.

5.2 Assessment of External Auditors

The Company has appointed PwC as our external auditors and their re-appointment is subject to our shareholders' approval at the AGM. Through the AC, our Board conducts an assessment of the external auditors annually based on the process and criteria set out in the AC Report on page 76.

5.3 Related Party Transactions

We have established a comprehensive policy on RPTs aimed at ensuring that transactions with related parties are entered into at arm's length, on normal commercial terms and on terms that are not detrimental to the minority shareholders. Business units are required to perform benchmarking (such as by obtaining comparable quotations from non-related parties where possible) on the price and key terms of the transactions.

Each year, the Company seeks its shareholders' mandate for RRPTs to enable our Group to carry out transactions necessary for our day-to-day operations and are entered into in the ordinary course of business. The monitoring of such mandated RRPTs is jointly coordinated by the Corporate Secretarial and Finance divisions, whereupon a quarterly report will be tabled to the AC for its review and notation. Apart from mandated RRPTs, other proposed RPTs will be reviewed by CA prior to making any binding commitment. Based on CA's review and findings, the AC will recommend the transaction to the Board (save for the interested Directors who will abstain from deliberation and voting) for approval.

Regular awareness briefings on the RPT framework are organised for newly appointed managers and employees. To reinforce, we have included an RPT module in the online compliance training, which all our employees undergo annually.

6. RECOGNISE AND MANAGE RISKS

6.1 Sound Risk Management

Our Board has established a comprehensive and holistic framework for risk management and a sound internal controls system. The Board's Statement on Risk Management and Internal Control is set out on pages 82 to 88.

6.2 Internal Audit Function

Our Group's internal audit function or CA assists the AC and Board to monitor the adequacy of risk management and internal control systems. The Vice President of Group CA heads the division and she is a qualified accountant and a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. In order to maintain independence from management, she reports directly to the AC Chairman. The Board's approval is required for the appointment and removal of the head of CA based on the AC's recommendation. A summary of CA's responsibilities and activities is set out in the AC Report on pages 77 to 79.

Statement on Corporate Governance

7. TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure

The Company is guided by the Corporate Disclosure Policy for Directors issued by Bursa Malaysia to promote timely and high quality disclosure of material information to the public. We have formalised a process for the preparation of announcements to Bursa Malaysia, which is coordinated between the Company Secretarial, Investor Relations, Finance, Legal and Communications teams to ensure that the information to be disclosed is properly verified before it is disseminated. Approval of our Board or GCEO will be obtained for the release of announcements depending on the type of information.

As a responsible corporate citizen, our Group's spokespersons adhere to a Spokesperson Guide as well as Social Media Guide in respect of interaction with its stakeholders, which includes a list of information that is prohibited from disclosure such as price and market-sensitive information that may influence the share price or impact the operations of the business.

7.2 Leveraging on Information Technology

Our Group leverages on information technology to disseminate vital information to the public. From our websites (corporate.astro.com.my and astro.com.my), our stakeholders can obtain up-to-date information including public announcements, financial results, analyst presentations, charters, annual reports, circulars, analyst presentations, etc. There are also dedicated sections on corporate governance and financial results. For the past two consecutive years, our Annual Report was published in CD-ROM format in accordance with the criteria established under the MMLR.

Management actively uses social media networks including Facebook and Twitter, not only to provide updates on the latest programmes, events and campaigns, but to also seek valuable feedback from our customers.

8. STRENGTHENING RELATIONSHIP BETWEEN SHAREHOLDERS AND INVESTORS

8.1 Encouraging Shareholder Participation

We recognise the need for shareholder engagement, which is reflective of our Board's fiduciary duties to the shareholders and is of the view that clear and consistent communication encourages a better appreciation of our business and activities, reduces share price volatility, and allows our businesses and prospects to be evaluated properly.

The Company reaches out to key investors through regular dialogues, telephone conferences and one-on-one meetings. Management also participates in selected non-deal roadshows and key investor conferences, both locally and overseas, to share our most recent performance and other updates. Details are set out in the Investor Relations section on pages 36 to 37.

Press conferences are initiated at regular intervals to keep the media abreast with our performance, recent developments and product launches.

Statement on Corporate Governance

Annual General Meeting

The Notice convening the 2015 AGM was issued to shareholders on 19 May 2015, which is 28 days prior to the AGM (in excess of the minimum notice period of 21 days prescribed by the MMLR). We are pleased to receive strong support from our shareholders as indicated by their active participation at our AGM last year, which was held on 17 June 2015. A total of 2,253 (out of which 322 appointed the Chairman as their proxy) attended in person or by proxies or corporate representatives, representing 91.95% of the Company's total issued share capital.

All our Directors and senior management together with our key corporate advisors attended the 2015 AGM. Our AGM in 2015 lasted approximately two hours, with presentations from our GCEO on operational and financial performance for the past financial year as well as a Q&A session, whereby our shareholders were given the opportunity to raise questions on the agenda items to our Board and management. In line with best practices, the Chairman convened the Meeting with the required quorum and explained the voting procedures, including the right to demand for a poll. Voting was carried out on a show of hands whereby every member, proxy or corporate representative had one vote. The Chairman also shared the responses to the questions posed by the Minority Shareholders' Watchdog Group during the AGM. The outcome of each resolution was announced when the AGM concluded. Minutes of the AGM are recorded by the Company Secretary and are available upon request by a shareholder in accordance with the Act and the Company's Articles of Association.

Our Board also encourages other channels of communication with our stakeholders. If required, queries or concerns may be directed to our Board through the Senior Independent Director:

Datuk Chin Kwai Yoong (Senior Independent Director)
 c/o Corporate Secretarial Department
 3rd Floor, All Asia Broadcast Centre
 Technology Park Malaysia
 Lebuhraya Puchong-Sungai Besi
 57000 Kuala Lumpur
 Tel: + 603 9543 9267
 Email: kwai-yoong_chin@astro.com.my

For investor and shareholder matters, the contact persons are:

Mr. Raymond Tan (Chief Investment Officer)
 Tel : + 603 9549 7600
 Fax : + 603 9543 9511
 Email : raymond_tan@astro.com.my

Ms. Sharon Liew (Company Secretary)
 Tel : + 603 9543 9267
 Fax : + 603 9543 3007
 Email : sharon_liew@astro.com.my

Remuneration Committee Report

This Report has been reviewed by the RC and approved by the Board for inclusion in this Annual Report.

1. COMPOSITION

The RC was established on 1 April 2011 and comprises three members who are NEDs in compliance with the CG Code. The membership of the RC is set out below:

Name of Committee Member	Appointment Date	Designation
Dato' Mohamed Khadar Bin Merican	1 April 2011	Chairman of RC/INED
Datuk Chin Kwai Yoong	1 April 2011	Member/Senior INED
Augustus Ralph Marshall	1 April 2011	Member/Non-Independent NED

2. TERMS OF REFERENCE

The Terms of Reference of the RC are published on Astro's website, corporate.astro.com.my.

3. SUMMARY OF ACTIVITIES UNDERTAKEN BY THE RC IN RESPECT OF FY16

The RC held three meetings in FY16 and discussed, inter alia, on the following matters:

- (a) Reviewed the Terms of Reference of the RC to ensure that they are in line with the regulations and best practices.
- (b) Reviewed the proposed Company Scorecard for FY16 and our GCEO's performance against the approved Company Scorecard. Our GCEO's performance is reviewed and measured by our Board annually based on the Company Scorecard which comprises both financial and non-financial parameters including customer experience, governance and regulatory as well as people measurements.
- (c) Reviewed the proposal for annual performance bonus and merit increment, including our GCEO's remuneration, to ensure that the rates are equitable, competitive and appropriate taking into account our Group's performance as well as the individual's performance. The RC reviewed the allocations based on an established bonus/increment matrix. The RC met without the presence of our Executive Director/GCEO on several occasions for the purpose of reviewing her performance in FY16.
- (d) Reviewed the grant and vesting of share awards to eligible employees under the Share Scheme established by our Board and approved by the Company's shareholders in 2012 as part of a total remuneration philosophy. The objectives of the scheme are to align employees' interests with our shareholders' interests, instill employee loyalty and drive performance. During the year under review, the RC approved the following grants and vesting of Share Awards in respect of new ordinary shares of RM0.10 each in the Company to eligible employees of our Group pursuant to the Share Scheme:

Remuneration **Committee Report**

Date of Grant/Vesting	Grant/Vesting of Share Awards	Vesting Criteria and Timing
7 August 2015	Grant of PSUs of up to 9,093,900 new ordinary shares	Conditional upon the achievement of agreed performance targets, which are based on a measurement of total shareholders' return and financial performance of the Group over a 3-year period. If the targets are met, the shares will vest on 7 August 2018.
19 October 2015	Grant of RSUs of 629,200 new ordinary shares in recognition of performance in FY15 by the eligible employees	Subject to meeting the Company and individual performance targets. In order to encourage employee retention, the shares will vest in three tranches on the anniversaries of the grant date in the proportion of 10%, 20% and 70%, if the predetermined vesting criteria are met.
19 October 2015	Vesting of the second tranche of RSUs amounting to 3,287,200 new ordinary shares, which was granted prior to the Company's listing in 2012	-

The relevant announcements in respect of the Share Scheme were made to Bursa Securities on 11 October 2012, 7 August 2015 and 19 October 2015.

Nomination and Corporate Governance Committee Report

This Report has been reviewed by the NCGC and approved by the Board for inclusion in this Annual Report.

1. COMPOSITION

The NCGC was established on 1 April 2011 and comprises three members who are exclusively INEDs in compliance with the CG Code. The membership of the NCGC is set out below:

Name of Committee Member	Appointment Date	Designation
Tun Dato' Seri Zaki bin Tun Azmi	15 August 2012	Chairman of NCGC/INED
Datuk Chin Kwai Yoong	1 April 2011	Member/Senior INED
Datuk Yvonne Chia	24 April 2015	Member/INED

2. TERMS OF REFERENCE

The Terms of Reference of the NCGC are published on Astro's website, corporate.astro.com.my.

(i) Nomination, Election and Selection of Directors

The Company Secretary monitors Directors' retirement by rotation at each AGM and submits the proposal to the NCGC in accordance with our Articles of Association, which requires one-third of the total number of Directors, or if the number is not a multiple of three, the number nearest to one-third, to retire by rotation at the AGM each year. The NCGC will review the performance of the said Director(s) who are retiring by rotation as part of the BEE and make the appropriate recommendation to the Board.

In respect of new Board appointees, the NCGC evaluates a potential Board candidate based on established selection criteria, which include among others:

- Education and experience on areas that are relevant to our Group's strategies and business plan
- Character of the individual to ensure that there will be a right fit
- Ability to dedicate sufficient time to discharge his responsibilities
- Unblemished reputation for integrity and ability to exercise good business judgment

Each Director will be given the opportunity to meet the proposed candidate before appointment. The NCGC will recommend the candidate to our Board for the final decision.

(ii) Board Effectiveness Evaluation

The BEE is facilitated by the NCGC annually with the support of the Company Secretary. The Chairman of the NCGC assumes overall responsibility for the assessment, while the findings are reported to the Board Chairman and presented to the Board. The results of the Board Chairman's individual evaluation are submitted to the Senior INED who will bring to the attention of the Board Chairman. The NCGC also monitors the implementation of the proposed recommendations to enhance Board effectiveness.

Nomination and Corporate Governance Committee Report

The parameters used in the assessment are briefly set out below:

Board as a whole	Board Committees
<ul style="list-style-type: none"> • Board responsibilities • Composition, administration and process • Conduct, interaction and communication with management and other stakeholders • Independence 	<ul style="list-style-type: none"> • Structure and process • Accountability and responsibilities
Individual Directors	
<ul style="list-style-type: none"> • Independence • Participation • Integrity • Objectivity • Technical competence • Recognition 	
Independent Directors are further measured on:	
<ul style="list-style-type: none"> • Ability to exercise independent judgement • Ability to demonstrate the values and principles associated with independence such as impartiality, objectivity and consideration of all stakeholders' interests, including taking an unpopular stand at times 	

3. SUMMARY OF ACTIVITIES UNDERTAKEN BY THE NCGC IN RESPECT OF FY16:

The NCGC held two meetings in FY16 and discussed, inter alia, on the following matters:

- (a) Reviewed the Terms of Reference of the NCGC and Board Charter to ensure that they are in line with the regulations and best practices.
- (b) Reviewed the compliance status with the CG Code and recommendations for improvement.
- (c) Reviewed the appointment of Ms. Quah Bee Fong as a Director and Datuk Yvonne Chia as a member of the NCGC, in place of En. Hisham Bin Zainal Mokhtar who resigned on 24 April 2015.
- (d) Reviewed and recommended the re-election of Directors who are due for retirement by rotation at the forthcoming AGM.
- (e) Administered the BEE in March 2016 via electronic questionnaires sent to each Director and selected key management as part of a 360° assessment. Based on the results, our Board is satisfied that the Board as a whole, Board Committees, Board Chairman and chairmen of the respective committees and the Directors individually have performed well and continued to discharge their responsibilities as expected of them. Our Directors believe that the effectiveness of the Board can be further enhanced by appointing fresh members to the Board to add more diversity of thought and avoid familiarity.
- (f) Assessed the independence of Dato' Mohamed Khadar Bin Merican and Datuk Chin Kwai Yoong whose tenure of appointment have exceeded nine years, and considered the proposed re-appointment of Tun Dato' Seri Zaki Bin Tun Azmi who has attained 70 years of age as our Director. The NCGC duly recommended that shareholders' approval be obtained for the re-election of Datuk Chin Kwai Yoong and Tun Dato' Seri Zaki Bin Tun Azmi in accordance with the requirement of the CG Code and S129(2) of the Act, respectively.

Audit Committee Report

This Report has been reviewed by the AC and approved by the Board for inclusion in this Annual Report.

The AC assists our Board in fulfilling its responsibilities with respect to its oversight responsibilities. The AC is committed to its role in ensuring the integrity of the Group's financial reporting process; and 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, and such other matters that may be specifically delegated to the AC by our Board.

1. COMPOSITION

The AC comprises the following four Board members:

Name of Committee Member	Appointment Date	Designation
Datuk Chin Kwai Yoong	1 April 2011	Chairman of AC/Senior INED
Dato' Mohamed Khadar Bin Merican	1 April 2011	Member/INED
Bernard Anthony Cragg	1 April 2011	Member/Non-Independent NED
Datuk Yvonne Chia	1 January 2014	Member/INED

The composition of the AC complies with the MMLR as follows:

- All four AC members are NEDs, a majority of whom are independent, including the AC Chairman and none of them are alternate Directors; and
- Three of the AC members consisting of Datuk Chin Kwai Yoong, Dato' Mohamed Khadar Bin Merican and Mr. Bernard Anthony Cragg is either a Fellow or Member of the Institute of Chartered Accountants in England and Wales and/or a member of the Malaysian Institute of Certified Public Accounts and/or the Malaysian Institute of Accountants. Hence, the AC meets the requirements of paragraph 15.09(1)(c) of the MMLR, which stipulates that at least one member of the AC must be a qualified accountant.

2. MEETINGS

The AC met on four occasions during FY16. Details of the attendance are set out on page 64. The AC meetings were conducted in accordance with the requisite quorum as stipulated in the AC Charter, with at least two members present and a majority of the members were independent. In addition to the AC meetings, certain AC members attended pre-AC meetings prior to the quarterly meetings to enable early escalation and resolution of any significant issues. The Company Secretary is the Secretary of the AC and records the minutes of the meetings.

During FY16, the AC met with the external auditors, PwC, on two occasions, separately, without the presence of management. These sessions allow the AC and the external auditors to focus on areas that might have not have been specifically addressed as part of the audit and where the external auditor can provide additional, candid and confidential comments to the AC. The matters discussed on these occasions included the external auditors' assessment of the tone at the top, ethical values and integrity of management, quality of financial management and reporting, existence of pressure to meet aggressive financial targets and profitability expectations, cooperation from the various levels of management as well as internal auditors, among others.

In addition, the Vice President, Group CA and the external auditors also met separately with the AC Chairman and certain members of the AC, as needed on a quarterly basis, without the presence of management. The AC Chairman further engages on a continuous basis with senior management, Vice President, Group CA and external auditors, in order to keep abreast of matters and issues affecting our Group.

Audit Committee Report

3. SUMMARY OF ACTIVITIES

In discharging its functions, the AC is guided by the AC Charter, which was approved by the Board and aligned to the provisions of the MMLR, CG Code and other best practices. The AC Charter is reviewed annually to ensure alignment to new requirements and regulations, and where there are any amendments, duly approved by the Board. A review of the AC Charter conducted in September 2015 highlighted that the AC Charter is generally in line with the relevant regulatory provisions and best practices.

The AC's activities are structured to support the Board's oversight responsibilities. The AC's key focus areas which were included in the AC agenda at the relevant times throughout the year are summarised below:

3.1 Financial Reporting and Compliance

- (a) Reviewed the quarterly and annual financial statements, including press releases and announcements relating to the quarterly financial reports for quality of disclosure and presentation, and discussed with the external auditors and management, concentrating among others:
- The accounting principles and standards that were applied to ensure compliance with applicable approved accounting standards and legal requirements
 - Material areas in which significant judgments have been applied
 - Whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides information necessary for shareholders to assess our Group's performance

As part of its quarterly and annual reviews of the financial statements, the AC considered the views of management and the external auditor and is satisfied that the policies, particularly in relation to the following key areas which were deliberated at length by the AC, have been applied consistently and/or appropriately:

- The programme amortisation policy, goodwill and brand impairment assessment
 - Accounting for M3b satellite transponder finance lease and compensation obtained for the delay in returning Transponder 11
 - Accounting for option contracts
 - Accounting for the investment in Red Communications, as a jointly controlled entity and impairment of investment in Advocate Inc.
 - Adequacy of allowance for doubtful debts
 - Accruals for bonus and reversal of backlog fulfilment charges for warehousing and distribution
- (b) Reviewed the external auditors' report on our Group's annual financial statements and quarterly financial reports prior to making a recommendation to the Board for approval and public release.

3.2 Risk Management and Internal Control

- (a) Reviewed our Group risk profile on a quarterly basis, with focus on the key risks identified on pages 89 to 93 and the status of the risk management process implemented to facilitate the identification, assessment, evaluation, monitoring and management of risks.
- (b) Reviewed the adequacy and effectiveness of the system of internal controls based on the status report on the KCCs for key business functions completed and reported by management on a quarterly basis.

Audit Committee Report

- (c) Reviewed the adequacy and effectiveness of the policies and procedures and system of internal control to monitor and manage risks in specific areas, such as cyber security and home shopping, among others.
- (d) Reviewed the Statement on Risk Management and Internal Control for inclusion in this Annual Report.

3.3 External Audit

- (a) Reviewed and approved the external auditors' Audit Plan for FY16, to ensure appropriate scope and focus on key risk areas.
- (b) Reviewed the external auditors' annual audit report and accompanying reports to management, reports of their other examinations and management letters on internal control matters, including management's response and the level of cooperation given by employees to the external auditors.
- (c) Assessed the external auditors' independence, objectivity and terms of engagement before recommending their re-appointment and remuneration.
- (d) Reviewed the evaluation on the performance and effectiveness of the external auditors which was coordinated by the Company Secretary. The annual assessment was conducted in February 2016, with feedback obtained from the AC, management and CA and a self-assessment by PwC. The areas assessed were (i) independence, objectivity and professional scepticism; (ii) firm's financial stability, risk profiles and audit strategy; (iii) communication and interaction; (iv) audit finalisation; and (v) quality of skills, capabilities of audit team and sufficiency of resources. Based on the results of the evaluation, the AC is satisfied with the external auditor's performance and that they had exhibited robust challenge and scepticism throughout FY16. Therefore, the AC had recommended to our Board, the re-appointment of the external auditors at the forthcoming AGM in June 2016.
- (e) Our Board has 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. The fee for individual engagement for the non-audit services is limited to 50% of the statutory financial audit and interim review fees which was approved by the Board for the immediate preceding financial year. The cumulative fee for non-audit services is limited to five times the fee for individual engagement. Any non-audit service that exceeds the above threshold will require specific pre-approval by the AC. During FY16, our Group incurred approximately RM461,000 on non-audit fees representing 31% of the total fees to the external auditors. On a quarterly basis, the AC reviewed the analysis provided by the external auditors on the provision of audit and non-audit services including the fees incurred and remains satisfied that the independence of the external auditors is not impaired from the provision of the non-audit services.
- (f) Our Group has also restricted the employment of former employees of the external auditors' audit engagement team to ensure independence of the external auditors and for avoidance of any conflicts of interests. During FY16, there was no employment of such former employees that was reported to the AC.
- (g) Reviewed the written confirmation of independence from the external auditors in accordance with the applicable Malaysian regulatory and professional requirements. In respect of FY16, PwC has re-affirmed their independence to act as the Company's external auditors in accordance with the relevant professional and regulatory requirements.
- (h) In order to further maintain independence of the external auditors, the audit partner-in-charge of the Group is rotated every five years. The current audit partner rotates after the FY16 audit and is being shadowed by a successor audit partner to ensure full familiarity with all aspects of our Group that are relevant to the external audit process.

Audit Committee Report

3.4 Corporate Assurance

- (a) Reviewed CA's function to ensure that its activities are performed independently and with impartiality, proficiency and due professional care, including its KPIs. In respect of FY16, the review was coordinated by the Corporate Secretarial division in February 2016 with feedback sought from the AC, management and external auditors. The areas assessed include (i) audit planning and resources, (ii) skills and experience and (iii) work programme. Based on the results of the evaluation, the AC is satisfied with the performance of CA and noted several areas of improvements for CA to focus and address in FY17.
- (b) Reviewed the adequacy of the CA Charter.
- (c) Reviewed the CA Strategic Review Plan for FY16 to ensure adequacy of the review scope, competency and resources to carry out its function.
- (d) Reviewed CA's reports which were submitted to the AC and management during the year that included the findings, recommendations, management response and action taken on the recommendations.
- (e) Reviewed management's implementation status of the recommendations made by CA to ensure that action plans have been addressed in a timely and comprehensive manner. Where appropriate, the AC has directed Management to rectify and further improve control procedures and workflow processes based on CA's findings.
- (f) Reviewed the results of special reviews/investigations into disclosures received and ensured that appropriate remedial actions were taken.
- (g) Instructed the conduct of special reviews into activity or matter within the AC Charter.

A summary of the CA function is provided below:

The AC is supported by CA which provides independent validation on the risk management, control and governance processes of the Group. The Company is also a corporate member of the Institute of Internal Auditors Malaysia.

CA's role is governed by the CA Charter which is reviewed and approved annually by the AC. The CA Charter was last updated and approved in September 2015 to ensure that the purpose, authority and responsibility of CA, continue to be adequate, reflect developments in CA's activities and in line with best practices promulgated by internal audit professional bodies. CA has no operational responsibility or authority over the activities audited. The CA Charter also clearly outlines CA's role in independent validation of risk management, control and governance processes and CA is not involved in drafting and implementing procedures, designing, installing and operating systems of control.

CA's activities are governed by an annual review plan that is approved by the AC and updated on a quarterly basis taking into account changes in the business and operating environment. The plan adopts a risk-based methodology by focusing on key risk areas. The scope of coverage includes all business and support units within our Group. This approach is consistent with our Group's established framework for designing, implementing and monitoring of its control systems. CA also liaises with GPRA, other assurance functions and the external auditors to monitor the risk governance framework and the risk management processes of our Group to ensure their effectiveness.

Audit Committee Report

During FY16, the major areas of work performed by CA and reported to the AC were as follows:

- (a) Implemented the Strategic Review Plan for FY16 encompassing audit coverage of all significant business and support units based on identification and evaluation of the respective risks and control environment.
- (b) Performed a variety of planned reviews such as financial, operational, technology and information systems audits as well as ad-hoc reviews and investigations. The planned reviews involved areas across Customer, Content, Broadcast Operations and Information Technology divisions as well as the Radio business and other support units within our Group. The ad-hoc reviews and investigations, included among others, governance enhancement reviews related to policies and procedures and special reviews based on disclosures reported to the Ethics Line and other channels.

The key coverage of the above reviews included programme acquisition, customer operations, payment channels, payroll, payment and change order approval processes, data centres, system implementation readiness, business continuity planning, social media, KCCs, data privacy, network security, radio operations and share scheme, among others.

- (c) The CA audit reports including the findings, recommendations and management responses were submitted to the AC and management for review as and when the reports were finalised. On a quarterly basis, a summary of the findings was presented and tabled at the AC meetings. Members of the management were invited from time to time to provide clarification on the findings and update on the action taken, where applicable.
- (d) Conducted regular follow-up and monitoring on the implementation of recommendations made by CA and action taken by management to ensure that appropriate corrective actions are taken on a timely basis or within agreed timelines, with the status of such implementation reported to the AC on a quarterly basis.
- (e) Performed reviews of RPTs to ensure that they have been conducted on our Group's normal commercial terms and are not detrimental to our Group's minority shareholders and proper disclosures were made in accordance with the MMLR.
- (f) Witnessed the tender opening process for procurement of goods/services.

In order for CA to perform its work effectively, CA has been utilising an audit management system to assist with audit documentation as well as for the monitoring of time spent on reviews. In addition, CA staff is kept abreast of developments in the profession and industry through attendance at trainings aimed at equipping them with the relevant skills appropriate to their respective levels such as in the area of risk management, corporate governance, information technology security, information security management standard, new legal requirements and advertising and radio content regulations, among others.

Audit Committee Report

As at the date of this report, there are a total of 14 internal auditors based on an approved headcount of 17 auditors. All the internal auditors possess tertiary qualifications and the number of years of internal audit experience and competencies of the 14 auditors as at 31 January 2016 is as follows:

Years of internal audit experience	3 - 5	5 - 10	>10	Total
Number of auditors	4	4	6	14

Competencies	Number of auditors	Percentage of auditors
Accounting and Finance	10	71
Information Technology	5	36
Banking	3	21
Risk Management	6	43

The total operational costs incurred for CA for FY16 amounted to approximately RM3.4 million (FY15: RM3.3 million).

3.5 Related Party Transactions

- (a) Reviewed the internal procedures for RPTs and the adequacy of the procedures in identifying, monitoring, reporting and reviewing RPTs.
- (b) Reviewed the 2015 Circular to Shareholders in respect of new and renewal of shareholders' mandate for recurrent RPTs, prior to Board approval.
- (c) Reviewed RPTs entered into by our Group to ensure that:
 - The RPTs had been conducted on our Group's normal commercial terms and were not to the detriment of our Group's minority shareholders.
 - Proper disclosures were made in accordance with the MMLR.
 - The actual expenditure on recurrent RPTs was within the mandate approved by the shareholders.

3.6 Integrity and Ethical Matters

- (a) Reviewed the COBE as well as the online COBE learning, assessment and certification tool with a view to simplification to raise awareness and ensure adherence, and the effectiveness of the programme established by management to monitor and enforce compliance with the COBE. Further details on the effectiveness and response to the online COBE tool are provided on page 57.
- (b) Our Board has adopted the Ethics Line Procedures which were established to address allegations made by whistleblowers, to ensure proportionate and independent investigation is duly conducted and follow-up action is taken and brought to the attention of the AC. The AC reviewed the whistleblowing cases and other business integrity related cases reported through the Ethics Line and other available channels, on a quarterly basis. During FY16, CA which manages the Ethics Line received a total of 44 ethics, conflict of interest and integrity related disclosures which were reported by various parties including employees and external parties. The status of investigation (where applicable) into these cases were reported to the AC on a quarterly basis or more frequently as necessary. For FY16, the AC is satisfied that there were no cases with significant impact to our Group.

Audit Committee Report

3.7 Others

- (a) Reviewed the quarterly reports on the following areas:
- Treasury, which included the sources and uses of cash, analysis of working capital, compliance status of debt covenants and treasury risk management. The AC also reviewed the refinement to the foreign exchange management policy, aimed at allowing greater flexibility to respond to market volatility for hedging purposes.
 - Tax updates that included the status of tax filings and audits of selected entities of our Group by the Inland Revenue Board, GST implementation and reporting, among others. The AC also deliberated on matters of tax morality and remains satisfied that our Group has adopted a responsible approach in its tax planning strategies that encompassed transfer pricing, utilisation of losses and capital allowances and tax incentives.
 - Regulatory compliance and status of material litigations to ensure that these matters have been reflected in the financial statements, where appropriate. A summary of the material litigation, claims and arbitration is provided in the notes to the financial statements on pages 277 to 287.
- (b) Reviewed the AC Report for inclusion in this Annual Report, prior to recommendation to the Board for approval.
- (c) Reviewed the verification performed by CA on the allocation of shares to eligible employees to ensure compliance with the By-Laws of the Share Scheme approved by our Board and shareholders of the Company on 3 August 2012.
- (d) Reviewed the adequacy of the AC Charter taking into account changes to applicable laws, regulations, auditing principles and best practices, prior to Board approval.
- (e) Reviewed the report from PwC on fraud incidents for submission to Suruhanjaya Syarikat Malaysia (Companies Commission of Malaysia) pursuant to S174(8A) of the Act.

3.8 Training

Throughout the financial year, the AC members had attended various seminars, training programmes and conferences to keep abreast of changes in the industry and business environment. Details are set out in the Statement on Corporate Governance under Directors' Training on pages 64 to 66.

4. AC EVALUATION

The AC carries out a self-assessment on an annual basis to monitor their overall effectiveness in meeting their responsibilities and reports the results to our Board. The results of the self-assessment and progress of action taken are monitored by the AC, where required. The annual self-assessment for FY16 was carried out in the first quarter of 2016. Based on the results of the self-assessment, the AC was satisfied with its performance, effectiveness and had fulfilled its responsibilities consistent with the AC Charter approved by our Board.

The performance of the AC and the AC Chairman as well as the independence of the INEDs is also evaluated as part of the BEE, which was conducted by the NCGC in March 2016.

Audit Committee Report

5. AC KEY FOCUS FOR FY17

Similar to FY16, the key priorities of the AC for FY17 are to continue focus on:

- The integrity of our Group's financial accounting and reporting, including the quality of earnings taking into account the challenging environment that our Group is operating in.
- The robustness, rigour and quality of the external and internal audit process as well as risk management.
- The adoption of integrated reporting, and in particular the factors and risks that may impact on the integrity of the report to ensure that it provides a balanced view of our Group's strategy, governance, performance and prospects.
- Collaborations with third parties or joint ventures.

In addition to the above, the AC shall also pay particular attention to the following areas:

- The new external auditor's report following adoption of new requirements for the content of the new external auditor's report by the Malaysian Institute of Accountants for audits of financial statements for periods ending on or after 15 December 2016. The AC shall place close scrutiny over the key audit matters section of the new external auditor's report, which reports those matters that, in the external auditor's judgement, are of most significance in the audit of the current period financial statements as well as information on the company's ability to continue as a going concern.
- Sustainability reporting, aimed at providing stakeholders a better understanding of the approach and performance of our Group in managing the sustainability aspects of its activities, including the potential for value creation and business risk mitigation.

Statement on Risk Management and Internal Control

BOARD RESPONSIBILITY

Our Board acknowledges its responsibility for risk management and internal control, and is assisted by the AC and Group Risk Management Committee (GRMC) to establish a sound risk management framework and an effective internal control system to ensure that key risk areas are managed to an acceptable level to achieve our Group’s business objectives. The GRMC is responsible for the establishment and enforcement of the enterprise wide risk management and internal control framework which promotes continuous process for identifying, evaluating, responding, monitoring and managing risks and controls to an acceptable risk appetite in our Group’s daily operations and as and when there are changes to the business environment or regulatory requirements.

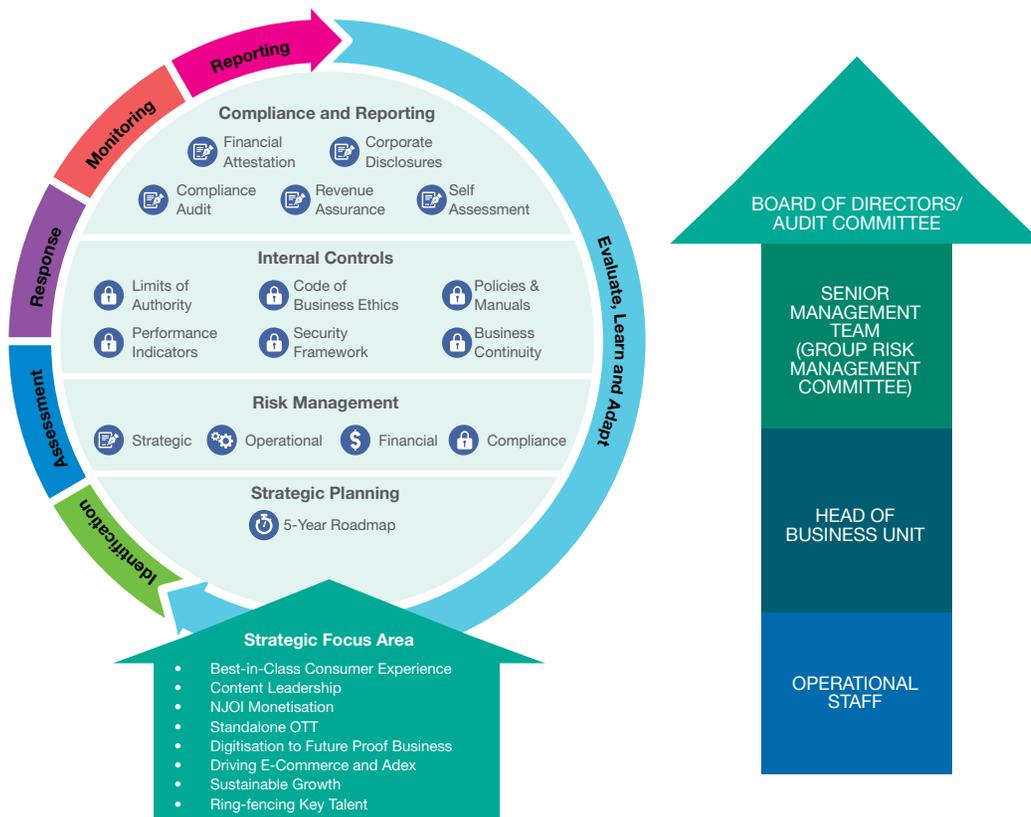
The risk management and internal control systems are designed to safeguard our Group’s assets and shareholders’ interest covering both financial and operational risks areas. In view of the limitations inherent in any such systems, the design supports mitigation rather than elimination of risks and provides reasonable assurance against material misstatement or loss. The Group conducts periodic testing on the adequacy, effectiveness, efficiency and integrity of the internal control systems and processes to ensure that these systems are viable, robust and in line with the requirements and guidance in the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Securities.

Our Board has also obtained assurance from our GCEO and GFC that the Group’s risk management and internal control systems are operating adequately and effectively for FY16.

The Group has segregated the overview of the internal control assessment into four key components:

1. RISK MANAGEMENT

Our Board has affirmed its commitment to set the direction and culture in supporting sound risk management principles at a holistic level through the implementation of the Group Risk Management (GRM) Framework as depicted below.



Statement on Risk Management and Internal Control

The GRM Framework is embedded within our Group's strategic planning practices, business operation processes and project management. The GRM Framework is developed based on the Committee of Sponsoring Organisation Enterprise Risk Management Framework, which sets out the risk management governance and infrastructure, risk management processes and control responsibilities and underpins the Group Risk Management Policy. The GRM Framework is reviewed annually and published on Astro's internal portal while the Group Risk Management Policy is reviewed and approved by the AC annually. In ensuring effective application of risk management across the Group, the framework incorporates a systematic approach to identify, assess, respond, monitor and report risks. Any significant risks will be highlighted to the senior management for remedial action. Ultimately, the aim of risk management practices is to capitalise on process efficiency and business opportunities while remaining cognisant of the impact of the risk, current market landscape and economic conditions.

Our Board, through the AC, is assisted by the GRMC which is chaired by our GCEO and comprises senior management leaders from various business units. The function of the GRMC is to review the effectiveness of the GRM process and deliberates on identified and emerging risks, adequacy of internal controls and risk mitigation strategies. Both our GCEO and GFC are also accountable to the Board in driving the implementation of strategies, policies and procedures to achieve an effective risk management framework.

The GRMC works closely with the Group Process, Risk and Assurance (GPRA) department to ensure effective adoption of risk management. Risk champions are appointed by heads of business units/segments to review and update their respective business risk profile on a quarterly basis. The review and update of the risk profile includes identification of emerging risks resulting from changing business environment and/or new initiatives being implemented as well as an evaluation of the effectiveness of existing controls and risk management initiatives.

Subsequently, GPRA consolidates business unit risks into our Group risk register which provides an overview of our Group risk profile (as detailed in the Risk Factors section on pages 89 to 93). Our Group risk profile along with any significant changes thereto is deliberated and tabled to the GRMC and AC on a quarterly basis to ensure risk exposures are managed to an acceptable risk appetite and that the required actions to manage risks are timely addressed. Among key strategic risk matters deliberated by the GRMC and AC for the financial year include strategies to manage competition risk due to emerging platform agnostic service providers, weakening of the Malaysian Ringgit and adequacy of cyber security controls to support evolving digital content distribution.

As part of our Board's effort in ensuring that the process is adequate and effective, the strategic and operational risks and mitigating controls are validated by CA as part of its review plan and areas for improvement are highlighted accordingly.

Our Board and management continuously drive a proactive risk management approach and ensure that all employees have a good understanding in application of risk management and governance principles towards cultivating a sustainable risk management culture. Additionally, classroom briefings, online trainings and our web portal have been established to ensure effective communication and implementation of risk management. In the year under review, management had consolidated and simplified the governance and employee annual online compliance trainings to enhance effectiveness and efficiency of awareness and refresher trainings.

Statement on Risk Management and Internal Control

2. CONTROL ENVIRONMENT AND ACTIVITIES

A robust and effective check and balance control environment within our Group is fundamental for ensuring a sound internal control system. Our Board and management have demonstrated their commitment in maintaining an effective internal control environment through continuous enhancement to the design of internal control systems as and when there are changes to the business environment or regulatory guidelines. The following sets out our Group's key control environment established for maintaining strong corporate governance:

2.1 Board and Management

The roles and responsibilities as well as the authority and lines of accountability of our Board and management have been clearly defined. The organisational structure within our Group is set out on page 52.

2.2 Audit Committee and Corporate Assurance

The AC assists the Board in fulfilling the Board's responsibilities with respect to oversight, focusing on the integrity of our Group's financial reporting process, management of governance, risk, system of internal control, external and internal audit process, compliance with legal and regulatory matters as well as the code of business conduct. CA assists the AC by providing independent validation on the risk management, control and governance processes of our Group. The role and responsibilities of the AC and CA function are set out in the AC Report on pages 74 to 81.

2.3 Regulatory and Industry Affairs, Legal and Corporate Secretarial

The Regulatory and Industry Affairs ("Regulatory") department monitors compliance in line with the Communications and Multimedia Act 1998 as well as other laws, rules, regulations and policies which govern our Group's core business. The team strategically engage with internal and external stakeholders, including the MCMC to preserve a conducive regulatory environment for our Group to ensure efficient business operations. Additionally, Regulatory department also manages matters relating to our Group's intellectual properties (IP) including undertaking proactive measures to monitor enforcement actions taken by the regulatory authorities.

The Legal department plays a pivotal role in advising our Board and management on legal matters and thereby preserving and safeguarding our Group's interest from a legal perspective. On a quarterly basis, our Board is briefed on material litigation related matters.

The role and responsibilities of the Company Secretary are set out in the Corporate Governance Statement on page 59.

2.4 Revenue Assurance

The Revenue Assurance (RA) is a function responsible for providing assurance (i.e. completeness, accuracy and integrity) on recording and reporting of pay-TV revenue producing events. The RA review areas include customer acquisition, product and service delivery, customer service, billing, payment and collection management.

We have established a RA framework to provide guidance to ensure consistent and structured review approach to identify key revenue leakage indicators and data discrepancies, as well as propose and implement corrective action plans jointly with business units.

Statement on Risk Management and Internal Control

Additionally, the RA function prepares a monthly RA dashboard that is presented to the senior management to provide visibility on overall RA issues identified and the extent of revenue leakage exposures. RA also provides a summary of the RA dashboard on a quarterly basis to the AC. The RA dashboard is also reviewed by the external auditors and CA as part of their annual audit.

Given the increasing demand to preserve revenue integrity, an automated RA system was implemented during the year to facilitate effective revenue assurance management.

2.5 Procurement

During the year under review, the Acquisition Framework was enhanced with the inclusion of an e-sourcing tool to facilitate a more effective and efficient bidding process. Additionally, the Procurement Manual has also been strengthened to govern the tendering process for the acquisition of all goods and services to enhance integrity, transparency and consistency in the procurement practices of our Group.

The Tender Committees comprising the Minor Tender Committee (mTC) and Major Tender Committee (MTC) with their respective contracting value thresholds are responsible to provide governance, guidance and direction on the acquisition strategies. Both committees are aided by the Procurement department in the administration of the tender process and the Corporate Secretarial division takes responsibility for convening and recording the Minutes of the Tender Committees meetings.

2.6 Systems, Data and Information Security

The IT Security function is responsible to continuously monitor and resolve both internal and external security threats to the Group. This includes conducting security awareness initiatives, compliance audits on the Group's IT networks and systems and vulnerability assessments to mitigate the impact of security attacks, negligence and malware.

During the year under review, our Group's security framework has been enhanced to proactively manage current and potential security threats arising from people, systems and physical access.

Additionally, the IT Security team has placed significant focus on handling and safe guarding of confidential company and customer information through the use of data leakage prevention and content-based scanning based on user-based classification to ensure classified and confidential information is protected from unintended or illegal disclosure. The effectiveness of security programmes is also validated by external security consulting specialists annually.

As part of our Group's efforts for continuous improvement, the IT Security function seeks to maintain compliance to several regulatory and industry best practice security certifications, namely Information Security Management System ISO/IEC 27001:2005^{Note 1}, Payment Card Industry Data Security Standard and the Personal Data Protection Act 2010.

Note 1: ISO/IEC 27001:2005 specifies the requirements for establishing, implementing, operating, monitoring, reviewing, maintaining and improving a documented Information Security Management System within the context of the organisation's overall business risks. It also specifies requirements for the implementation of security controls customised to the needs of the organisations

Statement on Risk Management and Internal Control

2.7 Business Continuity Management

Business Continuity Management aims to minimise impact of business disruption through building resilient capability for effective response to threats and disruptions. This includes facilitating business operations with service delivery infrastructure redundancies and alternate sites where critical operational activities can be resumed as well as mitigating the risk of high impact loss events through adequate insurance coverage.

Formal BCP and infrastructure are in place and continuously reviewed, maintained and tested. These activities have been conducted to ensure the BCP are readily available and effective to achieve timely recovery of services while prioritising staff safety. During the financial year, our Group has successfully completed its BCP maintenance activities which include quarterly call tree and walkthrough tests, bi-annual BCP manual review, as well as annual simulation of critical systems to ensure BCP awareness and effectiveness. The results of the BCP maintenance activities are reported to the AC on a quarterly basis. Additionally, our BCP framework and infrastructure was also discussed and reviewed by our Board in FY16.

2.8 Key Controls Checklist

As part of cultivating a strong commitment from management to ensure effective internal control, KCCs are reviewed to ensure effective assessment and management of key risk areas where heads of the respective key business functions conduct quarterly self-assessment on the effectiveness of their key controls in managing risks. These KCCs are subsequently independently verified by GPRA and reported on a quarterly basis to the AC. Regular validation checks on KCCs are performed by CA and PwC to ensure that management's assertions that the controls are operating effectively are appropriate.

2.9 Limits of Authority

Any amount in excess of our GCEO's LOA will require the Board's approval. The limits are regularly reviewed and approved by the management and/or the Board in accordance to their LOA, in line with changes in business, structural and operational perspectives.

2.10 Strategic Business Budgeting and Reporting

Our Group is guided by a five year strategic plan outlining key objectives and strategies which is reviewed annually to ensure strategies optimisation and relevance. Our Group strategic plan and corresponding annual budget for FY16 was duly approved by our Board prior to commencement of the said financial year. On a quarterly basis, the financial and operational reports are provided to our Board and the unaudited key financial results are also publicly disclosed.

2.11 Staff Performance System

Our Group has a competency framework that is guided by the Group's corporate core values, which clearly articulates the knowledge, skills, abilities and behaviour expectations of its employees. The HC division has embarked on an individual development plan for functional competency to upskill and reskill our employees as well as to strengthen career management and succession planning. In order to drive and sustain a high-performing workforce, the employees' achievements are appraised under our Group's Total Performance Management System (i.e. Balanced Scorecard Reporting) annually, whereby employees are measured not only on their KPIs but also 360° stakeholders' feedback as well as demonstration of the Go Beyond Values.

Statement on Risk Management and Internal Control

3. INFORMATION AND COMMUNICATION

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

3.1 Formal Policies and Procedures

Clear and formalised risk framework, as indicated on pages 89 to 93, and operating policies, processes and procedures are in place to ensure effective risk management and compliance with internal controls and the relevant laws and regulations. Regular reviews are conducted to ensure strategic and operational risk profile as well as policies, processes and procedures are updated to align with emerging risks, evolving business and operational needs. During the year, GPRA reviewed several key operational processes relating to customer acquisition, after sales support, warehousing and logistics, accounts payable and Go Shop operations where recommendations were implemented accordingly. Common Group policies are published on Astro's internal portal for easy access by employees.

3.2 Code of Business Ethics

As indicated on page 57, the COBE is a key policy that governs the way our Company through our Board, management and employees conduct their dealings with all its stakeholders. It is also designed to reduce, if not eradicate any corruption practices and bribery. Our employees are advised not to engage in any fraudulent activities, bribery or misappropriation of our Group's assets and under no circumstances, solicit or receive any form of bribes, kickbacks, gratuity or favourable terms or treatment. Furthermore, the COBE regulates the acceptance of gifts, complementary services, entertainment, or gratuities with equivalent value not exceeding RM250. Stern disciplinary action will be taken against any employee who breaches the COBE.

3.3 Fraud Management and Whistleblowing

As part of our Group's commitment and continuous effort to strengthen corporate governance, in addition to the COBE, all employees are guided by the Fraud Management Framework and Ethics Line Procedures. The Fraud Management Framework provides guidance on establishing the fraud management controls and environment to enhance integrity and to reduce probability of fraud, as well as to assist employees to make decisions in identifying and reporting fraud, misconduct and other non-compliances affecting our Group.

Under the Ethics Line Procedures, employees may raise their concerns ("Disclosures") on any suspected violations to 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. The identities of whistleblowers are protected in confidence to the extent reasonably practicable unless the whistleblower agrees otherwise. The Ethics Line is managed by CA which also assumes primary responsibility for the investigation and reporting of Disclosures. All Disclosures received via the Ethics Line, investigation findings and recommendations are reported to the AC and GCEO on a quarterly basis or more frequently, where necessary.

Statement on Risk Management and Internal Control

4. MONITORING ACTIVITIES

During the year under review, the following were undertaken to provide assurance on the effectiveness of risk management and internal controls:

- (a) GPRA reports to the Board on a quarterly basis through the AC on the progress of action plans to manage the operational risks and its mitigation strategies as well as the progress of compliance status of the BCP and KCC.
- (b) On an annual basis, our GCEO and GFC provide Management Representation in relation to the adequacy of the Group's risk management and internal control systems in all material aspects. Any exceptions identified during the assessment period will be highlighted to our Board.
- (c) CA reports to the AC on a quarterly basis on process and compliance exceptions identified during CA's review. The control measures or action plans for exceptions noted are agreed with the status of implementation of action plans.
- (d) The Disciplinary Committee chaired by the Director, HC meets as necessary on matters pertaining to staff disciplinary case arising from all types of misconduct. The Committee ensures that all raised concerns and allegations are duly investigated, monitored and consistently deliberated.
- (e) Management has taken the necessary actions to remediate weaknesses identified for the period under review. Our Board and management will continue to monitor the effectiveness and take measures to strengthen the risk management and internal control environment.

5. CONCLUSION

As required by paragraph 15.23 of the MMLR, PwC has reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised) issued by the Malaysian Institute of Accountants which does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems 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 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 factually inaccurate.

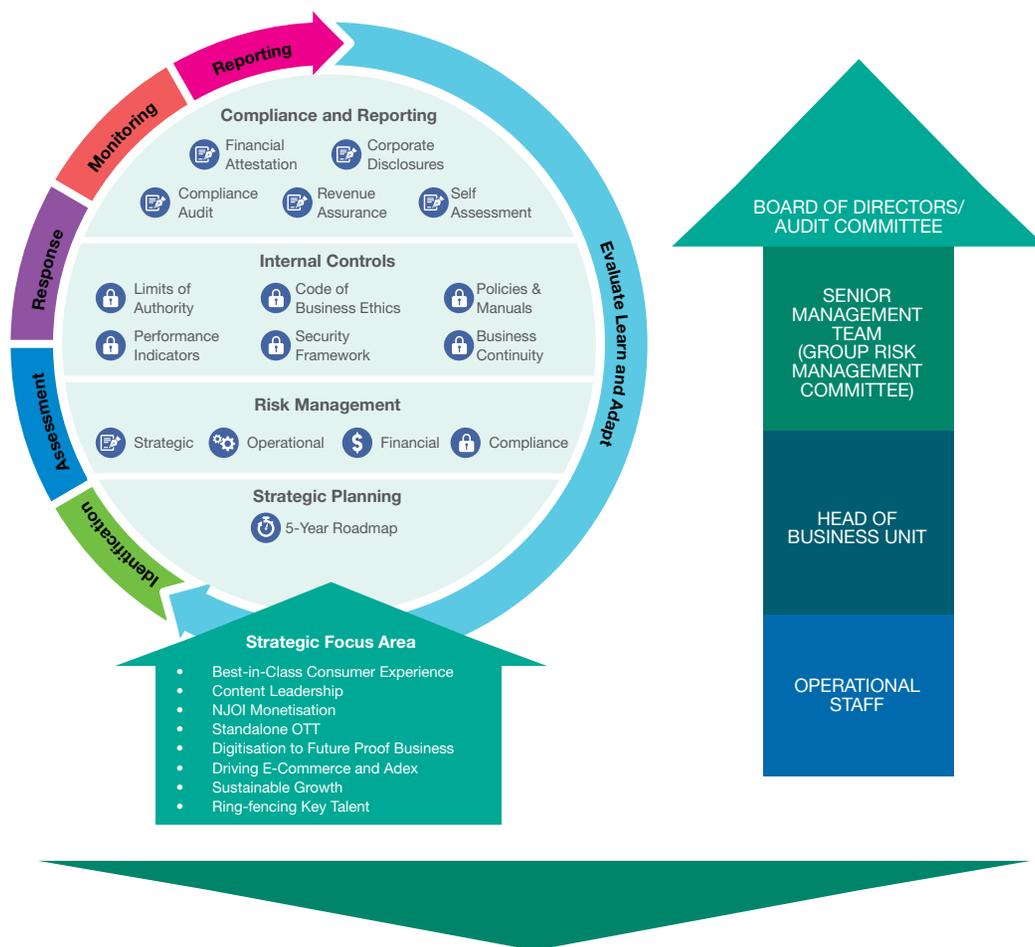
Our Board is of the view that the risk management, governance and internal controls practices and processes which have been adopted for the year under review and up to the date of issuance of financial statements are sound and adequate to safeguard the interest of shareholders, stakeholders, customers, regulators, 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 a separate disclosure in the Annual Report.

Risk Factors and Mitigation Strategies

As part of business continuity, our Group has embedded risk management principles (as per Group Risk Management Framework illustrated below) in the Group’s strategies planning, operational processes and project management initiatives to enable us to maintain business growth and sustainability. Continuous collaboration from various stakeholders were established to ensure effective risk management of key material risks.

Group Risk Management Framework



Risk/Opportunities

Strategic	Operational	Financial
Strategic <ul style="list-style-type: none"> • Economic & Business Conditions • Market & Competition • Strategic Partnerships & Alliances • Technology & Innovation 	Operational <ul style="list-style-type: none"> • Service Availability • Content Cost • People • Logical & Physical Security Governance <ul style="list-style-type: none"> • Legal & Regulatory • Control Self Assessment 	Financial <ul style="list-style-type: none"> • Treasury • Accounting & Reporting

Risk Factors and Mitigation Strategies

Risk	Mitigation Strategies
STRATEGIC	
<p>ECONOMIC & BUSINESS CONDITIONS</p> <p>The performance of our Group is significantly impacted by the soft consumer sentiment and weakening macroeconomic environment such as challenging GDP and depreciation of the Malaysian Ringgit and its impact on international content cost</p>	<p>Our Group continuously reviews and aligns its strategies to commensurate with the economic conditions and consumer sentiment. Some of the initiatives include:</p> <ul style="list-style-type: none"> • development of sales and retention campaigns tailored to changing consumer wallets • continuous product, pricing and packaging structure alignment to deliver compelling value to households and individuals • prudent cost, treasury and investment management to enhance business profitability and to ensure sustainability • ensure ancillary revenue sustainability through strategic distribution partnership in the region, introduction of new online content consumption platforms such as OD, RAKU and Tribe, and investing into the e-commerce space • capitalising on adex revenue opportunities on existing and new platforms
<p>MARKET & COMPETITION</p> <p>The shift in consumer preferences evidenced from the rapid digitalisation of the consumer landscape increases the pressure on our Group's share of viewership, listenership and growth</p>	<p>Our Group closely monitors the competitive landscape to enhance its strategies to remain competitive. Therefore, our Group continues to:</p> <ul style="list-style-type: none"> • create and aggregate the best of vernacular and ASEAN centric content • enrich existing digital platforms with more enhanced OD/On the Go/OTT content library and more offerings to reach digital consumers • collaborate and establish long term alliances with key content suppliers to secure content exclusivity
<p>STRATEGIC PARTNERSHIPS & ALLIANCES</p> <p>Effective supply chain management and sound procurement and partnership activities are pivotal in ensuring acquisitions and investments are sustainable and made in the best interests of our Group</p>	<p>Our Group acquisition activities are governed by the Acquisition Framework and Procurement Manual. Continuous enhancements are made to improve integrity, transparency and consistency in all acquisition activities</p> <p>Governance controls are also established to ensure all acquisition activities are benchmarked for competitive rates through tender or competitive bidding facilitated by the Procurement department</p>
<p>TECHNOLOGY & INNOVATION</p> <p>On demand delivery of content offerings in the digital landscape is on the rise and is paramount to our Group's strategy in attracting new or retaining our customers</p>	<p>Our Group reviews its technology blueprint and its Technology Project Roadmap (for system and platform enhancements) on a regular basis to enhance:</p> <ul style="list-style-type: none"> • revenue through introduction of new or enhanced product/service consumption platforms for customers • go-to-market agility to support customer acquisition and retention activities • customer experience and user friendliness across all product/services offerings to yield a differentiated and richer experience • quality of streaming technology on all OTT broadcasts

* the arrows indicate the risk assessment in comparison with the previous year

Risk Factors and Mitigation Strategies

Risk	Mitigation Strategies
OPERATIONAL	
<p>SERVICE AVAILABILITY</p> <p>Our Group's success is strongly linked to preserving a lasting relationship with its customers. A failure to meet customers' demand and expectations could negatively impact our Group's brand and competitive position</p>	<p>Our Group regularly reviews and enhance its business continuity infrastructure through:</p> <ul style="list-style-type: none"> maintaining dual broadcast sites and call centres to ensure minimal disruption in the event of service disruption at either site establishing primary and secondary vendor arrangements for key supply value chain areas testing of recovery plans established as part of simulation exercises insurance program annual assessment (covering both human and business assets) to minimise business losses in the event of a disaster
<p>CONTENT COST</p> <p>Escalating content cost continues to pressure our Group's ability to acquire exclusive broadcast rights and compelling content that appeals to customers at commercially attractive terms</p>	<p>Our Group capitalises on its content creation and distribution strengths by way of:</p> <ul style="list-style-type: none"> expanding the regional sales of our Group's signature content and production services beyond Malaysia to diversify its sources of revenue within the ASEAN region investing and producing its own proprietary signature content maintaining its collaborations with international content providers to secure exclusive licensing rights and to ensure long term business sustainability
<p>PEOPLE</p> <p>Our Group's operations are dependent on its ability to attract and retain a committed skill-based workforce that meets current and future business needs</p>	<p>Our Group's HC function is guided by the Talent Management Strategies to address the Group's talent needs to support operational continuity and business expansion via:</p> <ul style="list-style-type: none"> benchmarking and alignment of remuneration, benefits and awards to attract and retain talent invest in leadership programmes to groom emerging leaders as part of succession planning maintain robust university relations programmes and scholarships to acquire new millennial talent
<p>LOGICAL & PHYSICAL SECURITY</p> <p>Our Group's assets are subject to adequacy of security infrastructure over logical and physical access to business systems, networks and facilities</p>	<p>Our Group has established the AMH Security Council to periodically review and enhance its overall security infrastructure (covering both physical and logical access) to address emerging threats and lessons learnt from global incidents. The AMH Security Council continuously promotes better security via:</p> <ul style="list-style-type: none"> security awareness programme among employees as part of employee trainings and periodic security compliance reviews enforcement of tighter system/application/physical access controls and enhanced security testing regime based on recommendations from internal and external security experts

* the arrows indicate the risk assessment in comparison with the previous year

Risk Factors and Mitigation Strategies

Risk	Mitigation Strategies
GOVERNANCE	
<p>LEGAL & REGULATORY</p> <p>Our Group is subject to a broad range of rules, regulations, Personal Data Protection Act (PDPA) and Intellectual Property Rights. Non-compliance of the above includes introduction of new laws, policies and regulations, change in application or interpretation may have an adverse effect on our Group's performance</p>	<p>Our Group's Legal and Regulatory department constantly:</p> <ul style="list-style-type: none"> ensures that the Board and senior management team are kept abreast of any changes to regulations and legislations ensures our Group's business activities adhere to the relevant laws and regulations monitors and reports compliance matters (such as 99.0% broadcast service availability requirement by MCMC) on a quarterly basis
CONTROL SELF ASSESSMENT	
<p>A fit for purpose and effective governance environment within our Group is fundamental for ensuring a good corporate governance</p>	<p>Our Group is committed to ensuring an effective control environment through:</p> <ul style="list-style-type: none"> quarterly control self assessments performed by respective business units and endorsed by head of divisions/departments daily and monthly revenue assurance reviews by the RA team to minimise revenue leakages periodic independent reviews of existing controls and compliance performance by CA and external audit functions

* the arrows indicate the risk assessment in comparison with the previous year

Risk Factors and Mitigation Strategies

Risk	Mitigation Strategies
<p>FINANCIAL</p> <p>TREASURY</p> <p>Our Group's treasury risks are mainly related to foreign exchange and interest rates. The foreign exchange risk is a result of business transactions denominated in foreign currency while interest rate risk stems from financing sources at floating interest rates</p>	<p>Our Group's Treasury function actively manages these risks primarily through:</p> <ul style="list-style-type: none"> • 12 month rolling hedging strategies governed by treasury policies, taking cognisance of prevailing and future outlook of the current economic and foreign exchange markets both locally and globally • conversion of all floating interest rate exposures to fixed interest rates via interest rate hedging instruments • stewardship from our Board and Treasury Committee as part of the quarterly financial and cash flow position reporting
<p>ACCOUNTING & REPORTING</p> <p>The effective management and reporting of financials is critical in ensuring our Group's profitability and sustainability as well as mitigating inaccurate financial reporting</p>	<p>Our Group Finance ensures that the financials reported comply with applicable accounting standards and relevant regulatory requirements by staying abreast on changes in reporting requirements</p> <p>On a quarterly basis, our Group Finance presents the financials (reviewed by the external auditors) and action plans (established to address financial concerns if any) to the AC and our Board</p>

* the arrows indicate the risk assessment in comparison with the previous year

CONTENT

Bringing you the finest content
in the entertainment universe –
with over 20 million Malaysians
spending over 4 hours daily on Astro





ONLY ON ASTRO.

THE BIGGEST LOCAL HITS



THE HOTTEST ASIAN SHOWS



UNBEATABLE WORLD OF SPORTS



AND NOWHERE ELSE.

PRESTIGIOUS LIVE EVENTS



24/7 GLOBAL NEWS & CURRENT AFFAIRS



SAME-DAY BROADCAST SERIES



USA ►► HOME™

SAME DAY AS THE U.S.

HBO®

AN HBO ORIGINAL SERIES

GAME OF THRONES

HBO, Home Box Office, Game of Thrones are service marks of Home Box Office, Inc. ©2016 HBO Asia. All rights reserved.

Your favourite series from around the world, premiering in

몬스터
Monster



PLEASE COME
BACK, MISTER

KOREA ▶▶ HOME™
SAME DAY AS KOREA

화려한 유혹
Glamorous
Temptation



JACKPOT 大卦

Malaysia on the same day as their countries of origin

Content



Our Content Breaks Records and Extends Beyond Local Shores

This year, we continued to create bigger and better winning IPs, while achieving record viewership with programmes such as *Gegar Vaganza*, *Akademi Fantasia*, *Super Spontan All Stars*, *Kilauan Emas*, *Tuan Anas Mikael*, *Ceria Popstar*, *Classic Golden Melody*, *International Hua Hee Karaoke* and *International Superstar*.

In 2015, TV viewership grew an unprecedented five percentage points to 54%. In addition, 22 of our original local signatures exceeded the one million viewership mark, with *Gegar Vaganza* surpassing the three million mark in viewership. We also set a new record with *Polis Evo*, now the highest-ever grossing Malaysian movie up to 2015 at RM18 million GBO, breaking our own record held by *The Journey*.

We constantly innovate to offer relevant content for our customers. This year, we created our first digital mini-series, *The House*, which quickly became a hit with over nine million online views. We also telecast live The International 2015: Dota 2 Championships, the first ever eSports broadcast in the region, reaching 1.7 million viewers on TV and 1.3 million users on Facebook.

On the international front, we improved our content proposition with more day/date content from abroad in 2015. A total of 78 international series and reality shows were aired on the same day, more than double the 22 titles telecast the year before. These include highly popular series from the US and the UK such as *Game of Thrones*, *Veep*, *Silicon Valley*, *Brooklyn Nine-Nine* and *Downton Abbey*. We also added same day as Korea, China, Taiwan and Singapore content such as *Hwajeong*, *Glamorous Temptation* and *Dad! Where Are We Going?*.

As our regional aspirations grow, our content distribution scaled new heights with our Astro-branded Malay and Indian channels as well as seven Sun Network channels being distributed to Singapore. We also licensed our Astro SuperSport HD channels and other programmes to platforms in Malaysia and the rest of Asia.

COMEDY

The biggest comedy stars in the
biggest comedy hits, providing the
biggest laughs for Malaysians



Geng A



Geng B



Super Spontan All Stars

Malaysia's funniest competition, featuring celebrities competing against each other in a series of hilarious games



1.2m viewership

Hua Hee Seko-lah

A well-loved Hokkien sitcom about a dedicated teacher and his students



26m

Facebook views



YouTube

384k

Instagram & YouTube views



137k

viewership

Content: **Comedy**



Astro continues to be the go-to destination for comedy for Malaysians. Our greatest hits like *Super Spontan* and *Maharaja Lawak Mega* are household names and are eagerly awaited by our customers each year. *Super Spontan*, an improvisational comedy competition featuring both comedians and celebrities, remains one of our highest-anticipated shows. This year, we also created a spin-off of the original format, *Super Spontan All Stars*, a culmination of A-list artistes and comedians, joined by previous seasons' winners, which garnered 1.2 million viewers.

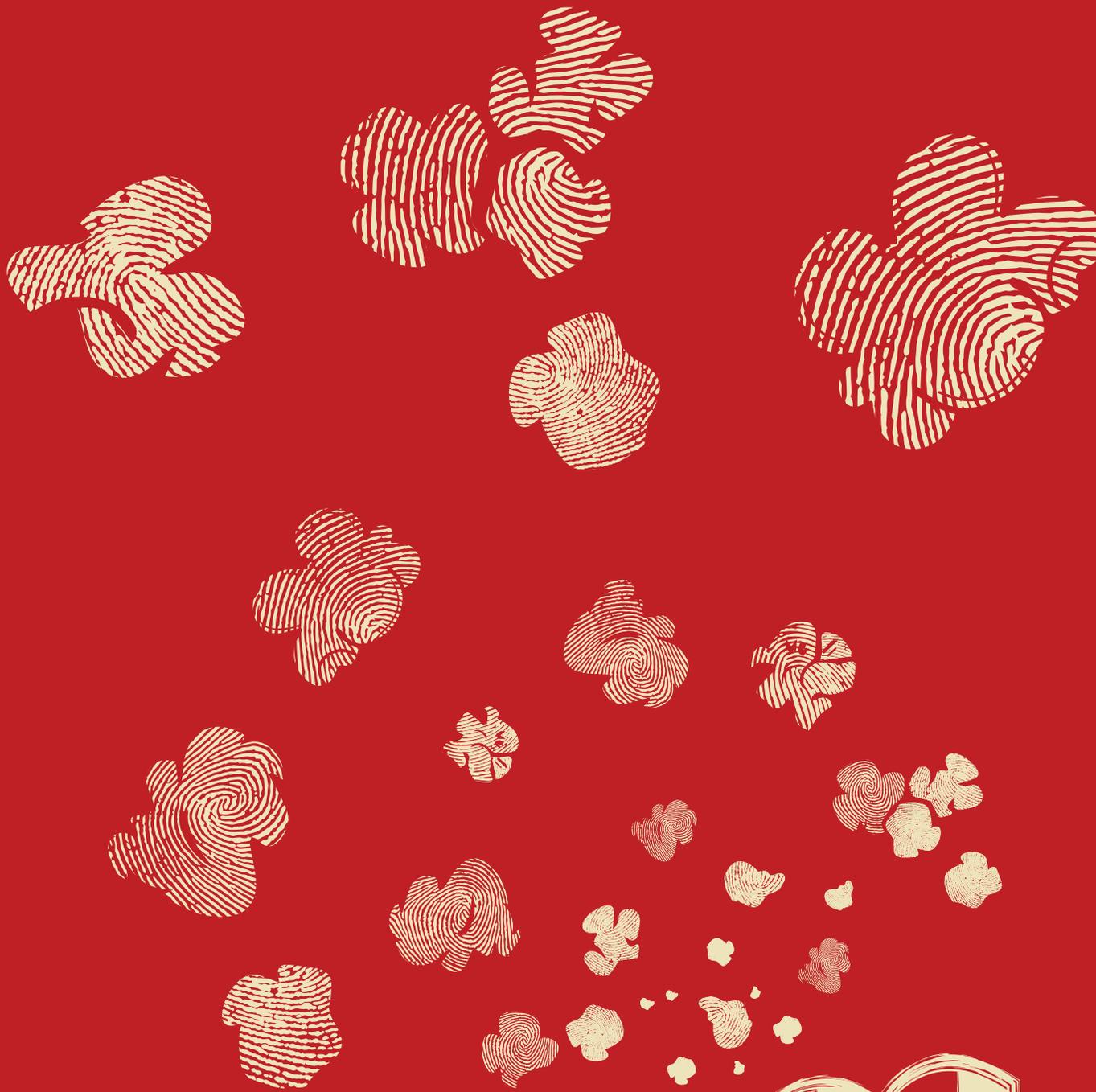
To meet demand and grow our comedic offerings, we also created new IPs like *Juara Parodi 2015*, *Karoot Komedia X*, *Buana oh Buana*, *Betul ke Bohong?* and *Projek Komedi Warna*. Among them, *Juara Parodi*, a parody-singing competition, achieved ratings of one million in viewership. Our signatures are offered and marketed in a 360° manner, including merchandising and ticketed events such as *Lawak ke Der* at Istana Budaya.

Through our content IPs, talented comedians are discovered and nurtured including Johan, Zizan Razak, Sepahtu, Nabil, Sharol Shiro and

Jihan Muse. These talent are now among the most successful and popular artistes in the Malaysian entertainment industry and many are hosting our top radio and TV shows.

For the Chinese community, we have *Hua Hee Seko-lah*, a comedy sitcom revolving around a very enthusiastic and dedicated teacher, Teacher How, who is bent on perfecting his students' Mandarin proficiency against all odds in a Hokkien community. Since its launch, its viewership has been promising, increasing by 18% in its second season, bringing it to 137,000 viewership. *Hua Hee Seko-lah's* total reach across two seasons on social media has been pleasing: over 26 million on Facebook alone, and 384,000 on Instagram and YouTube collectively. Its standout success has been recognised regionally, having been nominated for 'Best Comedy Programme' at the 2015 Asian Television Awards.

Be it through competitions, sitcoms or award shows, we have kept Malaysians laughing over the past year, and would love nothing more than to keep the funny times rolling.



MOVIES

Setting the industry alight with award-winning, record-breaking movies that resonate with all Malaysians

POP
CORN



POLIS EVO

HIGHEST-GROSSING
Malaysian movie in 2015:

**RM18
MILLION**

A movie that broke all-time records, achieving both critical and commercial success. The theme song (sung by Joe Flizzow ft. SonaOne) garnered over three million views on YouTube.

Astro's share of the local box office increased

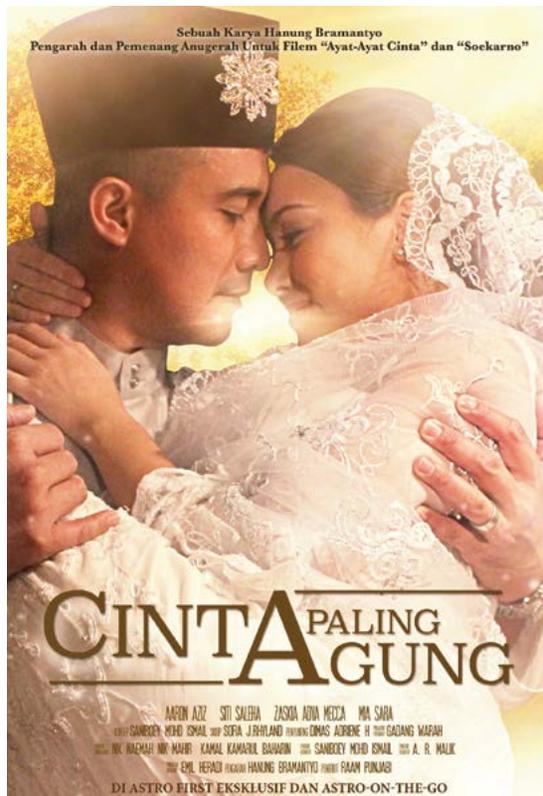
OLA BOLA

**RM16.5
MILLION**

The latest blockbuster from director Chiu Keng Guan. A heartwarming tale about a team of Malaysian footballers in the 1980s, their passion for the beautiful game, and the pursuit of national pride and international glory.

from 29% in 2014 to 45% in 2015

Content: **Movies**



At Astro, our content stretches across screens, big and small. We strive to create the most compelling content possible, which includes feature-length movies.

In 2015, our blockbuster movies once again hit new records and kept cinema audiences on the edge of their seats. *Polis Evo*, raking in more than RM18 million at the box office, became the highest-ever grossing Malaysian movie up to 2015, breaking our own record of RM17.3 million held by *The Journey*. Written and produced by three young Astro scholars, *Polis Evo* also set a new benchmark with over 400,000 buys on our platforms, making it the best-selling movie on Astro First and OD Store.

More recently in late January 2016, we released another hit called *OlaBola*, directed by Chiu Keng Guan, who also directed *The Journey*. Appealing to Malaysians from all walks of life

with its timeless message of unity and portrayal of Malaysia's golden age of football, it is hardly surprising that it was loved by a multigenerational audience, grossing over RM16.5 million at the box office.

Over the past year, we also invested in international movies that have both critical and commercial potential. Notably, we were co-producers on *Cemetery of Splendour*, an Apichatpong Weerasethakul movie, which went on to premiere at the 2015 Cannes Film Festival.

Our movies have also been recognised both locally and internationally, receiving multiple industry awards including 'Best Film' and 'Best Actor' at the ASEAN International Film Festival, 'Best Film' at the 9th Asia-Pacific Screen Awards, 'Special Jury Award' at the Hainan 21st Century Maritime Silk Road Film Festival 2015, as well as multiple awards at the 27th Malaysian Film Festival.

On TV, Astro First and Astro Best continue to reach more movie buffs. In 2015, Astro First had six popular movies that stood out, namely *Polis Evo*, *Suamiku Encik Perfect 10*, *Cinta Paling Agung*, *Pilot Café*, *Manisnya Cinta Di Cappadocia* and *Stand by Me Doraemon*. We also continue to produce Astro First Exclusive titles: a total of four titles were released this year – *Cinta Paling Agung*, *Strawberi & Karipap Hello Gold Coast*, *Jelmaan* and *Takhta 3 Ratu*. Astro Best also concluded various content deals with major Hollywood studios including Disney, Universal and Sony to broadcast even more international content in a near-cinema window.

As we move ahead, we hope to continue breaking our own records across the box office, as well as to continuously deliver on movies, both blockbuster and art house, while making a name for ourselves as a producer of movies that are loved worldwide.

NEWS

Connecting Malaysians to the world with round-the-clock breaking news, on all their favourite devices







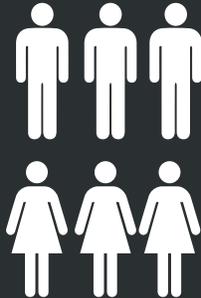
Awani

News that is always ON:
on air, on the go, online



183m

unique
page views



30m

unique
visitors



1.8m

Facebook
followers

Content: News

We remain committed to keeping Malaysians informed with timely news and current affairs – on the go, as well as across multiple screens and platforms.

Astro Awani, the only 24/7 news channel in Malaysia, delivers the latest breaking news on business, entertainment, current affairs, lifestyle and much more. In 2015, we presented key events such as Budget 2016, implementation of the GST as well as a special coverage on the severe East Coast flooding. We also produced *Tribute to GLCs*, a 23-episode programme that features leading government-linked companies and their journeys towards success.

Digitally, Awani's presence continues to be strong with 30 million unique visitors and total unique page views of 183 million, with a social media reach of 1.8 million Facebook followers and 500,000 YouTube viewers. Through our radio stations, we also keep our listeners up-to-date throughout the day with regular news segments. This includes headlines, sports updates, and entertainment news – reflecting our aim of achieving an “always on” news delivery system.

Additionally, our Chinese news programmes *Prime Talk* and *Evening Edition* grew from strength to strength. *Prime Talk*, our Mandarin evening primetime current affairs programme is now the No.1 Chinese news programme. The programme offers information ranging from business, sports, social events and issues. *Evening Edition* focuses on the latest local and international news headlines as depicted in major Malaysian newspapers. All these make Astro the destination of choice for news among Chinese audiences with strong viewership of over 300,000.

At Astro, we are committed to relaying news, driven by an obsession to always provide our audiences with the latest information in as many ways as possible.



LOCAL ENTERTAINMENT

13,000 hours of
original content
produced, millions
of Malaysian lives
enriched



GEGAR VAGANZA
 1 MALAM PENUH GEGARAN
6 FINALIS
HEBAT

The House

经典名曲
歌唱大赛 CLASSIC GOLDEN MELODY SINGING COMPETITION

INTERNATIONAL SUPERSTAR

CARVING OUT A NAME FOR
15
Years

Gegar Vaganza

Malaysia's favourite singing competition featuring veteran singers

3.3m
viewership

The House

Created for millennials, it's Malaysia's most-viewed online mini-series

9m
online viewers

Classic Golden Melody

The No.1 local Chinese variety show

470k
viewership

International Superstar

The nation's favourite Tamil singing competition

184k
viewership

Content: Local Entertainment



Our local, vernacular entertainment programmes remain at the core of our content proposition and represent a strong competitive edge. *Gegar Vaganza*, Malaysia's favourite competition featuring popular recording veteran artistes competing against each other, hit a new record of 3.3 million viewership – making it the most viewed Astro show of all time.

In addition to that, *Tuan Anas Mikael* garnered over two million in viewership and trended over 24 hours on Twitter, making it the longest-ever trending drama in Malaysia. Our popular *MeleTOP* programme is also now the top entertainment news brand in Malaysia, attracting a strong following on social media, with Anugerah MeleTOP ERA 2015 reaching a new high of 1.8 million in viewership. Other shows that exceeded one million in viewership included *Akademi Fantasia*, *Kilauan Emas*, *Tribute Pak Yus*, and *Super Spontan All Stars*, just to name a few.

Our No.1 Chinese entertainment IP *Classic Golden Melody*, achieved a new milestone in collaboration with MediaCorp, broadcasting live in Singapore while also recording the highest ever viewership of 470,000. *Hua Hee Karaoke International* entered its second year with a successful telecast in China and Singapore in addition to attracting international participants from Brunei, Indonesia, Taiwan and China. It was the most talked about Hokkien reality show in Malaysia with its finale garnering an impressive

77% increase at 276,000 viewers. Similarly, *Asia Battleground*, a street dance competition, travelled beyond Malaysia to host auditions in participating countries including Japan, Korea, Taiwan, Philippines, Thailand and Singapore.

Another signature singing programme, *International Superstar*, is our No.1 Indian content with 184,000 viewers. Not only is it popular on home shores, but it was also broadcast live in 27 countries including USA, Canada, Europe, India, Sri Lanka, South Africa, Australia and New Zealand via the Sun Music Channel. Meanwhile, our coverage of *Thaipusam 2016* set new records – reaching a staggering 119 million Facebook users and breaking the Guinness World Record for being the 'Longest Livestreamed Festival' in the world.

Our leadership in local entertainment also means constantly expanding our horizons, exploring new mediums, and drawing new audiences – *The House*, our first digital miniseries was created to experiment with online content targeting millennials. This interactive digital IP was an instant hit, gathering nine million online views and generating tremendous feedback, including sparking conversations among younger audiences. Its success illustrates once again the many opportunities still ahead of us when it comes to creating impactful and immersive content.

TALENT

Showcasing the
brightest Malaysian
talent, on the biggest
stages in Malaysia
and beyond





Anugerah Bintang Popular 2014



**Dato' Aznil
Nawawi**
Most Popular Host



Adira
Most Popular
Female Singer



Akim
Most Popular Male Singer
and Most Popular Band
with Akim & The Majistret



Abam
Most Popular
Comedian

Anugerah Skrin 2015



Lisa Surihani
Best Female Actress

Anugerah Bintang Popular Berita Harian 2015



Johan
Most Popular Announcer

8th Edison Awards (India)



Geetha
Best Overseas Artist

Million Star 2015 (Taiwan)



Apple Kho Sock Ling
Top 5 Finalist

TVB International Chinese New Talent Singing Championship 2015 (Hong Kong)



Jacqueline Ng
Winner

Content: Talent



Our highly-rated TV shows and structured talent programme position Astro strategically within the industry as a platform to discover, develop and showcase the nation's most gifted talent. Our diverse portfolio of multilingual and multidisciplinary talent includes actors, singers, comedians, hosts, announcers, and many more. Household names such as Aaron Aziz, Zizan Razak, Lisa Surihani, Hafiz and Stacy have climbed through the ranks of our own IPs to achieve stardom.

The strength of our talent pool has been recognised over the years through various awards – including Dato' Aznil Nawawi picking up 'Most Popular Host', Adira winning 'Most Popular Female Singer', Akim collecting both 'Most Popular Male Singer' and 'Most Popular Band' with Akim and The Majistret, and Abam claiming 'Most Popular Comedian' at Anugerah Bintang Popular 2014. Additionally, Lisa Surihani also won 'Best Female Actress' at Anugerah Skrin 2015.

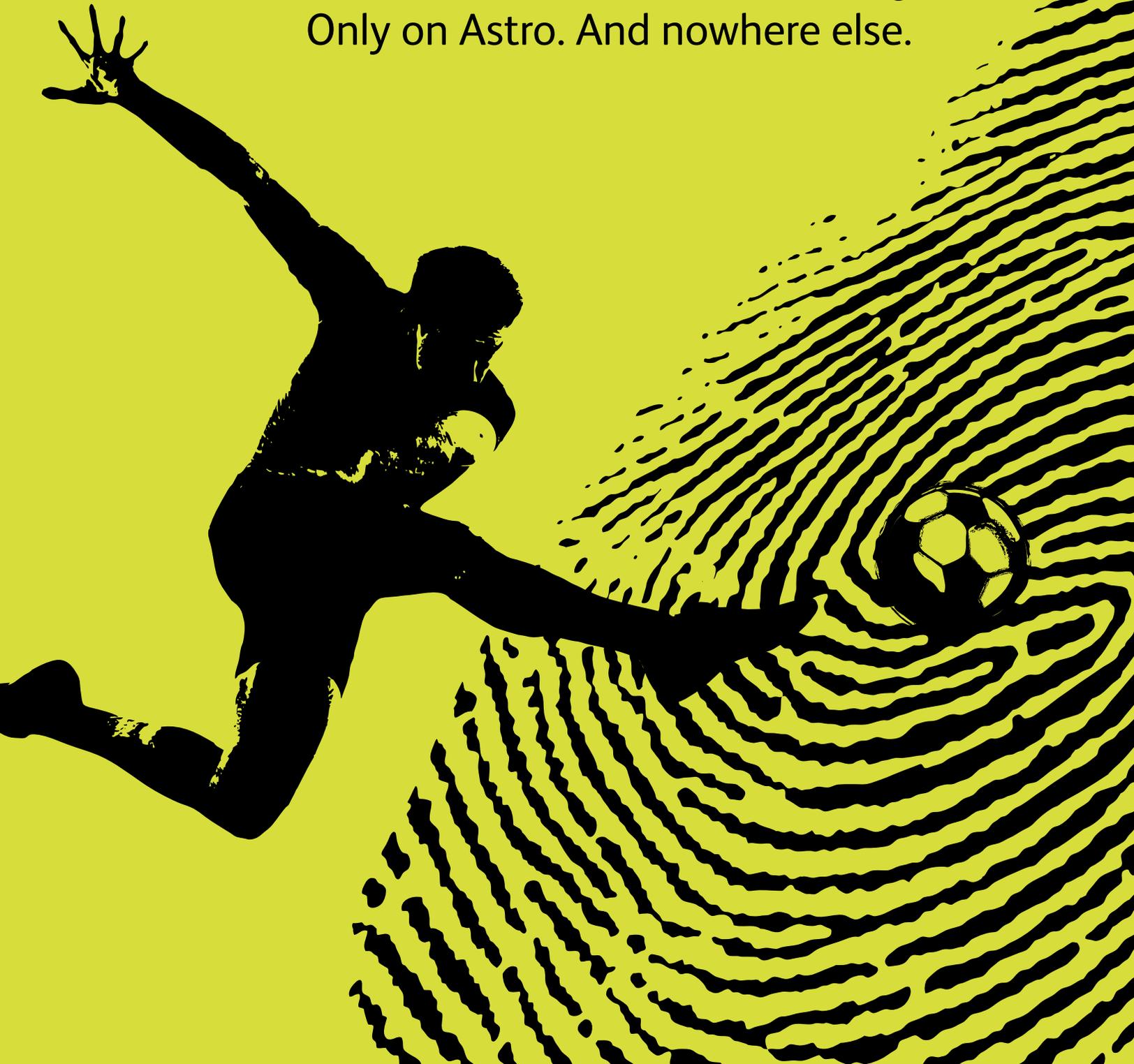
Some of our talent have also succeeded on the international stage – Apple Kho Sock Ling, the champion of *Astro Star Quest 2015* participated in *Million Star 2015* in Taiwan and was placed among the top five finalists. Similarly, Jacqueline Ng, the fourth runner-up of *Astro Star Quest 2015*, was the winner at the *2015 TVB International Chinese New Talent Singing Championship* in Hong Kong. Another alumni of *Astro Star Quest*, Justin Ng Zong Han, participated in China's top variety show, *The Voice of China Season 4*.

The success of our radio business across all vernacular segments is also predicated off the strength of our talent. 2015 was another award-winning year for ERA fm with its breakfast show, *JoHaRa Pagi ERA*, reaching 2.6 million listeners weekly, and the station picking up the Gold award for 'Media and Entertainment' at the 2015 Putra Brand Awards, a Sparks Award and three other awards at Anugerah MeleTOP ERA. As a result of such popularity, our announcers have deservedly received many plaudits. This is highlighted by Johan, a key member of *JoHaRa Pagi ERA* winning 'Most Popular Announcer' at the 2015 Anugerah Bintang Popular Berita Harian for the second consecutive year. Another announcer, Geetha from THR Raaga, won 'Best Overseas Artist' at the 8th Edison Awards.

Our radio shows continue to delight listeners as we leverage on our multifaceted talent. Our English-language stations lead the pack with well-loved announcers: hitz fm strengthened its position as the No.1 English station in the country, with MIX fm and LiteFM ranked at No.3 and No.4 respectively. The popularity of our radio shows also extends to events with MY FM, the nation's No.1 Chinese station, staging a musical called 'The Show' and drawing live audiences of over 16,000. The musical was directed by our own Jack Lim and starred MY FM personalities and featured artistes such as Nicholas Teo, Kimberley, Sam Lee, Thomas and Jack to name a few. We are sure that in the year to come, you'll be seeing even more of our exceptional talent as they continue to thrill and entertain in Malaysia and beyond.

SPORTS

An unbeatable world of sports via an unparalleled viewing experience – live, in HD, at home and on the go. Only on Astro. And nowhere else.



**ALL 51
MATCHES
ALL LIVE
IN HD**
AVAILABLE ON THE GO



Exclusive to Astro: UEFA Euro 2016™, Barclays Premier



BARCLAYS
PREMIER LEAGUE



League and other world-class sporting events



A Year of Epic Sporting Action

We're bringing fans the most comprehensive coverage on dedicated HD channels and mobile devices



UEFA Euro 2016™

The highly anticipated UEFA European Championship to be held in France



Rio 2016™ Olympics

The world's most historic and prestigious sporting event returns

eSports

Broadcast six eSports tournaments live on Astro and AOTG

5.3m

viewers



Sepaktakraw

Partnered with Persatuan Sepaktakraw Malaysia to launch the inaugural 2014/15 season of Sepaktakraw League

4.2m

viewers

Content: Sports



Sports is one of those rare entertainment genres that enthralls and unites the masses in equal measure. It is clear that Malaysia is a sports-hungry nation and we at Astro strive to satiate that desire. We aim to provide comprehensive coverage of local and international sporting leagues, tournaments and events worldwide, in SD and HD across multiple platforms.

In 2015, we successfully added key sporting properties and extended key contracts to enhance our sports offerings. Notably, we added four premium HD sports channels to our stable: Golf Channel HD, Setanta Sports HD, WWE Networks HD and Astro Cricket HD. Additionally, we are pleased to have secured the Premier League rights for the next three seasons up to the 2018/19 season, cementing our position as the home of football. 2016 will be a huge sporting year with blockbuster events such as the Euro 2016 and the Rio 2016 Olympics, both of which will be broadcast live in HD on TV and AOTG. Badminton lovers will also rejoice as we will be broadcasting live the 2016 Thomas & Uber Cup.

Astro also plays a major role in establishing sepaktakraw as a premier sport in Malaysia as well as regionally. We champion the ISTAF Super Series and Sepaktakraw League and have brought the sport to over four million viewers since its inception.

Cognisant of the growing popularity of eSports, Astro also seized the opportunity to live broadcast tournaments such as The International 2015: Dota 2 Championships in August 2015, which was the first ever eSports broadcast in the region. This initiative received an overwhelming response among Malaysians, reaching 1.7 million viewers on TV and 1.3 million on Facebook. In 2015, we broadcast six eSports tournaments totaling 350 live hours and successfully recorded 5.3 million cumulative viewers.

Over the years, our commitment to sports has seen us explore a large variety of games to ensure that we always give our viewers what they want, and in formats that suit them best. We are ready to cheer on the coming year with even more sports than before – so get your team shirts ready!

LEARNING

Pioneering edutainment for our next generation – multiplatform, interactive, delightful and inspiring



Oh My! English™

CLASS OF 2015



Oh My English! Class of 2015

Malaysia's favourite educational TV show for all ages and the most entertaining way of learning the English language

245k viewership	YouTube 20m views	 696k Oh My Goat's (telemovie) viewership	 Nominated for: Digital Emmys and Japan Prize 2015
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Geng UPSR

Malaysia's
FIRST
interactive
UPSR revision
drama series

	122k viewership
YouTube	1.9m YouTube views
	1.3m revision questions answered on i-Tutor app and website

KIDS

The finest content to spark curiosity in young minds – only on Malaysia's leading platform of wonder and discovery



SIRI ANIMASI

Didi

& Friends



Didi & Friends

A brand new nursery rhyme animated series for pre-schoolers, full of fun and adorable characters

YouTube
84m
YouTube views

Ceria All Stars

Malaysia's first programme of its kind, featuring multitalented children competing to reach stardom

987k
viewership

Comics: Happy Dragon Series and The XTY Adventure Team

Brimming with fun and knowledge, these educational comics are a hit among children

2m
copies sold over the
past three years

Content: Kids



We have something for everybody at Astro, from adults to little ones alike. We aim to ensure that there is never a dull moment for the children! From nursery rhymes and reality shows, to online worlds, kids are able to interact with our content on multiple platforms and explore a whole new universe full of engaging characters and adorable animation.

In 2015, we partnered with DD Animation Studio to co-produce a new series called *Didi and Friends*. This short form animation is targeted at boys and girls from the ages of 1-6 years old, featuring three ayam serama who sing along to familiar nursery rhymes in Bahasa Malaysia. To date this leading pre-school animation has successfully reached 84 million views on YouTube. On Astro TV, *Didi and Friends* is Malaysia's most watched pre-school title, surpassing all children's programmes on international channels with 547,000 in viewership.

This year we also launched *Ceria All Stars*, the first programme of its kind in Malaysia featuring children competing to be crowned the most talented young person in the country. The brand new and already highly popular competition saw contestants performing acts like magic, drumming, gymnastics and even spray painting, with the finale reaching a promising 987,000 in viewership.

Content: **Kids**

We also have Dunia Ceria, Malaysia's first and largest social network specially designed for kids, providing a child-safe digital platform for kids to interact with each other. To date, Dunia Ceria has 319,000 registered users and 4.4 million interactions. This innovative creation won the Silver prize at the Malaysian Effie Awards 2015.

Outside of online and TV content IPs, our publications are also hugely popular with children, with Astro Xiao Tai Yang's *Happy Dragon Series* and *The XTY Adventure Team* educational comics selling two million copies over the past three years. Be it through watching, reading or interacting with our content, we hope to keep our littlest customers as happy as can be and will continue doing so in the years to come.



CUSTOMER

Greater variety, better services, more immersive experiences – we are humbled to be Malaysians' preferred choice





Customer



A Customer-First Culture

At Astro, the customer is at the heart of everything that we do. Consistently exceeding their expectations is a mission we undertake on a daily basis. Through continuous innovation and a focus on customer centricity, our Watch, Listen, Read and Shop offerings provide a full suite of options that include every major form of entertainment, through various distribution methods and consumption options – all to ensure that we not only continue to remain relevant, but to also exceed the expectations of our customers.

Customer



This means that we consistently evaluate our products and services – developing new ones at lightning speed while tweaking or removing those that have been rendered outdated in a fast-changing business landscape such as ours. We challenge ourselves to create new ways to delight our customers, not just in terms of the actual product, but also how it is delivered and experienced. As we go truly borderless, we are cognisant of the fact that our customers are global citizens who are now always digitally connected. As such, delivering great content enveloped in best-in-class user

experience across multiple platforms has become a top priority for us now more than ever before.

In addressing the needs of the different individuals within a household, we continuously engage with customers, strive to provide better value and are focused on ensuring that we remain quick and nimble to respond to their evolving needs. At Astro, we are relentless in our efforts to Go Beyond and to continue serving in more innovative and efficient ways than before.



REACH

Touching the lives of millions of Malaysians across multiple platforms





Reach

4.8m

households



20m

individuals



Radio

12.8m

weekly listeners

No.1

stations across all
four major languages



**Online
properties**

audience grew

36%

to reach

10.7m unique
users



Go Shop

Online and mobile
platforms recorded

7.8m

interactive sessions

Customer: Reach



Serving Our Existing Customers and Addressing New Segments

DELIVERING ON OUR CUSTOMER PROMISE

Each time we engage our customers, we gain an opportunity to understand their needs and preferences better. In turn, this allows us to tailor our services and to continuously target to surpass our customers' expectations. Being able to do this ensures that we are resilient in the face of evolving consumption trends and economic cycles. As at the end of 2015, we are now in 4.8 million homes, reaching 20 million individuals that we have the privilege to serve. We continued to increase our market share via our dual-model TV proposition of pay-TV and NJOI, growing our household penetration rate from 63% to 67% during the year.

We are committed to continuously widening the breadth of our services and allowing greater flexibility for existing and new customers. New packages such as the Fans Pack and Korean Pack were launched to provide greater choice for our discerning audience. We also introduced the Super Pack Plus, bundling the best that we have to offer across multiple content genres as well as OD services. Despite the soft consumer sentiment in an economically challenging year, our pay-TV customers continued to adopt additional value-added products and services, increasing ARPU from RM99.0 in 2014 to RM99.3 in 2015.

Customer: Reach

We also worked hard to increase the number of our channels that can be viewed in HD. 2015 saw our HD line-up further strengthened with the introduction of 13 new HD channels: Astro Ria HD, Nat Geo People HD, Oh!K HD, Channel M HD, Fox Family Movies HD, Fox Action Movies HD, HGTV, FYI, Cricket HD, Setanta Rugby Sports HD, WWE HD and two Go Shop channels; delivering life-like viewing experiences across multiple genres.

Additionally, we witnessed an increasing number of customers on our PVR service in 2015 – with a 23% growth from 715,000 in 2014 to 877,000 in 2015. Armed with the ability to record, pause and rewind, our customers can watch their favourite programmes at their own convenience, while also having the ability to access our OD library with thousands of titles to be enjoyed once connected to the internet through their PVR. At the same time, our Multiroom service grew by 6% from 386,000 to 411,000 in 2015, allowing for more individual viewing needs within each household to be catered to.

Our freesat service, NJOI, also celebrated its one-millionth customer milestone last May after four years of providing Malaysians free premium access to quality television and radio content. This non-subscription business continues to exceed expectations, adding another 349,000 customers to end the year at 1.27 million customers. This means that more Malaysians from all walks of life have access to superior educational, news and entertainment content, completely free. As we transition into a digital world, NJOI is key in bridging the digital divide between urban and rural Malaysia. This year, we introduced HD channels to the basic line-up of NJOI channels with Maya HD and Xi Yue HD, bringing the total to 28 TV channels and 20 radio stations available on the service. We also included Astro Wah Lai Toi and WWE into the line-up of prepaid channels to widen the à la carte choices for our NJOI customers.

Astro Radio further solidified its position as Malaysia’s No.1 most-loved radio operator, with 12.8 million listeners in Malaysia being entertained and kept informed each week. Within our stable, we have the No.1 station in all four major languages through ERA fm with 4.7 million weekly listeners, MY FM with 2.0 million weekly listeners, hitz fm with 1.2 million weekly listeners and THR Raaga with 2.0 million weekly listeners. We also house the No.1 station in the East Coast through THR Gegar with 1.6 million weekly listeners. The other radio stations in our Group which include Sinar FM, MELODY FM, MIX fm and LiteFM also continue to appeal to different segments of listeners every day.

nJOI je!

TV satelit **PERCUMA** daripada Astro
Tanpa kontrak, tanpa komitmen bulanan

<p>Pencetus Ummah 2 Setiap Isnin, 9 min</p>	<p>Asta Jajaw! Setiap Sabtu, 2:30 min</p>	<p>Cinta Bidadia Setiap Sabtu - Sunday, 5 ppg</p>
<p>Terima Kasih Ibu Setiap Sabtu, 9 min</p>	<p>Primadona Setiap Sabtu, 9 min</p>	<p>Kelas 991 Setiap Sabtu 5 ppg</p>

Bayar sekali, percuma sepanjang hayat. Memang syok. Boleh menonton 23 saluran TV dan mendengar 20 saluran radio.
 ✓ Percuma sepanjang hayat ✓ Hiburan, pembelajaran dan informasi terbaik

Customer: **Reach**
**GO
SHOP**

DISCOVER A WORLD OF DELIGHTFUL SHOPPING

Astro Channel 318 | Astro Saluran 118
www.goshop.com.my



Amid a soft economy in 2015, with industry adex lower in comparison to previous years, Astro still managed to outperform the industry and grow its share of TV adex by 2% to end the year at 35%. Additionally, Astro Radio's advertising income grew 13% Y-o-Y, driving share of radex to 70%, a testament to our clients' belief in our ability to harness the power of radio to promote their products and services.

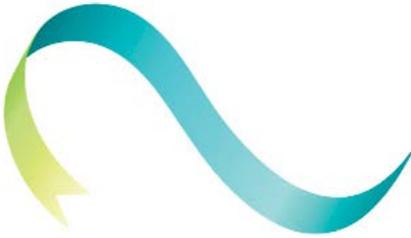
A year after its initial launch, our home shopping proposition, Go Shop, continues to grow from strength to strength. We launched a 24/7 Mandarin-language channel on the back of the success of Go Shop's Malay-language channel and English-language online and mobile platforms. In 2015, more than 980,000 products were purchased by 410,000 Malaysians across both Malay and Chinese language channels. Our online and mobile platforms have also recorded 7.8 million total sessions. Residing in an industry that is estimated to grow to RM16 billion by 2020, we believe that Go Shop is well-positioned to be a multiplatform Malaysian shopping destination, providing round-the-clock service through multiple devices.

ENGAGING THROUGH MULTISCREEN AND MULTIPLATFORM

Today, our customers live in a hyper-connected digital world, and so must we. In 2015, we embarked on a concerted plan to ensure that our online brands, platforms and services are fully accessible end-to-end via mobile devices. As a result, the overall volume of unique views across all Astro's online properties increased by 36% over the past year, with digital video views growing by 56%. We also continue to lead with the highest number of YouTube subscribers in Malaysia.

Serving our increasingly growing online audience remains a focus for us. Consumption of our content continues to rise across all categories with consumers turning to digital platforms more than ever. Astro Gempak, which saw its traffic grow by 23% is one such example. Today we remain the No.1 leading local online media company reaching a monthly average of four million Comscore unique users and 10.7 million Google Analytics unique users.

Customer: **Reach**



we believe that it is vital for us to establish a strong presence in the digital music space and continue to capitalise the adex shift to the online world.

This shift in consumption habits has also resulted in a significant increase in our digital readership. Our digital publications recorded a circulation growth of 33% in 2015 which also saw an increase in the number of active e-magazine users from 168,000 in 2014 to 281,000 in 2015 with a total average of 460,000 sessions/articles read per month.

Through AOTG, our customers are able to consume their favourite content anytime, anywhere via their device of choice. During the year, we also enabled NJOI on the Go, allowing NJOI customers to watch nine channels for free on AOTG thus extending our proposition beyond just pay-TV customers. The AOTG mobile app has now been downloaded a total of two million times, representing a Y-o-Y increase of 52%. Users are also spending more time on AOTG, watching an average of 157 minutes per week in 2015 across 55 linear channels and more than 10,000 hours of on-demand content made available on the service, compared to 96 minutes in 2014.

2015 also saw the launch of our online music and radio platform, Raku, which has since garnered more than 200,000 downloads in less than a year. Additionally, Astro won the 2016 Frost & Sullivan Malaysian Entrepreneurial Company of the Year award in the Digital Media (Music-on-Demand) category. While providing consumers with more avenues to access Astro Radio content,

astro
Radio

**We really,
really, really,
really, really,
really
like you**

And it's clear that you really, really, really, really, really, really like us too.
Here's to the 12.6 million of you that have made us Malaysia's most loved radio network again!

93.8 FM RADIO STATION IN MALAYSIA
94.2 FM RADIO STATION IN MALAYSIA
98.9 FM 89.9 MHz RADIO STATION
99.7 FM CHINESE RADIO STATION
104.1 FM RADIO STATION IN EAST COAST
107.7 FM RADIO STATION
Life
MIX
FM93.8

SOURCE: NIELSEN RADIO AUDIENCE MEASUREMENT, DECEMBER 1, 2015. ASTRO RADIO 100% BROADCASTER



INNOVATION

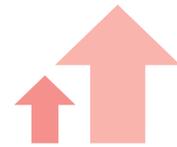
Driving the region's mediascape evolution with game-changing products and services

Constantly delivering the latest innovations in entertainment



Connected box
downloads

Increase of
500%



No.1

“Among the great
entertainment
apps”

Apple App Store (Malaysia)

“Among the top 10 free
entertainment apps”

Android Play Store (Malaysia)



Regional OTT service

Customer: **Innovation**



Finding New Ways to Serve Our Customers Better

Our pursuit of innovation is relentless and never-ending. It is central to our daily efforts, particularly in a dynamic operating environment such as ours that is constantly under disruption. Enhancing the design and functionality of all our services is a hallmark of our business, to ensure that all customers have an engaging and immersive experience. It is with this ethos that we continue to push the envelope for our service offerings.

CONNECTED STB TO ACCESS OUR OD CONTENT

We understand that the viewers of today want content at their own time and convenience, and it is with this in mind that OD was created – a service providing access to over 10,000 hours of content including complete seasons of TV series as well as local and international movies. Customers can access OD through connecting their STB to their home WiFi and through AOTG.

Within a year, we have seen connected STBs grow from 87,000 to 348,000, and over 275,000 shows downloaded monthly. OD has been instrumental in driving this evolution

and we have every intention to improve the functionalities of this service to allow even more customers to enjoy OD content through their screen of choice.

Download to Go on AOTG

With the Download to Go functionality, our AOTG service became the first online streaming service in Malaysia to have an offline viewing feature, allowing customers to download content to their devices and watch them later without the need for internet connectivity.

With this, we have further extended AOTG's promise to deliver viewing anytime, anywhere. Our customers have taken quickly to this feature and we saw over 122,000 content downloads in a short span of just three months. Constant improvements to our service enabled us to be listed as No.1 among the "Great Entertainment Apps" recommended by Apple App Store (Malaysia) and placed on the list of the "Top 10 Free Entertainment Apps" in the Android Play Store (Malaysia).

Customer: Innovation

OTT – Tribe

In spite of the challenging macro-economic environment, we continue to seek new ways to scale operations regionally, especially in areas where we can leverage off our strengths such as content creation and distribution. The shift to mobile and internet-enabled OTT video distribution platforms provides an opportunity to consider adopting such models as a means to export content investments to a wider regional audience base.

We are excited to announce our latest foray into the online video space, where recently, Astro alongside XL, a leading telecommunications company in Indonesia, launched Tribe, an innovative OTT product. Tribe is our very own fully digital mobile-first startup, adopting key learnings from global best OTT providers. Tribe’s differentiated content offering includes live sports and day/date Korean content, along with a selection of Asian movies and original programming. This will be a new business driver for Astro that will enable us to expand outside Malaysia and serve a new generation and segment of customers.

DEEPER CONSUMER INSIGHTS AND ANALYTICS

We constantly strive to understand our customers’ behavior better. Through the data we gather, we empower our talent to improve existing services and deliver new ones, all while lowering our cost of doing business. Over the past year, we successfully implemented the DTAM from Kantar Media to accurately capture and collate viewing data from selected households across Malaysia. DTAM uses Return Path Data technology to retrieve and collate viewing data directly from connected STBs.

Through this initiative, we are able to offer advertisers and media buyers deeper insight into the viewing habits of Malaysian TV households, thus allowing them to gain better returns on their investments.

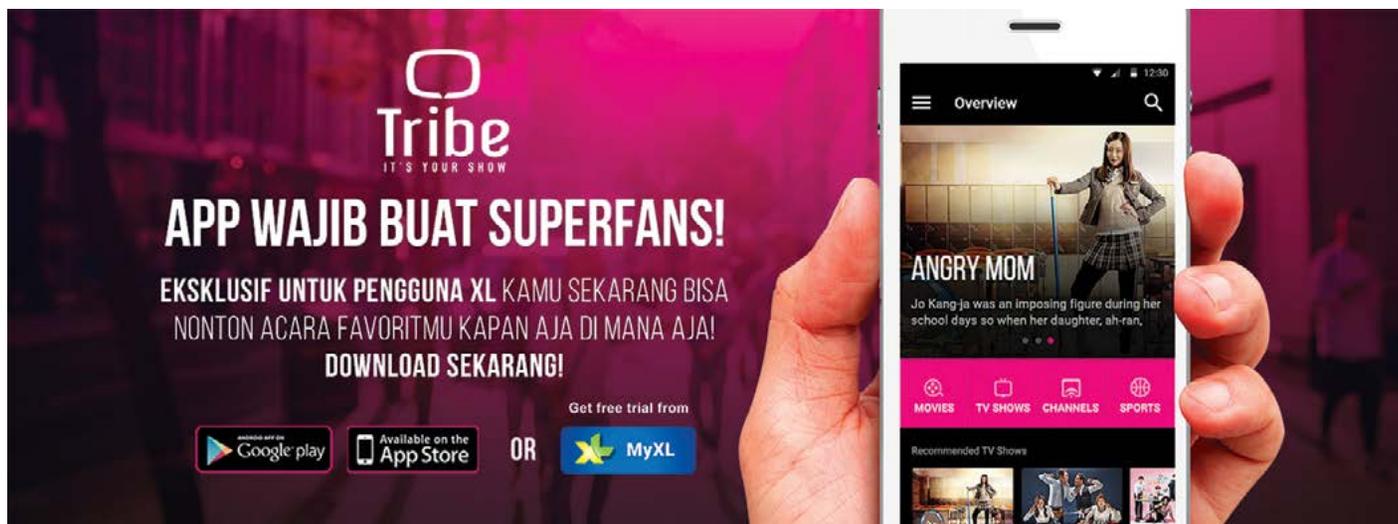
CLOUD INFRASTRUCTURE

As we progress further into a digital future, cloud storage has also changed the way we do business. Astro has taken a leap forward in the delivery of OD services by leveraging on an improved ecosystem, with all of our OD content now stored in the cloud. This allows us to scale our OD library rapidly and enables a quicker and more seamless delivery of such content to our customers across multiple screens.

ONLINE PLATFORM REDESIGN

With the rise of the internet, we see an unprecedented democratisation of consumer access to a wide range of digital, app-based products and services. In 2015, we concluded an overhaul of all our key online sites to optimise their user interface, making them even more mobile responsive and user-friendly for our customers.

We completed the redesign of our online platforms – including astro.com.my, Astro Gempak, Zhongwen, NJOI and our online TV Guide. This has transformed our online content to be 100% mobile compatible, allowing for a truly device-agnostic experience. In terms of user interface, our new platforms are more aesthetically and interactively attractive, yielding a differentiated online experience.



EXPERIENCE

Raising the bar in
customer experience,
enriching lives in more
ways than one



astro self service

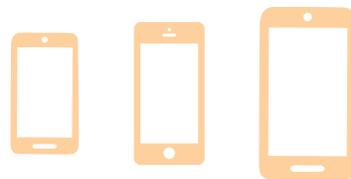
Transactions increased



From

25% to **35%**
in 2014 in 2015

Total Mobile Self Care transactions increased



1,800% From 2014 to 2015

astro circle

Total website page views increased



From

2.9m to **7.6m**
in 2014 in 2015

eQ index increased



From

77 to **78**
in 2014 in 2015

Customer: Experience

**PICK, WATCH,
INSTANTLY.**



Elevating Our Customers' Experience

With consumers today faced with a widening array of choices, we believe that a lasting differentiator is achieved through superior customer experience. Interactions which are personalised and responsive are enabled through our understanding of a customer's history, habits and preferences. To achieve this, we uphold four core tenets: digitising customer care, capitalising on customer intelligence, integrating customer touch points and driving customer centricity, all to better serve our customers.

CUSTOMER CARE

With the proliferation of mobile internet and connected homes, customers have become increasingly accustomed to using multiple devices to interact with their service providers. Over the past year, we have increasingly digitised our customer care to provide the best possible level of experience when they interact with us. This includes empowering our customers with more autonomy to manage their accounts using various self-service tools. As a result, we saw self-service transactions increase from 25% to 35% in 2015.

In addition, we also enhanced our offerings on Mobile Self Care to include payments via credit cards with real-time posting as well as the ability to download their latest bill on smartphones. We saw Mobile Self Care transactions increase over 18-fold in 2015. We also introduced SMS bill checking to further enhance the take up of e-billing, resulting in a decrease in monthly average billing interactions and monthly average physical bill resend requests by approximately 40% and 80% respectively.

Furthermore, we introduced additional payment channels and access points for our customers. For NJOI, we added seven new partners which include banks like CIMB and RHB, as well as payment aggregators like M1 to sell NJOI Prepaid top-ups by leveraging on their existing online and offline channels.

CULTIVATING CUSTOMER LOYALTY

Astro Circle, our loyalty programme continues to reward our customers. From invitations to exclusive events, to money-can't-buy lifestyle experiences and merchandise to be redeemed from our brand partners, Astro Circle has something special for everyone. As a result, we saw more social media and digital postings on our shows, including a threefold increase of Astro Circle Facebook and Instagram fans from 16,000 to 62,000, and increased total website page views of 7.6 million in 2015, up from 2.9 million in 2014. Through these engagements, we also gained significant media value through partnerships and programme tie-ups. Among them were the K-Pop Music Festival, signature content such as Maharaja Lawak Mega, Akademi Fantasia, Gegar Vaganza and Astro Star Quest, as well as a myriad of other international live shows.

INDUSTRY RECOGNITION

In 2015, we were grateful to have garnered a number of prestigious awards, including a Gold Stevie Award for 'Innovation in Customer Service', a Silver Stevie Award for 'Innovation in Sales' for NJOI, a Bronze award from Contact Centre Association of Malaysia 2015 for 'Best Contact Centre Design' and many more.

SUSTAINABILITY STATEMENT

From individuals to communities,
we are committed to uplifting
the lives of all Malaysians





SUSTAINABILITY STATEMENT

We continue to provide and maintain the Kampus Astro Learning System for

10,000

schools and teacher-activity centres across Malaysia

In 2015, we extended the Kampus Astro Learning System to

505

additional schools



We continue to support

3 Astro Kasih Hostels

at SK Magandai and SK Malinsau, Sabah and SK Sungai Paku, Sarawak

In the 2015 UPSR, SK Magandai students recorded a

100%

pass rate for Bahasa Malaysia comprehension

while their pass rates in Science increased to

60%

from 50% in 2014

Pass rates in SK Sungai Paku reached more than

80%

for all five subjects

with a

36%

increase in overall pass rates (from 44% in 2014 to 60% in 2015)

In 2015,

2,213

boys and girls participated in the 1MCC-Astro Kem Bola programme



Bringing the total number of participants to more than

9,000

since its inception in 2012

More than

1,600

boys and girls participated in Kem Badminton Astro trials across the country in 2015



Bringing the total number of participants to more than

6,300

since its inception in 2012

Sustainability Statement

We care deeply about being a responsible corporate citizen and strive to Go Beyond every day. Guided by these beliefs, we have established four key initiatives focused on our role in the Marketplace, Workplace, Community and Environment.



Sustainability Statement

We are committed to providing a balanced and comparable disclosure of qualitative and quantitative data to allow an objective comparison and assessment of performance over time. This section of the Annual Report serves as our Sustainability Statement and we have been guided by the Global Reporting Initiative Framework, in particular the GRI G4-Core reporting standard. Adaptation of the standard allows us to identify the Economic, Environmental and Social impact of our activities and ensure consistent reporting in the language of sustainability.

Table 1. Our policies and systems in place to manage sustainability

Category	Relevant Policy and System*
Economic	<ul style="list-style-type: none"> • Board Charter • Code of Business Ethics • Code of Conduct and Ethics for Directors • Group Risk Management Policy • Memorandum and Articles of Association • Audit Committee Charter • Nomination and Corporate Governance Committee Charter • Remuneration Committee Charter
Environmental	<ul style="list-style-type: none"> • ISO 14001 Environmental Management Systems
Social	<ul style="list-style-type: none"> • Content Code • Corporate Responsibility Framework/ Policy



* For more detailed information on some of our policies and systems, please refer to corporate.astro.com.my/aboutus.aspx

Sustainability Statement



ASTRO IN THE MARKETPLACE

Effective stakeholder engagement allows us to align our business practices with the needs and expectations of the communities we are part of – helping to drive long term sustainability and shareholder value.

Customer Satisfaction

Our customers are at the very heart of what we do, and we constantly challenge ourselves to serve them better than before.

In the last 12 months, these included digitalising our self-service tools including our Mobile Self Care, extending our range of payment channels, on top of other improvements to allow customers to better consume our products and services. This year, we added more channels to our platform to reach a total of 183, with 69 of them being Astro-branded and 54 in HD. We also improved our services like AOTG to allow downloads and extended it to NJOI customers, and added a new Mandarin channel to our home shopping proposition. Additionally, we introduced OD and a new mobile-first OTT service called Tribe, both with our customers and their need for choice, convenience and mobility in mind. For more information on how we serve our customers, please refer to pages 136 to 152.

Business Conduct

We conduct our business with honesty and integrity. All our employees and any third parties who wish to conduct business with Astro have to abide by our COBE, which outlines a zero-tolerance policy towards all forms of bribery and corruption.

We strive to be environmentally responsible and encourage all our stakeholders to do the same. Consequently, they need to adhere to our Environmental Preferable Procurement guidelines and use sustainable materials whenever they are cost-effective.

Responsible Content IP

Responsible programming is essential, as our audience ranges across diverse demographics, ethnicities and age groups. Our Regulatory & Industry Affairs Division monitors this goal diligently to ensure compliance with the Communications and Multimedia Act 1998 and Content Code.

Rating systems are also available for our television programmes to indicate suitability for each age group. Additionally, we provide a child lock system to allow parents to screen and filter content deemed inappropriate for their children. A Channel Block feature is also available on our STBs to allow parents control over their children's access to channels.

Public Service & Community Service Announcements

Public Service Announcements (PSAs) are typically public or national interest messages from the Malaysian Government. In 2015, we broadcast 1,468 hours of PSAs on our TV platform to help create awareness on various public issues and campaigns, for example eating healthily, appreciating Malaysia's independence, fighting corruption, donating blood, staying fit, and enforcing the Strata Management Act. In addition, there was also a campaign to create awareness about the United Nations (UN) 17 Sustainable Development Goals encouraging humanity to fight poverty, inequality, climate change and other issues that affect all global citizens.

We also highlighted many causes and campaigns to our radio listeners via our Community Service Announcements (CSAs). CSAs on radio are made in accordance with regulatory requirements, specifically a minimum of 432 minutes across nine stations on a daily basis.

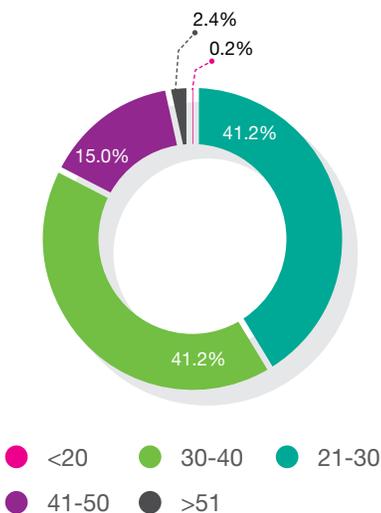
Sustainability Statement

ASTRO IN THE WORKPLACE

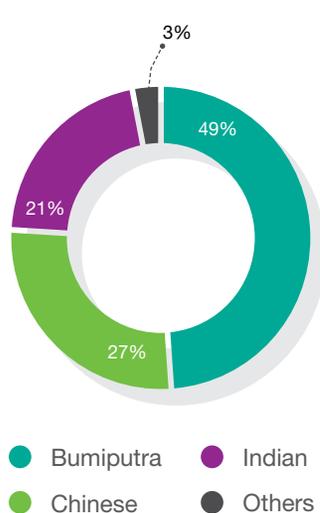
Understanding Our Differences and Celebrating Our Uniqueness

Our greatest asset is our talent, a melting pot of over 4,700 employees with diverse backgrounds of varied ages, ethnicities and gender. We embrace diversity as our strength with a workforce that reflects the audience we aspire to serve. We recognise that these unique differences are vital to our success and anyone, given the opportunity, can shine and be champions. Our efforts in 2015 continue to help Astro develop a dynamic and multifaceted team of creative individuals.

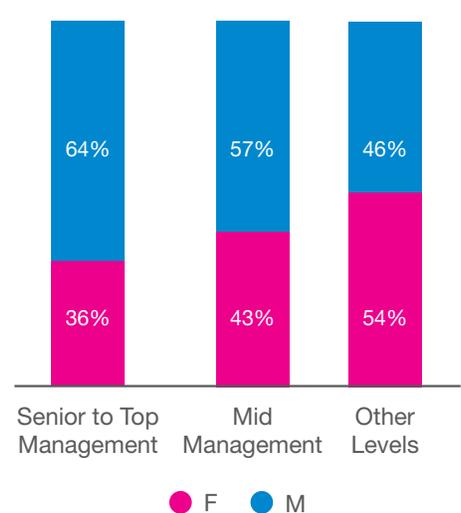
Age Composition



Ethnicity Composition



Gender Composition



Continuous Learning and Development

Guided by our philosophy that learning is a life-long process, in 2015, Astro invested over 104,000 learning hours in leadership, soft skills, functional development, and occupational safety trainings; an increase of almost 18% from the previous year.

For the second year running, the highly popular Astro Learning Fest “edu-tainment” programme was organised for our talent. This initiative offered fun, bite-sized learning sessions ranging from soft and functional skills to healthy living topics. We saw a turnout of over 1,200 employees, adding up to over 2,900 learning hours.

We also welcome new talent into the Astro family through the structured in-house Go Beyond Astrolite on-boarding session, as well as provide newly appointed people managers in the organisation with essential managerial skills via the Manager@Astro programme. In addition, Astro organised a masterclass on leadership for our Senior Leadership Team and key talent.

Investing in Astro’s Talent Pipeline

The Astro Management Associate Programme continued to grow in 2015, with the recruitment of the third batch of new graduates. The 24-month programme is designed to develop well-rounded talent through exposure to the different areas of business within our Group via the Management Stream. Additionally, the Finance Specialist stream offers Management Associates hands-on experience to develop highly specialised skills across the Company’s Finance division. Via a collaboration with Teach For Malaysia, our Management Associates in the Management Stream also receive an opportunity to serve our diverse communities and augment their leadership development as full-time teaching assistants in a high-needs school for a period of three months.

Astro’s Internship Programme is another example of our strong commitment to expose students to working life. This initiative offers practical job exposure and classroom-style training to those pursuing their first degree or diploma in institutions of higher learning. Over 80 students were selected over the past year, with high-performing participants offered employment upon completion of their studies.

Sustainability Statement

In 2015, we were voted the Most Popular Graduate Employer in the Broadcasting/Media sector in Malaysia’s 100 Leading Graduate Employers Award. We were also ranked No.2 ‘Most Attractive Employer for Humanities/Liberal Arts/Education’ in Universum Malaysia’s Top 100 Ideal Employers 2015. Our graduate recruitment efforts also garnered a Bronze award in the ‘Best Graduate Recruitment Programme’ category in the Asia Recruitment Awards 2015 Malaysia. Other awards include Gold for ‘Best Career Website’ and Silver for ‘Best Employer Brand Development’ in the Asia Recruitment Awards 2015 Malaysia. Being acknowledged as an employer of choice is reflective of our commitment to recruit the best and the brightest to our ranks.

At Astro, we also aspire to develop a new generation of world class, multiskilled technical operators through our Astro Broadcast Traineeship (ABT). Launched in 2011, this 10-month traineeship comprises over 1,500 hours of simulation and infield experience on Studio and Outside Broadcast events. In 2015, ABT graduated 19 trainees bringing the number of graduate talent to a total of 128. Of the 19, eight will be based in Johor Bahru in 2016 to meet the demands of PIMS. All graduates are internationally accredited by the TAFE Technical Operators Centre with each having a five-year personalised training plan comprising mentoring and four years of training in a chosen specialised field.

ABT Year	Recruited	Graduated
2011	12	11
2012	30	27
2013	30	28
2014	48	43
2015	27	19
TOTAL	147	128

Unique to our industry, we continue to invest in nurturing world class on-air talent. Astro’s On-Air Talent Management (OATM) was formed to identify, develop and manage new and existing on-air talent including actors, singers, announcers, presenters, anchors and performers through a six-month structured course comprising training, career advice and airtime exposure across various integrated media platforms. OATM graduated 11 on-air talent in 2015, with 16 still in training.

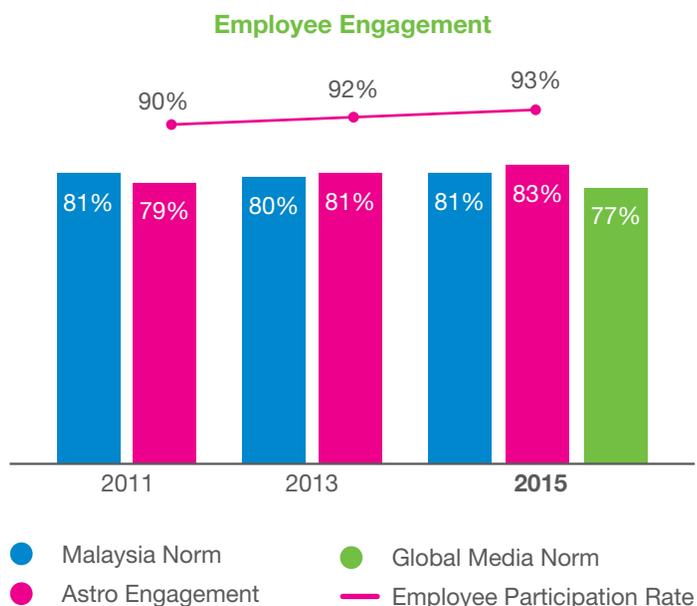
We believe in the power of education to transform lives. Our Astro Scholarship Award is designed to support high achieving students looking to pursue their tertiary education, both locally and abroad. Since its inauguration in 1995,

the scholarship programme has supported 67 students, providing sponsorships of over RM22 million. This year, we extended it to students pursuing pre-university courses and postgraduate studies. We also celebrate the academic achievements of children of Astro staff in local government examinations. In 2015, the Astro Champs Awards saw 12 champs rewarded for their academic excellence in UPSR, four for PT3 and five for SPM examinations.

Going Beyond Employee Engagement

Being at Astro means having clear and helpful guidelines to facilitate growth, both professionally and personally. Astro’s Go Beyond values continue to be translated into behavioural and functional competencies that articulate the knowledge, skills, and behaviour expected of our talent. These competencies have been integrated into various human capital initiatives, which are used to recruit, develop, manage and retain our talent.

Having run surveys since 2011, we replaced the Employee Engagement Index with the Sustainable Engagement Index in 2015. This model of Sustainable Engagement is built upon the Traditional Engagement model with additional components of Enablement and Energy. Enablement refers to the extent in which the work environment enables productivity and success, while Energy comprises employees’ physical, social and emotional well-being at work.



Sustainability Statement



Astro continues to perform strongly with an engagement score of 83%, placing us 2% and 6% above the national and global media norm respectively in 2015. The high engagement score is a reflection of our commitment to consistently listen to and address our employees' feedback.

At Astro, we believe that recognising talent for their outstanding efforts and contribution to the organisation helps improve and strengthen our engagement level. Underpinning this philosophy, the Go Beyond Awards were introduced in 2013. Over 80 talent were rewarded in 2015, bringing the total number of award recipients to 621 for all three categories of CEO, Divisional and Departmental Awards since it was launched.

Retaining Talent through Competitive Employee Benefits

Astro strives to meet the unique and diverse needs of our employees through a flexible benefit arrangement. Our benefits are crafted with the well-being of our talent and their benefits in mind. As a result, myChoice@Astro is fast becoming our competitive advantage in attracting and retaining talent. The elements of myChoice@Astro range from core benefits such as medical coverage, life, health and personal accident insurance; Flexible Spending Account (FSA) for utilisation on desired health and wellness, technology and financial planning needs; Annual Leave and Medical Leave incentives. Astro employees also enjoy one subscription free of charge and two subsidised subscriptions to our pay-TV service. In 2015, we expanded to allow utilisation of the FSA for nutrition programmes, purchasing Go Shop's products, reimbursements of Astro's decoder installation and monthly subscription fees.

The Employee Assistance Programme was also launched for our talent and immediate family members offering short term, solution-focused therapy and counselling. Our comprehensive flexible benefits offering was awarded Gold for 'Excellence in Compensation & Benefits Strategy' in the Human Resources Excellence Awards 2015.

Safety and Health

It is one of our key priorities to maintain a safe and healthy work environment for our workforce. Our Safety and Health Policy goes beyond the requirements of the Occupational Safety and Health Act 1994 to ensure that our talent work under safe conditions. Our operations are governed by an internally established occupational safety, health and environmental management system, which is compliant with the international standards of SHAS18001 and ISO14001. We also believe in providing a comfortable and conducive working environment for our employees. At our headquarters, the All Asia Broadcast Centre (AABC), shuttle services are provided at major transit points and key offices for easy commuting, with taxi services and courtesy transport for shift staff available as well. Our much loved cafeteria provides a wide spread of dining options for our talent based in AABC, and designated smoking areas are provided within the compound to ensure that the building remains smoke-free. Rest-bays, shower rooms, basketball and futsal courts are also provided within the AABC compound to promote health and well-being among our workforce.

Sustainability Statement

ASTRO IN THE COMMUNITY

Our community has always been, and continues to be at the forefront of Astro's plans. All of us at Astro consider it a privilege to serve and develop our communities near or far, urban or rural. Our aspiration to improve the lives of those around us serves as a compass to guide our path.

Astro talent are always encouraged to get involved in causes that resonate with them. In 2015, they volunteered 19,925 hours for 143 projects, and together with our partners, focused their initiatives on four key areas: Lifelong Learning, Community Development, Sports and Wellness, as well as Environment.

Yayasan Astro Kasih was established as a limited company under the Act and acts as a charitable foundation and the main driver of our Group's community endeavours. These have been recognised within the Corporate Social Responsibility community for its impact in helping to provide more opportunities for the advancement of underprivileged groups. In 2015, the Astro Kasih Hostel and EkoVillage was lauded as Winner of the 'Education Improvement' category at the Asian CSR Awards. Our extensive sports outreach efforts also garnered us a Bronze International Business Award (Stevie Award) for the category of 'Corporate Social Responsibility Program of the Year' - in Asia, Australia and New Zealand, while our employee volunteer programme was awarded a Bronze in the Human Resources Excellence Awards for the category of 'Excellence in CSR Practices'.

Lifelong Learning

As Malaysia's leading media and entertainment group, we are humbled to assist in the education of our children who are the nation's future leaders. Our flagship project, Kampus Astro Learning System ("Kampus Astro") was developed to make educational content accessible to children across all income levels throughout Malaysia. It consists of an Astro STB, television set and access to 17 international and local learning channels. Additionally, we foster digital learning through Kampus Astro.

In 2015, we extended Kampus Astro to an additional 505 schools. To date, more than 5.1 million students and 419,000 teachers in 10,000 government schools and teacher activity centres have benefited from this programme. We have also extended Kampus Astro to 76 paediatric wards, oncology wards, schools in hospitals and military hospitals. This way, we offer a learning platform for students who cannot attend school due to ill health, consequently helping them reduce their gap in learning during their recovery.

Community Development

The Astro Kasih Hostels were established to aid young students in rural parts of Sabah and Sarawak to complete and excel in their primary education. These comfortable accommodations mean that these students no longer face three to six hours of arduous – and sometimes dangerous – journeys to get to and from school. We are encouraged by the continuous improvement in the academic performance of these hostels in SK Magandai in Kota Marudu, Sabah, SK Sg. Paku in Kapit, Sarawak and SK Malinsau in Ranau, Sabah.

In 2015, we continued to assist the schools in increasing attendance and improving academic performance by organising workshops for both teachers and students in preparation of the exams. In the 2015 UPSR examinations, SK Magandai recorded a 100% pass rate for Bahasa Malaysia comprehension, with the pass rate in the sciences increasing to 60% from 50% in 2014. Similarly, pass rates in SK Paku reached more than 80% for all five subjects with the overall passing rate increasing from 44% in 2014 to 60% in 2015. In two years, two outstanding students from our third hostel SK Malinsau scored four A's in the exam.

As a primary source of content in Malaysia, we understand our role in shaping society and public opinion for the better. In order to provide access to educational programmes and information, we offer our NJOI service to underprivileged households and charities. As at 2015, 35,706 low-income households have received the NJOI service since inception in December 2011. In partnership with the Ministry of Women, Family and Community Development, we also extended this undertaking to more than 2,600 underprivileged centres that are registered under the Social Welfare Department of Malaysia and the Registrar of Societies Malaysia.

Sustainability Statement



Sports and Wellness

Sports has an incredible power to unite people and we find that it truly connects our business to the community. As a strong advocate for sports and the principles it promotes, we sponsor numerous initiatives centered around the nation's favourite games. For example, our 24/7 sports channel, Astro Arena, is dedicated to local sports news, while 1MCC-Astro Kem Bola and Kem Badminton Astro train and encourage children to become outstanding athletes and individuals.

The Kem Badminton Astro programme is organised in collaboration with the Badminton Association of Malaysia to identify and train talented children between the ages of 10 and 12 to become Malaysia's leading badminton players of the future. To further enhance Kem Badminton, we entered into a three-year strategic partnership with the Nippon Badminton Association of Japan in March 2015, which kicked off with a two-week training stint at the National Training Centre, Tokyo, Japan for 30 girls and boys in November 2015. Additionally, the Japan junior badminton team was invited to Malaysia for joint training sessions and participated in friendly matches against Kem Badminton Astro participants. Since this began in 2012, more than 6,300 participants have enrolled with 1,600 participants joining in 2015.

In 2015, 2,213 children participated in the 1MCC-Astro Kem Bola programme. The total number of participants has risen to more than 9,000 since it began in 2012. The most outstanding young footballers travelled to London in November 2015 to train with the West Ham United Foundation, an opportunity of a lifetime for many of these talented youngsters. They were also given an opportunity to train and play against youth teams of the Premier League Kicks programme.

ASTRO IN THE ENVIRONMENT

As a company with broad exposure to the public, we constantly seek to raise awareness about the importance of preserving the environment by engaging the local community in environmental projects. Through our Beautiful Malaysia initiative, Yayasan Astro Kasih collaborated with the Sabah State Government to carry out the Beautiful Malaysia - Astro Kasih EkoBin programme. More than 1,000 university students participated and assisted in the installation of 400 special bins in five public parks in and around Kota Kinabalu, which prompted the State Government to extend the efforts to all 14 public parks in the city. The parks were named Recycling Parks to encourage citizens to adopt a greener lifestyle by recycling their waste.

Our comprehensive environmental, social and governance practices have been recognised, with Astro being one of the 34 composite companies included in the FTSE4Good Bursa Malaysia Index. The said index is part of the globally benchmarked FTSE4Good Index Series and is aligned with other leading global ESG frameworks such as the Global Reporting Initiative and the Carbon Disclosure Project.

We are cognisant of the environmental impact of our operations and are constantly looking for ways to improve efficiency in our business operations, and effectively minimise our environmental footprint.

AABC has successfully renewed its ISO 14001 Environment Management Systems certification which we adopted in 2009. The ISO 14001 standard was developed to assist organisations to identify, manage and control the activities that have an environmental impact.

Carbon assessments for 2013, 2014 and 2015 are currently underway to measure our emissions. The result of the assessments will be used as both a baseline and an opportunity to examine and analyse possible means of further reducing our carbon footprint.

MILLENNIALS

Connecting with millennials
by nurturing, inspiring and
empowering them



The Millennials

From left to right:

Alisya Binti Mohd Kamal

Management Associate

We embrace change and relish the challenge to discover new ways of doing things.

Pritha Manivannan

Astro Scholar (Awani)

I am passionate about journalism and our right to information. At Astro, I can be an agent of change by reporting breaking news.

Gwi Terk Chern

Management Associate

I value innovation. So being able to challenge the status quo and share my ideas at Astro are just what I need to spark things off.

Alicia Tan Yen Fern

Finance Management Associate

I am empowered to challenge convention by bringing a different perspective to the projects I work on.

Elena Syaza Binti Abdul Rahim

Management Associate

Astro is where I can shine, be heard and contribute. This makes working here engaging and rewarding.





Directors' Responsibility Statement

The Companies Act, 1965 (“the Act”) requires the Directors to prepare financial statements for each financial year in accordance with the requirements of the Companies Act, 1965, Malaysian Financial Reporting Standards (“MFRS”), the International Financial Reporting Standards (“IFRS”) and the MMLR of Bursa Securities 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 2016 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 FY16 financial statements in conformity with MFRS, the Directors have used certain critical accounting estimates and assumptions. In addition, the Directors have exercised their judgment 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 2016

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 2016.

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, television content, creation, aggregation and distribution, magazine publication and distribution, multimedia interactive services and home shopping business. The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

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.

Financial Results

	Group RM'000	Company RM'000
Profit for the financial year	607,961	628,104
Attributable to:		
Equity holders of the Company	615,318	628,104
Non-controlling interests	(7,357)	-
	607,961	628,104

Directors' Report

For the Financial Year Ended 31 January 2016

Dividends

The dividends on ordinary shares paid or declared by the Company since 31 January 2015 were as follows:

	RM'000
In respect of the financial year ended 31 January 2015:	
30 March 2015 and paid on 29 April 2015	117,039
Final single-tier dividend of RM0.02 per share on 5,201,728,400 ordinary shares, approved by shareholders at the Annual General Meeting on 17 June 2015 and paid on 16 July 2015	104,034
	221,073
In respect of the financial year ended 31 January 2016:	
First interim single-tier dividend of RM0.0275 per share on 5,201,728,400 ordinary shares, declared on 16 June 2015 and paid on 15 July 2015	143,048
Second interim single-tier dividend of RM0.0275 per share on 5,201,728,400 ordinary shares, declared on 15 September 2015 and paid on 13 October 2015	143,048
Third interim single-tier dividend of RM0.0275 per share on 5,205,015,600 ordinary shares, declared on 8 December 2015 and paid on 7 January 2016	143,138
	429,234

Subsequent to the financial year, on 22 March 2016, the Directors declared a fourth interim single-tier dividend of RM0.0275 per share on 5,205,015,600 ordinary shares in respect of the financial year ended 31 January 2016, amounting to RM143,137,929, which will be payable on 21 April 2016.

The Directors also recommend a final single-tier dividend payment of RM0.01 per share estimated at RM52,050,156 in respect of the financial year ended 31 January 2016, subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting. The final single-tier dividend will be paid on a date to be determined.

Reserves and Provisions

All material transfers to or from reserves or provisions during the financial year are disclosed in Consolidated Statement of Changes in Equity, Statement of Comprehensive Income and Note 36(a) in the financial statements.

Directors' Report

For the Financial Year Ended 31 January 2016

Share Capital

During the financial year, the issued and paid-up share capital of the Company was increased from RM520,172,840 comprising 5,201,728,400 ordinary shares of RM0.10 each to RM520,501,560 comprising 5,205,015,600 ordinary shares of RM0.10 each. The increase in the issued and paid-up share capital 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 Management Share Scheme (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 who have held office since the date of the last report and at the date of this report are:

Tun Dato' Seri Zaki Bin Tun Azmi
 Augustus Ralph Marshall
 Dato' Rohana Binti Tan Sri Datuk Haji Rozhan
 Datuk Chin Kwai Yoong
 Dato' Mohamed Khadar Bin Merican
 Bernard Anthony Cragg
 Datuk Yau Ah Lan @ Fara Yvonne
 Quah Bee Fong (appointed on 24 April 2015)
 Lim Ghee Keong (alternate to Augustus Ralph Marshall)
 Hisham Bin Zainal Mokhtar (resigned on 24 April 2015)

In accordance with the Company's Articles of Association, Datuk Yau Ah Lan @ Fara Yvonne and Augustus Ralph Marshall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Tun Dato' Seri Zaki Bin Tun Azmi retires pursuant to Section 129(2) of the Companies Act, 1965 at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment to hold office until the conclusion of the next Annual General Meeting of the Company.

Directors' Report

For the Financial Year Ended 31 January 2016

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 as disclosed as Directors' remuneration in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

Directors' Interests in Shares and Debentures

According to the Register of Directors' shareholdings, 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 of RM0.10 each →			
	As at 1.2.2015	Acquired/ vested	Disposed	As at 31.1.2016
Tun Dato' Seri Zaki Bin Tun Azmi	1,000,000	-	-	1,000,000
Augustus Ralph Marshall	8,500,000	-	-	8,500,000
Dato' Rohana Binti Tan Sri Datuk Haji Rozhan	4,040,000	540,000	-	4,580,000 ⁽¹⁾
Datuk Chin Kwai Yoong	1,000,000	-	-	1,000,000
Dato' Mohamed Khadar Bin Merican	1,000,000	-	(144,400)	855,600
Lim Ghee Keong (alternate to Augustus Ralph Marshall)	1,000,000	-	-	1,000,000

Note:

⁽¹⁾ Dato' Rohana Binti Tan Sri Datuk Haji Rozhan also has an interest over 4,696,900 unissued shares in AMH pursuant to the Share Scheme of the Company.

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 2016

Statutory Information on the Financial Statements

Before the income statements, statements of comprehensive income and balance sheets of the Group and Company were made out, the Directors took reasonable steps:

- (a) 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
- (b) 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:

- (a) 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
- (b) which would render the values attributed to the current assets in the financial statements of the Group and Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

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.

At the date of this report, there does not exist:

- (a) 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
- (b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

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.

Directors' Report

For the Financial Year Ended 31 January 2016

Post Balance Sheet Event

The post balance sheet event is as disclosed in Note 41 to the financial statements.

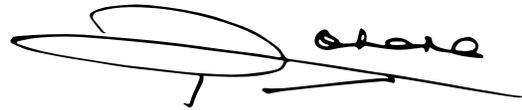
Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with the approval granted by the Board of Directors on 24 March 2016.



TUN DATO' SERI ZAKI BIN TUN AZMI
DIRECTOR



DATO' ROHANA BINTI TAN SRI DATUK HAJI ROZHAN
DIRECTOR

Kuala Lumpur

Statement by Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

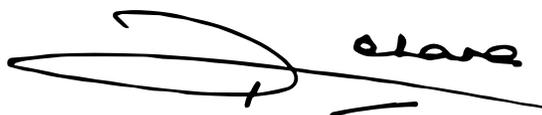
We, Tun Dato' Seri Zaki Bin Tun Azmi and Dato' Rohana Binti Tan Sri Datuk Haji Rozhan, the Directors of Astro Malaysia Holdings Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 176 to 291 are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 January 2016 and of their financial performance and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965.

The supplementary information set out on page 292 have been prepared in accordance with the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with the approval granted by the Board of Directors on 24 March 2016.



TUN DATO' SERI ZAKI BIN TUN AZMI
DIRECTOR



DATO' ROHANA BINTI TAN SRI DATUK HAJI ROZHAN
DIRECTOR

Kuala Lumpur

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, Grace Lee Hwee Ling, 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 176 to 291 and supplementary information set out on page 292 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



GRACE LEE HWEE LING

Subscribed and solemnly declared by the above named Grace Lee Hwee Ling at Kuala Lumpur in Malaysia on 24 March 2016, before me.



COMMISSIONER FOR OATHS



16TH FLOOR WISMA SIME DARBY
101 AN RAJA LAUT 50350 KUALA LUMPUR

Independent Auditors' Report

To The Members Of Astro Malaysia Holdings Berhad
(Incorporated in Malaysia)
(Company No. 932533V)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Astro Malaysia Holdings Berhad on pages 176 to 291, which comprise the balance sheets as at 31 January 2016 of the Group and of the Company, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on Notes 1 to 42.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 January 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Independent Auditors' Report

To The Members Of Astro Malaysia Holdings Berhad
(Incorporated in Malaysia)
(Company No. 932533V)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 14 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 43 on page 292 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



PRICEWATERHOUSECOOPERS
(No. AF-1146)
Chartered Accountants



SRIDHARAN NAIR
(No. 2656/05/16 (J))
Chartered Accountant

Income Statements

For the Financial Year Ended 31 January 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	5	5,475,371	5,231,444	682,350	457,982
Cost of sales		(3,375,996)	(3,341,192)	-	-
Gross profit		2,099,375	1,890,252	682,350	457,982
Other operating income		37,433	47,263	153	186
Marketing and distribution costs		(528,436)	(514,725)	(181)	(190)
Administrative expenses		(493,482)	(502,609)	(34,601)	(11,008)
Finance income	9(a)	52,466	56,903	116,540	127,446
Finance costs	9(b)	(346,257)	(249,549)	(135,572)	(147,520)
Share of post tax results from investments accounted for using the equity method		8,291	(6,647)	-	-
Profit before tax	6	829,390	720,888	628,689	426,896
Tax expense	10	(221,429)	(207,138)	(585)	-
Profit for the financial year		607,961	513,750	628,104	426,896
Attributable to:					
Equity holders of the Company		615,318	519,373	628,104	426,896
Non-controlling interests		(7,357)	(5,623)	-	-
		607,961	513,750	628,104	426,896
Earnings per share attributable to equity holders of the Company (RM):					
- Basic	11	0.118	0.100		
- Diluted	11	0.118	0.100		

The accompanying notes on pages 189 to 291 form part of these financial statements.

Statements of Comprehensive Income

For the Financial Year Ended 31 January 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the financial year	607,961	513,750	628,104	426,896
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Cash flow hedge:				
- Net fair value gain on derivatives used for hedging	198,777	121,750	94,008	30,412
- Net fair value loss on derivatives recycled to income statements	(273,796)	(71,504)	(95,742)	(41,611)
Net change in available-for-sale financial assets	(270)	(240)	129	(240)
Foreign currency translation	2,586	286	-	-
Other comprehensive (loss)/income, net of tax	(72,703)	50,292	(1,605)	(11,439)
Total comprehensive income	535,258	564,042	626,499	415,457
Attributable to:				
Equity holders of the company	542,615	569,665	626,499	415,457
Non-controlling interests	(7,357)	(5,623)	-	-
	535,258	564,042	626,499	415,457

The accompanying notes on pages 189 to 291 form part of these financial statements.

Consolidated Balance Sheet

As at 31 January 2016

	Note	Group	
		2016 RM'000	2015 RM'000
Non-Current Assets			
Property, plant and equipment	13	2,129,388	1,880,908
Investment in associates	15	27,924	48,851
Investment in joint ventures	16	2,249	-
Other investments	17	5,000	57,444
Receivables and prepayments	21	239,267	242,395
Derivative financial instruments	24	290,794	185,050
Deferred tax assets	26	116,528	54,134
Intangible assets	19	2,001,461	1,955,861
		4,812,611	4,424,643
Current Assets			
Inventories	20	20,571	12,989
Receivables and prepayments	21	955,392	826,676
Derivative financial instruments	24	92,992	112,225
Other investments	17	383,219	-
Tax recoverable		505	1,189
Deposits, cash and bank balances	22	635,682	1,353,605
		2,088,361	2,306,684
Current Liabilities			
Payables	23	1,658,390	1,735,777
Derivative financial instruments	24	32,676	2,949
Borrowings	25	519,531	400,081
Tax liabilities		70,848	68,867
		2,281,445	2,207,674
Net Current (Liabilities)/Assets		(193,084)	99,010

The accompanying notes on pages 189 to 291 form part of these financial statements.

Consolidated Balance Sheet

As at 31 January 2016

	Note	Group	
		2016 RM'000	2015 RM'000
Non-Current Liabilities			
Payables	23	626,431	612,227
Derivative financial instruments	24	11,055	11,725
Borrowings	25	3,285,554	3,103,297
Deferred tax liabilities	26	82,691	82,189
		4,005,731	3,809,438
NET ASSETS		613,796	714,215
Capital and reserves attributable to equity holders of the Company			
Share capital	27	520,502	520,173
Share premium	27	6,183,307	6,174,668
Exchange reserve		2,899	313
Capital redemption reserve		1 [®]	1 [®]
Capital reorganisation reserve	28	(5,470,197)	(5,470,197)
Hedging reserve	29	3,071	78,090
Fair value reserve	30	(270)	-
Share scheme reserve	31	30,919	25,257
Accumulated losses		(669,524)	(634,535)
		600,708	693,770
Non-controlling interests		13,088	20,445
TOTAL EQUITY		613,796	714,215

[®] Denotes RM677.50

Company Balance Sheet

As at 31 January 2016

	Note	Company	
		2016 RM'000	2015 RM'000
Non-Current Assets			
Property, plant and equipment	13	396	392
Investment in subsidiaries	14	7,017,603	7,017,403
Receivables and prepayments	21	60,465	344
Advances to subsidiaries	18	1,597,326	2,125,732
Derivative financial instruments	24	258,336	165,651
Deferred tax assets	26	525	-
Intangible assets	19	1,038	-
		8,935,689	9,309,522
Current Assets			
Receivables and prepayments	21	187,708	163,450
Derivative financial instruments	24	45,636	17,219
Advances to subsidiaries	18	77,246	49,555
Other investments	17	168,129	-
Tax recoverable		-	553
Deposits, cash and bank balances	22	241,712	281,486
		720,431	512,263
Current Liabilities			
Payables	23	19,674	4,434
Derivative financial instruments	24	2,463	2,214
Borrowings	25	433,877	332,955
Tax liabilities		282	-
		456,296	339,603
Net Current Assets		264,135	172,660
Non-Current Liabilities			
Derivative financial instruments	24	9,665	11,427
Borrowings	25	2,259,990	2,531,408
		2,269,655	2,542,835
NET ASSETS		6,930,169	6,939,347

The accompanying notes on pages 189 to 291 form part of these financial statements.

Company **Balance Sheet**

As at 31 January 2016

	Note	Company	
		2016 RM'000	2015 RM'000
Capital and reserves attributable to equity holders of the Company			
Share capital	27	520,502	520,173
Share premium	27	6,183,307	6,174,668
Capital redemption reserve		1 [^]	1 [^]
Hedging reserve	29	(4,677)	(2,943)
Fair value reserve	30	129	-
Share scheme reserve	31	30,919	25,257
Retained earnings		199,988	222,191
TOTAL EQUITY		6,930,169	6,939,347

[^] Denotes RM670

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 January 2016

Year ended	Attributable to equity holders of the Company											
	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Exchange reserve RM'000	Capital redemption 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
At 1 February 2015	520,173	6,174,668	313	1 [#]	(5,470,197)	78,090	-	25,257	(634,535)	693,770	20,445	714,215
Profit for the financial year	-	-	-	-	-	-	-	-	615,318	615,318	(7,357)	607,961
Other comprehensive income/(loss) for the year	-	-	2,586	-	-	(75,019)	(270)	-	-	(72,703)	-	(72,703)
Total comprehensive income/(loss) for the year	-	-	2,586	-	-	(75,019)	(270)	-	615,318	542,615	(7,357)	535,258
Ordinary shares dividends declared (Note 12)	-	-	-	-	-	-	-	-	(650,307)	(650,307)	-	(650,307)
Share grant exercised	329	8,639	-	-	-	-	-	(8,968)	-	-	-	-
Share-based payment transaction (Note 7(a))	-	-	-	-	-	-	-	14,630	-	14,630	-	14,630
Transactions with owners	329	8,639	-	-	-	-	-	5,662	(650,307)	(635,677)	-	(635,677)
At 31 January 2016	520,502	6,183,307	2,899	1	(5,470,197)	3,071	(270)	30,919	(669,524)	600,708	13,088	613,796

[#] Denotes RM677.50

The accompanying notes on pages 189 to 291 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 January 2016

Year ended	Attributable to equity holders of the Company											
	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Exchange reserve RM'000	Capital redemption 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
At 1 February 2014	519,830	6,165,374	27	1 [#]	(5,470,197)	27,844	240	16,922	(646,996)	613,045	4,068	617,113
Profit for the financial year	-	-	-	-	-	-	-	-	519,373	519,373	(5,623)	513,750
Other comprehensive income/ (loss) for the year	-	-	286	-	-	50,246	(240)	-	-	50,292	-	50,292
Total comprehensive income/ (loss) for the year	-	-	286	-	-	50,246	(240)	-	519,373	569,665	(5,623)	564,042
Ordinary shares dividends declared (Note 12)	-	-	-	-	-	-	-	-	(506,912)	(506,912)	-	(506,912)
Share grant exercised	343	9,294	-	-	-	-	-	(9,637)	-	-	-	-
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	-	22,000	22,000
Share-based payment transaction (Note 7(a))	-	-	-	-	-	-	-	17,972	-	17,972	-	17,972
Transactions with owners	343	9,294	-	-	-	-	-	8,335	(506,912)	(488,940)	22,000	(466,940)
At 31 January 2015	520,173	6,174,668	313	1 [#]	(5,470,197)	78,090	-	25,257	(634,535)	693,770	20,445	714,215

[#] Denotes RM677.50

The accompanying notes on pages 189 to 291 form part of these financial statements.

Company Statement of Changes in Equity

For the Financial Year Ended 31 January 2016

Year ended	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Capital redemption reserve 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
31 January 2016	520,173	6,174,668	1 [^]	(2,943)	-	25,257	222,191	6,939,347
At 1 February 2015	-	-	-	-	-	-	628,104	628,104
Profit for the financial year	-	-	-	(1,734)	129	-	-	(1,605)
Other comprehensive income/ (loss) for the year	-	-	-	(1,734)	129	-	-	(1,605)
Total comprehensive income/ (loss) for the year	-	-	-	(1,734)	129	-	628,104	626,499
Ordinary shares dividends declared (Note 12)	-	-	-	-	-	-	(650,307)	(650,307)
Share grant exercised	329	8,639	-	-	-	(8,968)	-	-
Share-based payment transaction (Note 7(a))	-	-	-	-	-	14,630	-	14,630
Transactions with owners	329	8,639	-	-	-	5,662	(650,307)	(635,677)
At 31 January 2016	520,502	6,183,307	1 [^]	(4,677)	129	30,919	199,988	6,930,169

[^] Denotes RM670

The accompanying notes on pages 189 to 291 form part of these financial statements.

Company Statement of Changes in Equity

For the Financial Year Ended 31 January 2016

Year ended	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Capital redemption reserve 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
At 1 February 2014	519,830	6,165,374	1 [^]	8,256	240	16,922	302,207	7,012,830
Profit for the financial year	-	-	-	-	-	-	426,896	426,896
Other comprehensive loss for the year	-	-	-	(11,199)	(240)	-	-	(11,439)
Total comprehensive income/(loss) for the year	-	-	-	(11,199)	(240)	-	426,896	415,457
Ordinary shares dividends declared (Note 12)	-	-	-	-	-	-	(506,912)	(506,912)
Share grant exercised	343	9,294	-	-	-	(9,637)	-	-
Share-based payment transaction (Note 7(a))	-	-	-	-	-	17,972	-	17,972
Transactions with owners	343	9,294	-	-	-	8,335	(506,912)	(488,940)
At 31 January 2015	520,173	6,174,668	1 [^]	(2,943)	-	25,257	222,191	6,939,347

[^] Denotes RM670

* There are no restrictions on the distribution of retained earnings.

The accompanying notes on pages 189 to 291 form part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 January 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash Flows From Operating Activities					
Profit before tax		829,390	720,888	628,689	426,896
Adjustments for:					
Bad debts written off		13,905	9,495	-	-
Barter transactions – revenue		(5,728)	(1,401)	-	-
Dividend income – unit trusts	9(a)	(5,984)	(6,221)	-	(6,221)
Dividend income		-	-	(658,119)	(457,982)
Event licence rights					
- amortisation		2,880	980	-	-
Fair value loss on derivatives at FVTPL		1,391	-	-	-
Fair value (gain)/loss on derivatives recycled to income statement arising from:					
- Foreign exchange risk		(305,879)	(112,893)	(122,955)	(78,121)
- Interest rate risk		32,083	41,389	27,213	36,510
Gain on remeasurement of investments	37(b)	-	(8,989)	-	-
Impairment of receivables		92,978	77,661	-	-
Impairment of other investments		12,444	-	-	-
Interest expense	9(b)	227,303	201,441	108,359	111,010
Interest income	9(a)	(46,482)	(50,682)	(116,540)	(121,225)
Inventories written off		2,781	362	-	-
Loss on disposal of unit trusts		515	-	-	-
Programme rights					
- amortisation		350,312	322,221	-	-
- impairment		6,337	2,372	-	-
Property, plant and equipment					
- depreciation		689,326	755,663	193	147
- (gain)/loss on disposal		(107)	83	-	-
- impairment		3,818	3,102	-	-
- written off		1,223	975	-	-
Share-based payments	7(a)	14,630	17,972	505	-
Share of post tax results from investments accounted for using the equity method		(8,291)	6,647	-	-
Software					
- amortisation		133,562	131,486	449	-
- gain on disposal		(30)	-	-	-
Unrealised foreign exchange losses, net		198,643	115,509	122,926	78,121
Write back of impairment of receivables		(1,071)	(12,106)	-	-
Operating profit/(loss) before changes in working capital		2,239,949	2,215,954	(9,280)	(10,865)

The accompanying notes on pages 189 to 291 form part of these financial statements.

Statements of **Cash Flows**

For the Financial Year Ended 31 January 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash Flows From Operating Activities (Cont'd.)					
Changes in working capital:					
Inventories		5,784	9,084	-	-
Receivables and prepayments		(249,812)	43,930	(13,997)	28,587
Payables		184,707	(48,877)	15,435	146
Cash from operations:		2,180,628	2,220,091	(7,842)	17,868
Dividend received		-	-	601,214	309,658
Interest received		44,513	48,312	9,708	15,927
Tax paid		(281,341)	(197,236)	(275)	(200)
Net cash generated from operating activities		1,943,800	2,071,167	602,805	343,253
Cash Flows From Investing Activities					
Acquisition of other investments		-	(16,619)	-	-
Advances to joint venture		(750)	(2,200)	-	-
Advances to subsidiaries		-	-	(15,784)	(593,278)
Financial assets:					
- purchase of unit trusts, net of proceeds from disposal		(338,020)	529,036	(168,000)	529,036
Intangible assets:					
- purchase of software		(160,283)	(154,094)	(1,487)	-
- proceeds from disposal of software		204	-	-	-
- acquisition of programme rights		(380,329)	(367,371)	-	-
Interest received on:					
- advances to associate		2,130	2,269	-	-
- advances to subsidiaries		-	-	73,885	81,863
Investment in joint venture:					
- purchase		(1,330)	-	-	-
- proceeds from disposal		1,000	-	-	-
Investment in subsidiaries	37	-	(11,271)	(200)	-
Property, plant and equipment:					
- purchase		(131,186)	(198,279)	(197)	(2)
- proceeds from disposal		3,008	1,089	-	-
Repayment from subsidiaries		-	-	550,095	240,336
Withdrawal/(placement) of fixed deposits with maturity of more than 3 months		696,341	(13,152)	169,722	237,450
Net cash (used in)/generated from investing activities		(309,215)	(230,592)	608,034	495,405

The accompanying notes on pages 189 to 291 form part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 January 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash Flows From Financing Activities					
Equity contribution from holders of non-controlling interests		-	22,000	-	-
Dividends paid		(650,307)	(506,912)	(650,307)	(506,912)
Interest paid		(131,167)	(141,717)	(130,960)	(141,457)
Payment for set-top boxes		(434,785)	(650,896)	-	-
Payment of finance lease interest		(66,370)	(46,558)	-	-
Repayment of borrowings		(299,624)	(224,718)	(299,624)	(224,718)
Repayment of finance lease liabilities		(76,454)	(56,868)	-	-
Net cash used in financing activities		(1,658,707)	(1,605,669)	(1,080,891)	(873,087)
Net (decrease)/increase in cash and cash equivalents		(24,122)	234,906	129,948	(34,429)
Effects of foreign exchange rate changes		2,540	301	-	-
Cash and cash equivalents at beginning of the financial year		588,397	353,190	57,764	92,193
Cash and cash equivalents at end of the financial year	22	566,815	588,397	187,712	57,764

The principal non-cash transactions are as disclosed in Note 32.

Notes to the Financial Statements

31 January 2016

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, television content, creation, aggregation and distribution, magazine publication and distribution, multimedia interactive services and home shopping business. 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 the Company during the financial year.

The Company and its subsidiaries are collectively referred to as the Group.

The Company incorporated and domiciled in Malaysia and is listed on 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 and foreign currency options from anticipated transactions denominated in foreign currencies. Cross-currency interest rate swaps are used to limit exposure to currency fluctuations on borrowings.

(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.

Notes to the Financial Statements

31 January 2016

2 Financial Risk Management Objectives and Policies (Cont'd.)

(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 investments in unit trusts are made only in cash/money market i.e. very liquid funds.

(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 at maintaining flexibility in funding by keeping committed credit facilities available and if necessary, obtaining additional debt and equity funding.

(e) Price risk

The Group is exposed to price risk because of investment in unit trusts classified as available-for-sale financial assets on the balance sheet. The Group is not exposed to commodity price risk. To manage its price risk arising from investment in unit trusts, the Group diversifies its portfolio in various financial institution.

(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, new share issues 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 present valued. 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.

Notes to the **Financial Statements**

31 January 2016

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, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (‘000), unless otherwise indicated.

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

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group’s and Company’s financial years beginning on or after 1 February 2015 are as follows:

- Amendments to MFRS 119 Defined Benefit Plans: Employees Contributions (effective from 1 July 2014)
- Annual Improvements to MFRS 2010 – 2012 Cycle (effective from 1 July 2014)
- Annual Improvements to MFRS 2011 – 2013 Cycle (effective from 1 July 2014)

The adoption of the Annual Improvements to MFRS 2010 – 2012 Cycle has required additional disclosures about the aggregation of segments. Other than that, the adoption of these amendments did not have any impact on the current or any prior year and are not likely to affect future periods.

Notes to the Financial Statements

31 January 2016

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

The Group and Company will apply the new standards, amendments to standards and interpretation in the following periods:

- (i) Financial years beginning on/after 1 February 2016
 - Amendments to MFRS 101 Presentation of Financial Statements – Disclosure Initiative (effective from 1 January 2016)
 - Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception (effective from 1 January 2016)
 - Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)
 - Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations (effective from 1 January 2016)
 - Amendments to MFRS 127 Equity Method in Separate Financial Statements (effective from 1 January 2016)
 - MFRS 14 Regulatory Deferral Accounts (effective from 1 January 2016)
 - Annual Improvements to MFRSs 2012 – 2014 Cycle (effective from 1 January 2016)
- (ii) Financial years beginning on/after 1 February 2018
 - MFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
 - MFRS 9 "Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities" (effective from 1 January 2018) replaces the parts of MFRS 139 "Financial instruments: Recognition and Measurement" that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

Notes to the **Financial Statements**

31 January 2016

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 are applicable to the Group and Company but not yet effective (Cont'd.)**

(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 9 and MFRS 15. At the time of preparing this financial statements, the impact from the adoption of these standards has yet to be fully quantified.

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.

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.

Notes to the Financial Statements

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)

B Consolidation (Cont'd.)

(a) Subsidiaries (Cont'd.)

When the Group ceases to have control, any retained interest in the entity is re-measured 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.

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.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Notes to the **Financial Statements**

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)**B Consolidation (Cont'd.)****(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. 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.

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.

C Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

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 B.yond") 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.

Notes to the Financial Statements

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)

C Property, plant and equipment (Cont'd.)

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.

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.

Notes to the **Financial Statements**

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)**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 charged to the income statement as it arises 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.

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.

Notes to the Financial Statements

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)

E Intangible assets (Cont'd.)

(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.

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.

Notes to the **Financial Statements**

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)**E Intangible assets (Cont'd.)****(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.

F Turnaround channel transmission rights

The cost of turnaround channels (programme provider fees), where the Group has immediate transmission rights, is expensed as incurred.

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 tapes, 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.

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.

Notes to the Financial Statements

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)

I Borrowings

Borrowings are stated at amortised cost using the effective yield method; any difference between the initial carrying value and the redemption value is recognised in the income statement using the effective interest method over the period of the borrowings.

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.

Notes to the **Financial Statements**

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)**K Employee benefits (Cont'd.)****(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.

(c) Termination benefits

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.

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).

Notes to the Financial Statements

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)

K Employee benefits (Cont'd.)

(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.

(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.

M Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, cash at bank and deposits with banks that have maturity periods of less than 3 months.

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 more likely than not 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 2016

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.

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 shown in equity as a deduction, net of tax, from proceeds.

(c) Dividends

Dividends on ordinary shares are recognised as liabilities when declared, other than final dividends which are recognised when approved by the members at the Annual General Meeting.

(d) Redeemable Preference Shares ("RPS")

RPS are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument.

Q Revenue recognition

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.

Notes to the Financial Statements

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)

Q Revenue recognition (Cont'd.)

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.

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.

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, payables, 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.

Notes to the **Financial Statements**

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)**R Financial instruments (Cont'd.)****(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.

S Financial assets**(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.

(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.

Notes to the Financial Statements

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)

S Financial assets (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 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.

Notes to the **Financial Statements**

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)**S Financial assets (Cont'd.)****(c) Subsequent measurement - Impairment of financial assets (Cont'd.)**

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.

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 MFRS139 "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. 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.

Notes to the Financial Statements

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)

T Financial liabilities (Cont'd.)

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.

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 method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in 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 Statements 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 twelve months and as a current asset or liability when the remaining maturity of the hedged item is less than twelve months. Trading derivatives are classified as current assets or liabilities.

(a) 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 equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. However, when a forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Notes to the **Financial Statements**

31 January 2016

3 Summary of Significant Accounting Policies (Cont'd.)**U Derivative financial instruments and hedging activities (Cont'd.)****(b) Derivatives at FVTPL**

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in the income statement.

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.

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) Property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. The useful lives of these assets estimated by the management are as disclosed in Note 3(C) to the financial statements. The assets' residual values are reviewed and adjusted if appropriate, at each balance sheet date.

In relation to the HD set-top boxes, the capitalised costs are depreciated over the estimated useful life of the equipment, which is based on management's judgement of the risk of technical obsolescence and expected churn rates. Due to the inherent difficulty of making the estimate, the estimated useful life of the HD set-top boxes may change based on, amongst other things, changes in technology as well as responses to competitive conditions.

Notes to the Financial Statements

31 January 2016

4 Critical Accounting Estimates and Judgements (Cont'd.)

(b) 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 number of times a programme will be broadcast and the relative value associated with each broadcast.

(c) Impairment test for goodwill and brands

Goodwill and brands 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 and brands 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 past experience of the transactions for the related CGUs, including observable comparable market transactions and cash flow projections 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 five year period, after which a long term growth rate of the respective markets 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.

The key assumptions applied in the impairment calculations as at 31 January 2016 include:

CGU	Pre-tax discount rate	Terminal growth assumption	Compounded revenue growth rate in the projection period
Television	9.7%	3.0%	6.7%
Radio	11.6%	3.0%	5.3%

The projection assumes the renewal of all current licences granted to the Group.

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.

Notes to the **Financial Statements**

31 January 2016

5 Revenue

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Subscription	4,359,637	4,278,927	-	-
Advertising airtime sales:				
- barter	5,728	1,401	-	-
- non-barter	598,901	565,476	-	-
Provision of programme broadcast rights	51,576	55,823	-	-
Licensing income	113,759	147,724	-	-
Non-subscription based set-top boxes	54,909	57,341	-	-
Interactive services	30,774	30,384	-	-
Dividend income from subsidiaries	-	-	658,119	457,982
Magazine advertising sales	8,779	10,259	-	-
Sales of merchandise	190,024	25,629	-	-
Others	61,284	58,480	24,231	-
	5,475,371	5,231,444	682,350	457,982

Others included in the Group comprise production service revenue, management fees, talent revenue, activation fee and income from rental of building. Others included in the Company comprise management fees.

Notes to the **Financial Statements**

31 January 2016

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Amortisation:				
- programme rights	350,312	322,221	-	-
- event license rights	2,880	980	-	-
- software	133,562	131,486	449	-
Auditors' remuneration:				
- audit	1,492	1,498	518	524
- quarterly reviews	985	1,043	985	1,043
- other services*	1,373	5,739	-	25
Bad debts written off	13,905	9,495	-	-
Set-top boxes related costs	118,774	138,723	-	-
Corporate management costs	-	-	4,962	4,107
Corporate responsibility programme costs	13,021	10,068	-	-
Depreciation:				
- property, plant and equipment	689,326	755,663	193	147
Fair value loss on derivatives at FVTPL	1,391	-	-	-
Impairment:				
- programme rights	6,337	2,372	-	-
- property, plant and equipment	3,818	3,102	-	-
- receivables	92,978	77,661	-	-
- other investments	12,444	-	-	-
Insurance	7,805	8,321	130	130
Inventories written off	2,781	362	-	-
Loss on disposal of property, plant and equipment	-	83	-	-
Maintenance expenses	72,895	75,430	-	-
Marketing and market research expenses	155,298	166,021	181	190
Professional, consultancy and other related expenses	114,797	119,669	5,713	913
Programme provider fees	1,310,477	1,247,132	-	-
Property, plant and equipment written off	1,223	975	-	-
Realised foreign exchange losses (net)	-	2,120	177	170
Rental:				
- buildings	21,876	20,813	207	-
- equipment	11,921	11,878	1	-
- land	2,300	2,300	-	-
- storage	6,208	9,835	13	-
Staff costs (Note 7)	549,267	551,119	12,995	33
Selling and distribution expenses**	197,012	180,892	-	-
Unrealised foreign exchange loss (net)	4,213	-	-	-

Notes to the **Financial Statements**

31 January 2016

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.):

Included in cost of sales are programme provider fees, set-top boxes related costs, staff costs, amortisation of 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 a member firm 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Gain on disposal of property, plant and equipment	(107)	-	-	-
Playout channel service fees	(9,404)	(3,948)	-	-
Rebate and compensation	(12,000)	(29,348)	-	-
Realised foreign exchange gains (net)	(12,965)	-	-	-
Unrealised foreign exchange gains (net)	-	(1,413)	(29)	-
Write back of impairment of receivables	(1,071)	(12,106)	-	-
Fair value gain on derivatives recycled to income statement arising from foreign exchange risk	(120,135)	(2,208)	-	-
Fair value gain on measuring equity interest in a joint venture	-	(8,989)	-	-

Notes to the **Financial Statements**

31 January 2016

7 Staff Costs (including Directors' salaries and other short-term employees' benefits)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Wages and salaries	430,447	429,929	10,260	15
Employee benefits-in-kind	25,661	23,156	279	-
Social security costs	3,054	3,054	34	-
Defined contribution plans	63,852	64,500	1,518	-
Staff welfare and allowances	11,623	12,508	399	18
Share-based payments (Note (a))	14,630	17,972	505	-
	549,267	551,119	12,995	33

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.

(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 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 two types of awards namely, Restricted Share Units ("RSU") and Performance Share Units ("PSU").

RSU

On 11 October 2012 and 19 October 2015, the Company granted share awards in respect of 21,927,000 and 629,200 new ordinary shares of RM0.10 each 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 of RM0.10 each in the Company to be issued, on the scheduled vesting dates without further payment.

Notes to the **Financial Statements**

31 January 2016

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 2016

	Group		Company	
	2 nd RSU '000	1 st RSU '000	2 nd RSU '000	1 st RSU '000
At 1 February	-	13,724	-	-
Granted	629	-	11	-
Transferred	-	-	-	425
Forfeited	-	(712)	-	-
Vested	-	(3,287)	-	(106)
At 31 January	629	9,725	11	319

Financial year ended 31 January 2015

	Group 1 st RSU '000
At 1 February	18,195
Forfeited	(1,043)
Vested	(3,428)
At 31 January	13,724

Details of the RSU granted:

Grant date	Vesting Date	Group	
		2016 Share grants '000	2015 Share grants '000
11 October 2012 ("1 st RSU")	20 October 2014 – 19 October 2017	9,725	13,724
19 October 2015 ("2 nd RSU")	19 October 2016 – 19 October 2018	629	-

Notes to the **Financial Statements**

31 January 2016

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

RSU (Cont'd.)

Grant date	Vesting Date	Company 2016 Share grants '000
11 October 2012 ("1 st RSU")	20 October 2014 – 19 October 2017	319
19 October 2015 ("2 nd RSU")	19 October 2016 – 19 October 2018	11

1st RSU

Vesting tranche	Vesting Date	Group	
		2016 Share grants '000	2015 Share grants '000
2 nd Tranche	19 October 2015	-	3,431
3 rd Tranche	19 October 2016	4,863	5,147
4 th Tranche	19 October 2017	4,862	5,146
		9,725	13,724

Vesting tranche	Vesting Date	Company 2016 Share grants '000
3 rd Tranche	19 October 2016	159
4 th Tranche	19 October 2017	160
		319

Notes to the **Financial Statements**

31 January 2016

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

RSU (Cont'd.)

2nd RSU

Vesting tranche	Vesting Date	Group 2016 Share grants '000
1 st Tranche	19 October 2016	64
2 nd Tranche	19 October 2017	125
3 rd Tranche	19 October 2018	440
		629

Vesting tranche	Vesting Date	Company 2016 Share grants '000
1 st Tranche	19 October 2016	1
2 nd Tranche	19 October 2017	2
3 rd Tranche	19 October 2018	8
		11

The fair value of the RSU was estimated by an external valuer using the Monte Carlo Simulation Model with the following inputs:

1st RSU

	Group and Company 2016/2015
Fair value at grant date	RM2.55 – RM2.99
Share price at grant date	RM3.00
Expected volatility	45.57%
Expected dividends	3.31%
Risk-free interest rate (based on Malaysian Government Securities yield)	3.19%

Notes to the Financial Statements

31 January 2016

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

RSU (Cont'd.)

2nd RSU

	Group and Company 2016
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%

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.

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 of RM0.10 each 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 3-year period and individual performance rating.
- The Grantees shall be entitled to receive new ordinary shares of RM0.10 each in the Company to be issued, on the scheduled vesting dates without further payment.

Details of the PSU granted:

Grant date	Vesting Date	Group	
		2016 Share grants '000	2015 Share grants '000
1 August 2013 ("1 st PSU")	1 August 2016	6,240	7,116
1 August 2014 ("2 nd PSU")	1 August 2017	6,734	7,513
7 August 2015 ("3 rd PSU")	7 August 2018	9,023	-

Notes to the **Financial Statements**

31 January 2016

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

PSU (Cont'd.)

Grant date	Vesting Date	Company 2016 Share grants '000
1 August 2013 ("1 st PSU")	1 August 2016	272
1 August 2014 ("2 nd PSU")	1 August 2017	234
7 August 2015 ("3 rd PSU")	7 August 2018	749

The movement in the number of PSU is as follows:

Financial year ended 31 January 2016

	3 rd PSU '000	Group 2 nd PSU '000	1 st PSU '000
At 1 February	-	7,513	7,116
Granted	9,094	-	-
Forfeited	(71)	(779)	(876)
At 31 January	9,023	6,734	6,240

Financial year ended 31 January 2015

	Group 2 nd PSU '000	1 st PSU '000
At 1 February	-	8,177
Granted	7,890	-
Forfeited	(377)	(1,061)
At 31 January	7,513	7,116

Notes to the **Financial Statements**

31 January 2016

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 2016

	Company		
	3 rd PSU	2 nd PSU	1 st PSU
	'000	'000	'000
At 1 February	-	-	-
Granted	749	-	-
Transferred	-	234	272
At 31 January	749	234	272

The fair value of the PSU awards was estimated by an external valuer using the Monte Carlo Simulation Model with the following inputs:

1st PSU

	Group and Company 2016/2015
Fair value at grant date	RM2.470 – RM2.693
Share price at grant date	RM3.00
Expected volatility	23.84%
Expected dividends	3.25%
Risk-free interest rate (based on Malaysian Government Securities yield)	3.52%

2nd PSU

	Group and Company 2016/2015
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%

Notes to the **Financial Statements**

31 January 2016

7 Staff Costs (including Directors' salaries and other short-term employees' benefits) (Cont'd.)

(a) Share-based payments (Cont'd.)

PSU (Cont'd.)

3rd PSU

	Group and Company 2016
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.

8 Directors' Remuneration

The aggregate amount of emoluments receivable by Directors during the financial year was as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Non-Executive Directors				
Fees and meeting allowances	2,022	2,022	2,022	2,022
Estimated money value of benefits-in-kind	35	35	35	35
	2,057	2,057	2,057	2,057
Executive Director				
Salaries and bonus	8,137	7,293	-	-
Defined contribution plans	1,209	1,094	-	-
Estimated money value of benefits-in-kind	35	35	-	-
Share-based payments (Note 7(a))	1,302	1,430	-	-
	10,683	9,852	-	-
Total Directors' remuneration	12,740	11,909	2,057	2,057

Notes to the **Financial Statements**

31 January 2016

9 Finance Income and Finance Costs

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
(a) Finance income:				
Interest income	46,482	50,682	116,540	121,225
Dividend income – unit trusts	5,984	6,221	-	6,221
	52,466	56,903	116,540	127,446
(b) Finance costs:				
Interest expense:				
- Bank borrowings	100,418	103,131	100,418	103,131
- Finance lease liabilities	62,895	47,149	-	-
- Vendor financing	31,568	37,626	-	-
- Debt service and other finance costs	10,273	13,535	7,941	7,879
- Others	22,149	-	-	-
	227,303	201,441	108,359	111,010
Realised foreign exchange losses (net)	78,185	482	-	-
Unrealised foreign exchange losses (net)	194,430	116,922	122,955	78,121
Fair value (gain)/loss on derivatives recycled to income statement arising from:				
- Foreign exchange risk	(185,744)	(110,685)	(122,955)	(78,121)
- Interest rate risk	32,083	41,389	27,213	36,510
	346,257	249,549	135,572	147,520

Notes to the Financial Statements

31 January 2016

10 Tax Expense

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax:				
- Malaysian income tax	284,256	245,632	1,110	-
- Foreign tax	2,845	3,490	-	-
- (Over)/under accrual in prior years	(3,780)	2,951	-	-
	283,321	252,073	1,110	-
Deferred tax (Note 26):				
- Origination and reversal of temporary differences	(61,892)	(44,935)	(525)	-
	221,429	207,138	585	-

The reconciliation between tax expense and accounting profit multiplied by the Malaysian corporate tax rate is as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax	829,390	720,888	628,689	426,896
Tax at the Malaysian corporate tax rate of 24% (2015: 25%)	199,054	180,222	150,885	106,724
Share of post tax results from investments accounted for using the equity method	(1,990)	1,662	-	-
Expenses not deductible for tax purposes	25,169	26,153	7,648	9,327
Income not subject to tax	(2,392)	(4,878)	(157,948)	(116,051)
Effect of tax rates in foreign jurisdictions	1,825	2,264	-	-
Effect of changes in tax rates	760	257	-	-
Recognition and utilisation of previously unrecognised temporary differences	(4,925)	(7,785)	-	-
(Over)/under accrual in prior years	(3,780)	2,951	-	-
Unrecognised deferred tax assets	7,708	6,292	-	-
Tax expense	221,429	207,138	585	-

Notes to the Financial Statements

31 January 2016

11 Earnings per Ordinary Share

The calculation of basic earnings per ordinary share for the financial year ended 31 January 2016 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per ordinary shares for the financial year ended 31 January 2016 was based on profit attributable to ordinary shareholders and a 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	
	2016 RM'000	2015 RM'000
Profit for the year attributable to ordinary shareholders used in the computation of basic/diluted earnings per share	615,318	519,373

(a) Basic earnings per share

Weighted average number of ordinary shares for basic earnings per share computation:

	Group	
	2016	2015
Weighted average number of ordinary shares for basic earnings per share computation* ('000)	5,202,674	5,199,277
Basic earnings per ordinary share (RM)	0.118	0.100

(b) Diluted earnings per share

Weighted average number of ordinary shares for basic earnings per share computation* ('000)	5,202,674	5,199,277
Adjustment for:		
Grant of share award under the Share Scheme ('000)	12,117	10,691
Weighted average number of ordinary shares for diluted earnings per share ('000)	5,214,791	5,209,968
Diluted earnings per ordinary share (RM)	0.118	0.100

* The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares issued during the year.

Notes to the **Financial Statements**

31 January 2016

12 Dividends

The followings dividends were declared and paid by the Group:

	2015
	RM'000
<hr/>	
In respect of the financial year ended 31 January 2014:	
Interim single-tier dividend of RM0.02 per share on 5,198,300,000 ordinary shares, declared on 31 March 2014 and paid on 30 April 2014	103,966
Final single-tier dividend of RM0.01 per share on 5,198,300,000 ordinary shares, approved by shareholders at the Annual General Meeting on 19 June 2014 and paid on 18 July 2014	51,983
	<hr/> 155,949
In respect of the financial year ended 31 January 2015:	
First interim single-tier dividend of RM0.0225 per share on 5,198,300,000 ordinary shares, declared on 18 June 2014 and paid on 17 July 2014	116,962
Second interim single-tier dividend of RM0.0225 per share on 5,198,300,000 ordinary shares, declared on 19 September 2014 and paid on 20 October 2014	116,962
Third interim single-tier dividend of RM0.0225 per share on 5,201,728,400 ordinary shares, declared on 11 December 2014 and paid on 12 January 2015	117,039
	<hr/> 350,963
	<hr/> 506,912
	<hr/>
	2016
	RM'000
<hr/>	
In respect of the financial year ended 31 January 2015:	
Fourth interim single-tier dividend of RM0.0225 per share on 5,201,728,400 ordinary shares, declared on 30 March 2015 and paid on 29 April 2015	117,039
Final single-tier dividend of RM0.02 per share on 5,201,728,400 ordinary shares, approved by shareholders at the Annual General Meeting on 17 June 2015 and paid on 16 July 2015	104,034
	<hr/> 221,073

Notes to the Financial Statements

31 January 2016

12 Dividends (Cont'd.)

The followings dividends were declared and paid by the Group (Cont'd.):

	2016 RM'000
In respect of the financial year ended 31 January 2016:	
First interim single-tier dividend of RM0.0275 per share on 5,201,728,400 ordinary shares, declared on 16 June 2015 and paid on 15 July 2015	143,048
Second interim single-tier dividend of RM0.0275 per share on 5,201,728,400 ordinary shares, declared on 15 September 2015 and paid on 13 October 2015	143,048
Third interim single-tier dividend of RM0.0275 per share on 5,205,015,600 ordinary shares, declared on 8 December 2015 and paid on 7 January 2016	143,138
	429,234
	650,307

Subsequent to the financial year, on 22 March 2016, the Directors declared a fourth interim single-tier dividend of RM0.0275 per share on 5,205,015,600 ordinary shares in respect of the financial year ended 31 January 2016, amounting to RM143,137,929, which will be payable on 21 April 2016.

The Directors also recommend a final single-tier dividend payment of RM0.01 per share estimated at RM52,050,156 in respect of the financial year ended 31 January 2016, subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting. The final single-tier dividend will be paid on a date to be determined.

Notes to the Financial Statements

31 January 2016

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 2015	10,586	95,235	533,861	164,368	910,800	166,058	1,880,908
Additions	-	1,496	495,798 ⁽³⁾	33,091	343,171 ⁽⁴⁾	69,638	943,194
Disposal	-	-	-	(86)	(2,815)	-	(2,901)
Transfers between classes	-	57,338	-	14,245	49,921	(121,504)	-
Reclassification from/ (to) intangible assets (Note 19)	-	-	-	207	4,135	(1,816)	2,526
Impairment	-	-	-	(3,258)	(560)	-	(3,818)
Written off	-	-	-	(786)	(437)	-	(1,223)
Exchange differences	-	-	-	28	-	-	28
Depreciation charge	-	(5,576)	(92,397)	(52,718)	(538,635)	-	(689,326)
At 31 January 2016	10,586	148,493	937,262	155,091	765,580	112,376	2,129,388
At 31 January 2016							
Cost	10,586	170,942	1,485,121	507,684	3,493,017 ⁽⁵⁾	112,376	5,779,726
Accumulated depreciation	-	(22,449)	(547,859)	(352,593)	(2,727,437)	-	(3,650,338)
Net book value	10,586	148,493	937,262	155,091	765,580 ⁽⁶⁾	112,376	2,129,388

Notes to the Financial Statements

31 January 2016

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 2014	10,586	99,561	564,505	179,510	1,187,350	115,480	2,156,992
Additions	-	-	35,026 ⁽³⁾	35,885	277,464 ⁽⁴⁾	129,127	477,502
Disposal	-	-	-	(73)	(1,099)	-	(1,172)
Transfers between classes	-	-	-	5,459	72,112	(77,571)	-
Reclassification (to)/ from intangible assets (Note 19)	-	-	-	(428)	8,678	(978)	7,272
Impairment	-	-	-	(3,102)	-	-	(3,102)
Written off	-	-	-	(16)	(959)	-	(975)
Acquisition of a subsidiary (Note 37(b))	-	-	-	59	-	-	59
Exchange differences	-	-	-	(5)	-	-	(5)
Depreciation charge	-	(4,326)	(65,670)	(52,921)	(632,746)	-	(755,663)
At 31 January 2015	10,586	95,235	533,861	164,368	910,800	166,058	1,880,908
At 31 January 2015							
Cost	10,586	112,108	989,323	468,526	3,130,703 ⁽⁵⁾	166,058	4,877,304
Accumulated depreciation	-	(16,873)	(455,462)	(304,158)	(2,219,903)	-	(2,996,396)
Net book value	10,586	95,235	533,861	164,368	910,800 ⁽⁶⁾	166,058	1,880,908

⁽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 RM495,798,000 (2015: RM35,026,000) as disclosed in Note 32.

⁽⁴⁾ Includes significant non-cash transactions of RM316,210,000 (2015: RM244,197,000) as disclosed in Note 32.

⁽⁵⁾ Includes fully depreciated HD set-top boxes of RM1,188,835,000 (2015: RM595,370,000) that are still in use.

⁽⁶⁾ Includes net book value of HD set-top boxes of RM439,853,010 (2015: RM561,587,055).

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13 Property, Plant and Equipment (Cont'd.)

	Equipment, fixtures and fittings	
	2016 RM'000	2015 RM'000
Company		
Net book value		
At 1 February	392	537
Additions	12	2
Transfers from subsidiary	185	-
Depreciation charge	(193)	(147)
At 31 January	396	392
At 31 January		
Cost	929	732
Accumulated depreciation	(533)	(340)
Net book value	396	392

14 Investment in Subsidiaries

	Company	
	2016 RM'000	2015 RM'000
Unquoted shares, at cost	6,804,185	6,803,985
Investment in Redeemable Preference Shares (RPS)	214,400	214,400
	7,018,585	7,018,385
Less: Impairment of investment in RPS	(982)	(982)
	7,017,603	7,017,403

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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
		2016 %	2015 %	
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. (formerly known as Matinee Productions Sdn. Bhd.) ("APSSB")	Malaysia	100	100	Production and distribution of television programmes and related services
Astro Shaw Sdn. Bhd. ("Astro Shaw")	Malaysia	100	100	Production and distribution of films
MBNS Multimedia Technologies Sdn. Bhd. ("MMTSB")	Malaysia	100	100	Research and development of multimedia related technologies
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
Subsidiaries held by MBNS				
Astro Radio Sdn. Bhd. ("Astro Radio")	Malaysia	100	100	Management of commercial radio broadcasting stations, content and programming provider and provision of multimedia and advertising agency services

Notes to the **Financial Statements**

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14 Investment in Subsidiaries (Cont'd.)

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2016 %	2015 %	
Subsidiaries held by MBNS (Cont'd.)				
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 a licensed commercial radio station
Radio Lebuhraya Sdn. Bhd. ("RLSB")	Malaysia	100	100	Operation of a licensed commercial radio station
Yayasan Astro Kasih ("Yayasan")	Malaysia	-	-	Advancing and benefitting the community
Subsidiary held by Astro Radio				
DVR Player.Com Sdn. Bhd. ("DVRSB")	Malaysia	100	100	Provision of radio services via internet
Subsidiaries held by AESB				
Astro Arena Sdn. Bhd. ("Astro Arena")	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	Inactive
Astro Sports Marketing Sdn. Bhd. ("ASM")	Malaysia	100	100	Investment holding
Subsidiaries held by Astro Shaw				
Karya Anggun Sdn. Bhd. ("KASB")	Malaysia	100	100	Film production, acquisition, commissioning and distribution

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14 Investment in Subsidiaries (Cont'd.)

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2016 %	2015 %	
Subsidiaries held by Astro Shaw (Cont.d)				
Nusantara Films Sdn. Bhd. ("NFSB")	Malaysia	100	100	Film production, acquisition, commissioning and distribution
Tayangan Unggul Sdn. Bhd. ("Tayangan Unggul")	Malaysia	100	100	Film production, acquisition, commissioning and distribution
Subsidiaries held by ADSB				
Astro Digital 5 Sdn. Bhd. ("AD5SB")	Malaysia	100	100	Development and licensing of multimedia and interactive applications
Astro Digital Publications Sdn. Bhd. ("ADPSB")	Malaysia	100	100	Magazine publication and distribution
Subsidiary held by ASM				
Asia Sports Ventures Pte. Ltd. ("ASV")	Singapore	100	100	Develop and produce global sepak takraw rights
Subsidiary held by ARV				
Astro GS Shop Sdn. Bhd. ("Go Shop")	Malaysia	60	60	Home shopping business

All the subsidiaries are audited by PricewaterhouseCoopers Malaysia, except for ASV which is audited by a firm other than a member firm 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, 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 interests in the subsidiaries.

Yayasan is a company limited by guarantee. The Group has defacto control over Yayasan due to control over the source of funding. During the year, subsidiaries of the Company have made donations of RM11,282,844 (2015: RM17,800,000) to Yayasan for activities advancing and benefitting the community. The subsidiaries intend to continue providing such support to Yayasan.

Notes to the **Financial Statements**

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15 Investment in Associates

	Group	
	2016 RM'000	2015 RM'000
Share of net assets and reserves	27,924	19,783
Long term advances and receivables	-	29,068
	27,924	48,851

The associates are not material to the Group.

Income statements

Revenue	114,265	96,328
Expenses	(97,988)	(71,232)
Profit/total comprehensive income for the financial year	16,277	25,096
Share of profit for the financial year	8,141	4,802

The Group has not recognised losses related to Kristal-Astro Sdn Bhd amounting RM8,089,000 in respect of the current financial year (total unrecognised accumulated losses of RM10,056,000) (2015: RM1,967,000), since the Group has no obligation in respect of these losses and the carrying value of the investment is nil (2015: Nil).

Details of the associates are as follow:

Name of associates	Country of incorporation and place of business	Group's effective interest		Principal activities
		2016	2015	
		%	%	
Associates held by ABSB				
Kristal-Astro Sdn. Bhd.	Brunei	48.9	48.9	Provision of television services
Associates held by MMTSB				
Advanced Wireless Technologies Sdn. Bhd. ("AWT")	Malaysia	25	25	Provision of wireless multimedia related services

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16 Investment in Joint Ventures

	Group	
	2016 RM'000	2015 RM'000
Share of net assets and reserves	1,499	-
Long term advances and receivables	750	-
	2,249	-

The joint ventures are not material to the Group.

Income statements

Revenue	9,147	-
Expenses	(8,398)	-
Profit/total comprehensive income for the financial year	749	-
Share of profit for the financial year	150	(11,449)

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
		2016 %	2015 %	
Joint Ventures held by AESB				
Spark Asia TV Pte Ltd ("Spark") (Note (a))	Singapore	30	30	Production, commissioning and distribution of content for an Asian documentary channel
Red Communications Sdn Bhd (Note (b))	Malaysia	20	-	Provision of services in communication and organising media related events

(a) Pursuant to the Joint Venture Agreement entered into between AESB, Spark GmbH and Moving Visuals International Pte Ltd, AESB had on 1 April 2015 subscribed an additional 29,970 ordinary shares in Spark in proportion to its shareholding interest for a cash consideration of RM79,770. Following the subscription, AESB's shareholding interest of 30% in Spark remains unchanged.

Notes to the **Financial Statements**

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16 Investment in Joint Ventures (Cont'd.)

- (b) Pursuant to a Share Purchase Agreement (“SPA”) and Shareholders’ Agreement (“SHA”) both dated 2 July 2015, AESB had (i) acquired 70,000 ordinary shares of RM1.00 each in Red Communications Sdn Bhd (“RCSB”) representing 20% of the total issued and paid-up share capital of RCSB for a purchase consideration of RM1.25 million; and (ii) provided a shareholder’s loan of RM750,000 at an interest rate of 5% per annum to RCSB for the purpose of part financing the working capital, operating and capital expenditure of RCSB (“Loan”) which is convertible into equity shares upon fulfilment of certain conditions as provided in the SHA. RCSB is a company principally engaged in the business of providing services in communication and organizing media related events. Subsequently on 29 February 2016, AESB converted the shareholder’s loan of RM750,000 and accrued interest into 44,000 ordinary shares of RM1.00 each in RCSB. Following the conversion, AESB’s shareholding interest in RCSB increased from 20% to 28.9%.

17 Other investments

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current				
Available-for-sale financial assets -				
Preference shares in an unquoted company, net of impairment (Note (a))	-	12,444	-	-
Loans and receivables -				
Unquoted bonds (Note (b))	5,000	45,000	-	-
	5,000	57,444	-	-
Current				
Available-for-sale financial assets -				
Investment in unit trusts (Note (c))	343,219	-	168,129	-
Loans and receivables -				
Unquoted bonds (Note (b))	40,000	-	-	-
	383,219	-	168,129	-
	388,219	57,444	168,129	-

(a) Preference shares

Pursuant to a Merger Agreement and ancillary agreements dated 13 November 2014 entered into by AD5SB, Trapit, Inc., Advocate, Inc., T-Bird Acquisition Corp. and other shareholders, AD5SB’s existing investment in Series A-1 Preference Shares and Convertible Promissory Notes in Trapit, Inc. was converted to Series A Preference Shares and Series B Preference Shares in Advocate, Inc., a company incorporated in Delaware. During the financial year ended 31 January 2016, an impairment charge of RM12,444,000 (2015: Nil) was recognised for this investment.

Notes to the Financial Statements

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17 Other investments (Cont'd.)

(b) Bonds

The bonds purchased on 28 October 2013, 18 November 2013, 6 June 2014 and 1 October 2014 have a tenure of up to 3 years, maturing on 28 October 2016, 18 November 2016, 6 June 2016 and 2 October 2017 respectively. The bonds bear a coupon rate that ranges from 3.55% to 3.95% (2015: 3.55% to 3.95%) per annum.

(c) 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.

These financial assets are neither past due nor impaired.

18 Advances to Subsidiaries

Non-current

Advances to subsidiaries are unsecured and are 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 5.0% to 5.4% (2015: 4.2% to 5.4%) per annum.

Included in advances to subsidiaries is an impairment of RM2,133,000 (2015: RM2,133,000). The impairment amount recognised in the current financial year was RM Nil (2015: RM Nil).

Current

Advances to subsidiaries are unsecured, with no fixed terms of repayment and are subject to interest ranging from 5.0% to 5.4% (2015: 4.2% to 5.4%) per annum.

Notes to the Financial Statements

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19 Intangible Assets

	Goodwill RM'000	Brands 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
Group							
Net book value							
At 1 February 2015	1,075,129	328,000	17,188	205,282	267,437	62,825	1,955,861
Additions	-	-	-	380,329	127,343	32,940	540,612
Disposal	-	-	-	-	(174)	-	(174)
Reclassification from/ (to) property, plant and equipment (Note 13)	-	-	-	-	2,820	(5,346)	(2,526)
Transfer between classes	-	-	-	-	53,420	(53,420)	-
Impairment	-	-	-	(6,337)	-	-	(6,337)
Exchange differences	-	-	779	-	-	-	779
Amortisation charge	-	-	(2,880)	(350,312)	(133,562)	-	(486,754)
At 31 January 2016	1,075,129	328,000	15,087	228,962	317,284	36,999	2,001,461
At 31 January 2016							
Cost	1,075,129	328,000	20,094	2,076,955	1,002,929	36,999	4,540,106
Accumulated amortisation and impairment	-	-	(5,007)	(1,847,993)	(685,645)	-	(2,538,645)
Net book value	1,075,129	328,000	15,087	228,962	317,284	36,999	2,001,461

Notes to the **Financial Statements**

31 January 2016

19 Intangible Assets (Cont'd.)

	Goodwill RM'000	Brands 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
Group (Cont'd.)							
Net book value							
At 1 February 2014	1,064,899	328,000	-	162,504	275,328	39,598	1,870,329
Acquisition of a subsidiary (Note 37(b))	10,230	-	17,909	-	-	-	28,139
Additions	-	-	-	367,371	95,321	58,773	521,465
Reclassification from/ (to) property, plant and equipment (Note 13)	-	-	-	-	1,775	(9,047)	(7,272)
Transfer between classes	-	-	-	-	26,499	(26,499)	-
Impairment	-	-	-	(2,372)	-	-	(2,372)
Exchange differences	-	-	259	-	-	-	259
Amortisation charge	-	-	(980)	(322,221)	(131,486)	-	(454,687)
At 31 January 2015	1,075,129	328,000	17,188	205,282	267,437	62,825	1,955,861
At 31 January 2015							
Cost	1,075,129	328,000	19,121	1,830,769	828,402	62,825	4,144,246
Accumulated amortisation and impairment	-	-	(1,933)	(1,625,487)	(560,965)	-	(2,188,385)
Net book value	1,075,129	328,000	17,188	205,282	267,437	62,825	1,955,861

Notes to the **Financial Statements**

31 January 2016

19 Intangible Assets (Cont'd.)

	Computer software	
	2016	2015
	RM'000	RM'000
Company		
Net book value		
At 1 February	-	-
Additions	36	-
Transfers from subsidiary	1,451	-
Amortisation charge	(449)	-
At 31 January	1,038	-
At 31 January		
Cost	1,487	-
Accumulated amortisation	(449)	-
Net book value	1,038	-

The remaining amortisation period of film library and programme rights at the end of the financial year ranged from 1 month to 3 years (2015: 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 (2015: 1 month to 4 years).

The remaining amortisation period of event licence rights at the end of the financial year ranged from 7 years to 12 years (2015: 8 years to 13 years).

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.

Impairment testing of goodwill and brands

Goodwill arising from business combinations and brands have been allocated to two individual cash-generating units ("CGU") for impairment testing as follows:

- Television
- Radio

Notes to the **Financial Statements**

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19 Intangible Assets (Cont'd.)

The carrying amounts of goodwill and brands allocated to each CGU are as follows:

	Television RM'000	Radio RM'000	Total RM'000
<u>As at 31 January 2016</u>			
Goodwill	474,617	600,512	1,075,129
Brands	-	328,000	328,000

As at 31 January 2015

Goodwill	474,617	600,512	1,075,129
Brands	-	328,000	328,000

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets and the strategic plan approved by the Board covering a 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 five-year period are as follows:

	Television %	Radio %
<u>As at 31 January 2016</u>		
Pre-tax discount rates	9.7	11.6
Terminal growth assumption	3.0	3.0
Compound revenue growth rate in the projection period	6.7	5.3

As at 31 January 2015

Pre-tax discount rates	8.9	9.7
Terminal growth assumption	3.0	3.0
Compound revenue growth rate in the projection period	8.3	8.1

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 with Malaysia's long term CPI.

Terminal growth and compound revenue growth rate assumptions represent management's assessment of future trends in the regional media and entertainment industry and are based on both external sources and internal sources.

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20 Inventories

	Group	
	2016	2015
	RM'000	RM'000
At cost		
Set-top boxes	10,060	7,627
Merchandise	4,248	990
Tape and other materials	6,252	4,118
At net realisable value		
Set-top boxes	11	254
	20,571	12,989

Included in cost of sales is cost of inventories charged to the income statement amounting to RM160,071,000 (2015: RM54,576,000).

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21 Receivables and Prepayments

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current				
Deposits	50,230	72,160	-	-
Downpayments and prepayments	186,037	170,235	215	344
Amount due from a subsidiary	-	-	60,250	-
Amounts due from related parties	3,000	-	-	-
	239,267	242,395	60,465	344
Current				
Trade receivables	580,950	573,295	-	-
Impairment of trade receivables (Note 36(a))	(65,727)	(85,777)	-	-
	515,223	487,518	-	-
Other receivables, net of impairment	37,907	38,270	942	965
Deposits	11,014	10,139	5	5
Amounts due from associate	29,029	-	-	-
Amounts due from related companies, net of impairment	9,228	6,188	-	-
Amounts due from related parties, net of impairment	26,753	51,067	263	2
Amounts due from subsidiaries	-	-	186,367	162,346
Downpayments and prepayments	326,238	233,494	131	132
	955,392	826,676	187,708	163,450

Included in other receivables and amounts due from related parties of the Group is an impairment of RM1,319,000 (2015: RM5,911,000) and RM4,933,000 (2015: RM4,719,000) respectively.

The impairment amount of the Group recognised in the current financial year was RM1,203,000 (2015: RM1,615,000) and RM416,000 (2015: RM196,000) for other receivables and amounts due from related parties respectively, while there was a reversal of impairment amount for other receivables of RM4,701,000 (2015: RM8,928,000).

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 RM205,229,000 (2015: RM148,324,000).

The amounts due from associate relate to advances to AWT which were due on 9 December 2015 and not impaired. The effective interest rate is 7.85% (2015: 7.6% to 7.85%) per annum.

Included in deposits of the Group are deposits paid to related parties of RM52,039,000 (2015: RM72,160,000) which are neither past due nor impaired.

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21 Receivables and Prepayments (Cont'd.)

Credit terms of trade receivables range from payment in advance to 60 days (2015: payment in advance to 60 days) (Note 36(a)).

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 collection of accounts receivable falls within the recorded allowances.

22 Deposits, Cash and Bank Balances

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Deposits with licensed banks	453,022	1,230,586	241,327	281,060
Cash and bank balances	182,660	123,019	385	426
Deposits, cash and bank balances	635,682	1,353,605	241,712	281,486
Less: Deposits with maturity more than 3 months	(68,867)	(765,208)	(54,000)	(223,722)
Cash and cash equivalents	566,815	588,397	187,712	57,764

Deposits of the Group and Company have an average maturity of 27 days and 34 days respectively (2015: 109 days and 81 days) for RM deposits and average maturity of 3 days (2015: 16 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 3.3% to 4.3% (2015: 3.2% to 4.3%) per annum and USD deposits for the Group ranges from 0.02% to 0.03% (2015: 0.02% to 0.11%).

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23 Payables

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current				
Trade payables and accruals	800,878	788,457	-	-
Other payables and accruals	546,142	636,860	10,220	1,344
Amounts due to related parties	48,299	61,843	135	146
Amounts due to subsidiaries	-	-	9,319	2,944
Unearned revenue	263,071	248,617	-	-
	1,658,390	1,735,777	19,674	4,434
Non-current				
Trade payables and accruals	626,431	612,227	-	-

Credit terms granted by vendors generally range from 0 to 90 days (2015: 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 0.7% and 1.25% (2015: 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 1.1% (2015: USD LIBOR or Ringgit Cost of Fund + margin of between 0.85% and 1.10%) per annum calculated at 360 or 365 days respectively from issuance date.

As at 31 January 2016, the Group had a total of RM236,190,000 (2015: RM113,342,000) in undrawn multi-trade facilities to facilitate ULCP issuance as well as RM807,000 (2015: RM104,024,000) and USD Nil (2015: USD10,772,000) vendor financing facilities made available by the vendors to enable payments using the PN.

The effective interest rates at the end of the financial year ranged between 1.4% and 5.2% (2015: 1.2% and 5.3%) per annum.

Included in trade payables is vendor financing of RM969,780,000 (2015: RM1,022,789,000) comprising current amounts of RM343,349,000 (2015: RM410,562,000) and non-current amounts of RM626,431,000 (2015: RM612,227,000).

Unearned revenue mainly comprised of subscription fees billed prior to services being provided.

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	
	2016 Assets RM'000	2015 Assets RM'000	2016 Assets RM'000	2015 Assets RM'000
Current				
Forward foreign currency exchange contracts – cash flow hedges	32,257	94,890	-	-
Cross-currency interest rate swaps – cash flow hedges	60,545	17,219	45,636	17,219
Interest rate swaps – cash flow hedges	190	116	-	-
	92,992	112,225	45,636	17,219

Non-current

Cross-currency interest rate swaps – cash flow hedges	290,794	184,763	258,336	165,651
Interest rate swaps – cash flow hedges	-	287	-	-
	290,794	185,050	258,336	165,651

	Group		Company	
	2016 Liabilities RM'000	2015 Liabilities RM'000	2016 Liabilities RM'000	2015 Liabilities RM'000
Current				
Interest rate swaps – cash flow hedges	2,515	2,415	2,463	2,214
Cross-currency interest rate swaps – cash flow hedges	-	534	-	-
Forward foreign currency exchange contracts – cash flow hedges	28,770	-	-	-
Foreign currency options	1,391	-	-	-
	32,676	2,949	2,463	2,214

Non-current

Interest rate swaps – cash flow hedges	11,055	11,725	9,665	11,427
	11,055	11,725	9,665	11,427

Notes to the Financial Statements

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24 Derivative Financial Instruments (Cont'd.)

Derivatives designated in hedging relationship

Forward foreign currency exchange contracts

Forward foreign currency exchange contracts 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 have maturities of less than one year after the balance sheet date. As at 31 January 2016, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM1,125,300,000 (2015: RM945,900,000).

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 USD264,000,000 (2015: USD297,000,000) for bank loan and USD51,553,000 (2015: USD51,553,000) for vendor financing. The cross-currency interest rate swap for bank loan was entered up to a period of 10 years and had an average fixed swap rate and exchange rate of 4.19% (inclusive of margin of 1%) (2015: 4.19% (inclusive of margin of 1%)) and USD/RM3.0189 (2015: 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 4.26% p.a (inclusive of average margin of 1% (2015: 4.26% p.a (inclusive of average margin of 1.02%)) and USD/RM3.2525 respectively (2015: USD/RM3.2525).

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 RM1,200,000,000 (2015: RM1,350,000,000) and vendor financing, as disclosed in Note 23 with notional principal amounts of RM505,520,000 (2015: RM528,198,700) and USD20,442,000 (2015: USD77,986,000).

The interest rate swaps for bank loan were entered up to 10 years with an average fixed swap rate of 4.15% (2015: 4.15%). The interest rate swaps for vendor financing were for a period of up to 3 years and had an average fixed swap rate of 3.79% and 1.79% p.a (2015: 3.71% and 0.45% p.a) respectively.

Derivatives not designated in hedging relationship

Foreign currency options

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 foreign currency options have maturities of less than one year after the balance sheet date. As at 31 January 2016, the notional principal amounts of the outstanding foreign currency options were RM58,100,000 (2015: Nil).

The maturity profiles of the derivative financial instruments are disclosed in Note 36(b) to the financial statements.

Notes to the Financial Statements

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25 Borrowings

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unsecured:				
Current				
Finance lease liabilities (Note (a))	85,654	67,126	-	-
Term loans:				
- RM Term Loan (Note (b))	266,703	218,767	266,703	218,767
- USD Term Loan – USD330 million (Note (b))	173,936	121,241	173,936	121,241
	440,639	340,008	440,639	340,008
Less: Debt issuance costs	(6,762)	(7,053)	(6,762)	(7,053)
Term loans, net of debt issuance costs	433,877	332,955	433,877	332,955
	519,531	400,081	433,877	332,955
Non-current				
Finance lease liabilities (Note (a))	1,025,564	571,889	-	-
Term loans:				
- RM Term Loan (Note (b))	1,350,000	1,600,000	1,350,000	1,600,000
- USD Term Loan – USD330 million (Note (b))	923,967	952,512	923,967	952,512
	2,273,967	2,552,512	2,273,967	2,552,512
Less: Debt issuance costs	(13,977)	(21,104)	(13,977)	(21,104)
Term loans, net of debt issuance costs	2,259,990	2,531,408	2,259,990	2,531,408
	3,285,554	3,103,297	2,259,990	2,531,408
	3,805,085	3,503,378	2,693,867	2,864,363

Notes to the Financial Statements

31 January 2016

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") satellite from MEASAT Satellite Systems Sdn. Bhd. and MEASAT 3b ("M3b") from MEASAT International (South Asia) Ltd, 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% (2015: 6.2%), 4.6% (2015: 4.6%), 12.5% (2015: 12.5%) and 5.56% (2015: Nil) per annum for M3, M3-T11, M3a and M3b respectively.

The following is a summary of the minimum lease payments:

	Group	
	2016 RM'000	2015 RM'000
Lease rental obligation		
Minimum lease payments:		
- Not later than 1 year	158,478	115,735
- Later than 1 year and not later than 2 years	162,611	113,357
- Later than 2 years and not later than 5 years	494,796	335,716
- Later than 5 years	736,010	313,682
	1,551,895	878,490
Future finance charges	(440,677)	(239,475)
Present value of finance lease obligations	1,111,218	639,015

(b) 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 drawdown on 10 June 2011.

On 18 May 2012, RM500,000,000 was drawdown 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.

Notes to the **Financial Statements**

31 January 2016

25 Borrowings (Cont'd.)**(b) Term Loans (unsecured and interest bearing) (Cont'd.)**

The amounts drawdown under the 2B RM and USD Term Loan Facilities had been fully hedged as at 31 January 2016. The floating KLIBOR under the 2B RM Term Loan Facilities had been swapped into a fixed instrument at an average fixed rate of 4.15% (2015: 4.15%) and the USD Term Loan Facilities had been swapped into RM at an average exchange and fixed interest rate of USD/RM3.0189 (2015: USD/RM3.0189) and 4.19% (inclusive of margin of 1%) (2015: 4.19% (inclusive of margin of 1%)). The RM500,000,000 drawdown from the 1B RM Term Loan Facilities remains unhedged, with interest rates ranging from 5.09% to 5.17% (inclusive of margin of 1%) (2015: 4.56% to 5.16% (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% (2015: 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 (2015: less than 2.0 times to greater than 4.0 times).

The following is a summary of the repayment terms:

	Group and Company	
	2016	2015
	RM'000	RM'000
Term loans repayments (including finance charges):		
- Not later than 1 year	527,621	423,389
- Later than 1 year and not later than 2 years	599,654	493,843
- Later than 2 years and not later than 5 years	1,665,833	1,613,718
- Later than 5 years	258,177	745,292
	3,051,285	3,276,242
Future finance charges	(336,679)	(383,722)
Present value of term loans	2,714,606	2,892,520

Notes to the **Financial Statements**

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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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Subject to income tax:				
Deferred tax assets:				
- Deferred tax assets to be recovered after more than 12 months	106,759	33,609	-	-
- Deferred tax assets to be recovered within 12 months	9,769	20,525	525	-
	116,528	54,134	525	-
Deferred tax liabilities:				
- Deferred tax liability to be settled after more than 12 months	(80,587)	(56,102)	-	-
- Deferred tax liability to be settled within 12 months	(2,104)	(26,087)	-	-
	(82,691)	(82,189)	-	-
Net deferred tax assets/(liabilities)	33,837	(28,055)	525	-
At beginning of financial year	(28,055)	(71,553)	-	-
Credited/(charged) to income statement (Note 10):				
Provisions and accruals	503	(7,434)	525	-
Tax losses	(8,046)	(67)	-	-
Property, plant and equipment	26,827	55,862	-	-
Intangible assets	(13,747)	5,582	-	-
Impairment of receivables	(6,242)	(16,554)	-	-
Unearned revenue	57,026	7,228	-	-
Others	5,571	318	-	-
	61,892	44,935	525	-
Other movement:				
Acquisition of subsidiaries (Note37(b))	-	(1,437)	-	-
At end of financial year	33,837	(28,055)	525	-

Notes to the Financial Statements

31 January 2016

26 Deferred Tax Assets/(Liabilities) (Cont'd.)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting):				
Provisions and accruals	23,013	22,510	525	-
Tax losses	28,112	36,158	-	-
Property, plant and equipment	60,833	36,894	-	-
Impairment of receivables	16,268	22,510	-	-
Unearned revenue	65,447	8,421	-	-
Others	5,373	63	-	-
	199,046	126,556	525	-
Offsetting	(82,518)	(72,422)	-	-
Deferred tax assets (after offsetting)	116,528	54,134	525	-
Deferred tax liabilities (before offsetting):				
Property, plant and equipment	(5,784)	(8,672)	-	-
Intangible assets	(159,398)	(145,651)	-	-
Others	(27)	(288)	-	-
	(162,209)	(154,611)	-	-
Offsetting	82,518	72,422	-	-
Deferred tax liabilities (after offsetting)	(82,691)	(82,189)	-	-

Deferred tax assets have not been recognised in respect of the following items (stated at gross amounts):

	Group	
	2016 RM'000	2015 RM'000
Tax losses carried forward	107,052	112,356
Capital allowances carried forward	5,360	1,334
Other temporary differences carried forward	-	2,271
Unabsorbed investment tax allowances	25	25
	112,437	115,986

The benefits of unutilised tax losses, capital allowances, other temporary differences and investment tax allowances can be carried forward indefinitely and will be obtained when the relevant subsidiaries derive future assessable income of a nature and of an amount sufficient for these carried forward tax losses, capital allowances, other temporary differences and investment tax allowances to be utilised.

Notes to the **Financial Statements**

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27 Share Capital

	Group and Company			
	Number of shares 2016 '000	Amount 2016 RM'000	Number of shares 2015 '000	Amount 2015 RM'000
	Authorised:			
<i>Ordinary shares of RM0.10 each</i>				
At beginning and end of financial year	10,000,000	1,000,000	10,000,000	1,000,000
RPS of RM0.10 each	10	1	10	1

Issued and fully paid up:

<i>Ordinary shares of RM0.10 each</i>				
At beginning of financial year	5,201,728	520,173	5,198,300	519,830
Issued during the financial year:				
- Share grant exercised	3,287	329	3,428	343
At end of financial year	5,205,015	520,502	5,201,728	520,173

Share Premium

	Group and Company	
	2016 RM'000	2015 RM'000
At 1 February	6,174,668	6,165,374
Movement during the year:		
- Share grant exercised	8,639	9,294
At 31 January	6,183,307	6,174,668

On 19 October 2015, the Company issued and allotted 3,287,200 ordinary shares of RM0.10 in the Company to eligible executives or eligible employees, pursuant to a letter of offer dated 11 October 2012 ("Offer Letter") and in accordance with the By-laws of the Share Scheme of the Company.

Subsequent to the above, the issued and paid up share capital of the Company increased to 5,205,015,600 ordinary shares of RM0.10 each.

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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 by the Company and the net assets of MBNS acquired 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 and the cross-currency interest rate swap which the Group entered into during the financial year, which is deferred in the hedging reserve until the hedged items affect the income statements (Note 24).

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, the amount from the share scheme reserve is transferred to share premium and share capital. When the share grants expire, the amount from the share scheme reserve is transferred to retained earnings. The share grant is disclosed in Note 7(a).

32 Non-Cash Transactions

The principal non-cash transactions during the financial year for the Group and Company are as follows:

- (a) Acquisition of property, plant and equipment by means of finance lease of RM495,798,000 (2015: RM35,026,000).
- (b) Acquisition of property, plant and equipment by means of vendor financing of RM316,210,000 (2015: RM244,197,000).
- (c) Acquisition of inventories by means of vendor financing of RM5,365,000 (2015: RM15,137,000).

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33 Capital Commitments

- (a) Capital commitments for property, plant and equipment not provided for in the financial statements are as follows:

	Group	
	2016 RM'000	2015 RM'000
Approved and contracted for	1,994,881	2,874,684
Approved but not contracted for	76,210	275,058
	2,071,091	3,149,742

Included in the approved and contracted for commitments as at 31 January 2016 is satellite transponders with MEASAT International (South Asia) Ltd. and MEASAT Satellite Systems Sdn. Bhd., both related parties, on MEASAT-3b and MEASAT-3c satellites, of RM1,241,100,000 (2015: RM1,941,104,000) and RM690,200,000 (2015: RM600,371,200) respectively. MEASAT International (South Asia) Ltd. and MEASAT Satellite Systems Sdn. Bhd. are both subsidiaries of a company in which, a substantial shareholder, Ananda Krishnan Tatparanandam (TAK), has a 99.999% direct equity interest.

- (b) Programming commitments for programme rights not provided for in the financial statements are as follows:

	Group	
	2016 RM'000	2015 RM'000
Approved and contracted for	619,707	907,938
Approved but not contracted for	725,589	796,454
	1,345,296	1,704,392

- (c) Commitments for software not provided for in the financial statements are as follows:

	Group	
	2016 RM'000	2015 RM'000
Approved and contracted for	113,989	188,086
Approved but not contracted for	95,989	62,939
	209,978	251,025

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34 Non-Cancellable Operating Lease Commitments

	Group	
	2016 RM'000	2015 RM'000
Payable within 1 year	2,117	1,969
Payable between 1 and 5 years	7,128	5,895
Payable after 5 years	50,845	52,319
	60,090	60,183

The Group currently has a 60-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 24% 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 such 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	Relationship
Astro Entertainment Sdn. Bhd. ("AESB")	Subsidiary of the Company
Astro Group Services Sdn. Bhd. ("AGS")	Subsidiary of the Company
Astro Productions Sdn. Bhd. ("APSB")	Subsidiary of the Company
Astro Shaw Sdn. Bhd. ("Astro Shaw")	Subsidiary of the Company
Astro Retail Ventures Sdn. Bhd. ("ARV")	Subsidiary of the Company
Astro Digital 5 Sdn. Bhd. ("AD5SB")	Subsidiary of ADSB
Astro Arena Sdn. Bhd. ("Astro Arena")	Subsidiary of AESB
Astro Awani Network Sdn. Bhd. ("AANSB")	Subsidiary of AESB
Astro Sports Marketing Sdn. Bhd. ("ASM")	Subsidiary of AESB
MEASAT Broadcast Network Systems Sdn. Bhd. ("MBNS")	Subsidiary of the Company
Kristal-Astro Sdn. Bhd.	Associate of ABSB
Advanced Wireless Technologies Sdn. Bhd. ("AWT")	Associate of MMTSB
Red Communications Sdn. Bhd.	Joint venture of AESB

Related Parties	Relationship
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
Media Innovations Pty Ltd	Subsidiary 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 Services 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 99.999% direct equity interest
MEASAT International (South East) Ltd.	Subsidiary of a company in which TAK has a 99.999% direct equity interest
GS Home Shopping Inc.	Major shareholder of Astro GS Shop Sdn. Bhd., a 60% owned subsidiary of the Company

Notes to the **Financial Statements**

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35 Significant Related Party Disclosures (Cont'd.)

(c) Year end balances arising from significant sales/purchases of goods and services (stated at gross)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Receivable from related parties[^]				
Maxis Broadband Sdn. Bhd.	796	4,146	-	-
Maxis Mobile Services Sdn. Bhd.	3,519	5,188	-	-
MSS	15,018	20,249	-	-
Receivable from related company				
AOL	3,639	-	-	-
Receivable from an associate				
Kristal-Astro Sdn. Bhd.	9,544	6,019	-	-
Receivable from a subsidiary				
MBNS	-	-	122,453	155,677
AESB	-	-	110,945	177
Payable to related parties				
UTSB Management Sdn. Bhd.	619	1,839	-	-
Maxis Broadband Sdn. Bhd.	9,154	21,099	-	-
MSS	402	166	-	-
GS Home Shopping Inc.	803	5,546	-	-
Media Innovations Pty Ltd	2,913	11,159	-	-
Celestial Movie Channel Limited	2,178	1,671	-	-
Sun TV Network Limited	15,471	7,749	-	-
Tiger Gate Entertainment Limited	1,594	2,328	-	-

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35 Significant Related Party Disclosures (Cont'd.)

(d) Year end balances arising from advances to subsidiaries

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Advances to subsidiaries				
MBNS	-	-	1,347,909	1,838,926
APSB	-	-	186,192	209,244
Astro Arena	-	-	47,812	53,449
AANSB	-	-	-	707
Astro Shaw	-	-	9,465	6,054
ASM	-	-	42,842	30,535
ARV	-	-	35,720	34,080
AD5SB	-	-	3,588	3,425
Advances to associates				
AWT	29,029	29,068	-	-
Advances to joint ventures				
Red Communications Sdn Bhd	750	-	-	-

^ The impairment of receivable from related parties is as disclosed in Note 21 to the financial statements.

(e) Key management personnel's remuneration and emoluments

The remuneration of key management personnel during the year was as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors' fees and meeting allowances	2,022	2,022	2,022	2,022
Salaries and bonus	21,074	20,142	-	-
Defined contribution plans	3,229	2,685	-	-
Estimated money value of benefits-in-kind	101	433	35	35
Share-based payments (Note 7(a))	2,655	2,822	-	-
Other employee benefits	221	100	-	-
	29,302	28,204	2,057	2,057

Key management personnel comprise Directors and members of the senior management team who are directly responsible for the financial and operating policies and decisions of the Group and the Company. The statement above is inclusive of Directors' remuneration as disclosed in Note 8 to the financial statement.

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35 Significant Related Party Disclosures (Cont'd.)

(f) Government-related entities

Khazanah Nasional Berhad (“KNB”) is deemed interested in 20.71% 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 one (1) share owned by the Federal Lands Commissioner, a body corporate incorporated under 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 under the Minister of Finance, (Incorporation) Act, 1957 (“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 2016, management estimates that the aggregate amount of the Group’s significant transactions with other government-related entities are at 2.93% (2015: 2.7%) of its total administrative expenses and 2.13% (2015: 1.8%) of its total revenue.

36 Financial Instruments**(a) Credit risk**

The Group and Company are exposed to credit risk arising from the financial assets of the Group, which comprise receivables, cash and cash equivalents and derivative financial instruments.

Trade receivables

Concentration of credit risk with respect to trade receivables is limited due to the Group’s large number of customers. The Directors believe that there is no additional credit exposure above the amounts provided.

The credit quality of trade receivables that were neither past due nor impaired as at the balance sheet date, can be assessed by reference to historical information relating to counterparty default rates:

	Group	
	2016	2015
	RM’000	RM’000
Customers with no defaults in the past	123,864	81,012
Customers with some defaults in the past (all defaults were fully recovered)	247,357	260,382
	371,221	341,394

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36 Financial Instruments (Cont'd.)**(a) Credit risk (Cont'd.)**

As at 31 January 2016, 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 2016					
Past due but not impaired	82,565	29,215	15,519	16,703	144,002
Past due and impaired	-	-	-	65,727	65,727
	82,565	29,215	15,519	82,430	209,729
At 31 January 2015					
Past due but not impaired	74,794	29,508	15,316	26,506	146,124
Past due and impaired	-	-	-	85,777	85,777
	74,794	29,508	15,316	112,283	231,901

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.

	Group	
	2016 RM'000	2015 RM'000
Trade receivables	580,950	573,295
Less: Impairment of receivables (Note 21)	(65,727)	(85,777)
	515,223	487,518

Movement in impairment of receivables:

At beginning of financial year	(85,777)	(144,147)
Charged for the year	(96,060)	(75,850)
Written off	116,110	134,220
At end of financial year	(65,727)	(85,777)

Impairment of receivables has been made by considering the impact of the historical collection trend, credit term, payment terms and credit assessment towards the outstanding amount due.

Notes to the **Financial Statements**

31 January 2016

36 Financial Instruments (Cont'd.)**(a) Credit risk (Cont'd.)****Other receivables**

As at 31 January 2016, the analysis of the age of other receivables is as follows:

	Current RM'000	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 2016						
Neither past due nor impaired	22,066	-	-	-	-	22,066
Past due but not impaired	-	7,806	2,921	840	4,274	15,841
Past due and impaired	-	-	-	-	1,319	1,319
	22,066	7,806	2,921	840	5,593	39,226
At 31 January 2015						
Neither past due nor impaired	15,022	-	-	-	-	15,022
Past due but not impaired	-	12,222	1,293	1,820	7,913	23,248
Past due and impaired	-	-	-	-	5,911	5,911
	15,022	12,222	1,293	1,820	13,824	44,181

Other financial assets

With respect to credit risk arising from the 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 rating in Malaysia. Investments in unit trusts are made in cash/money market, that is, very liquid funds. Investment in unquoted bonds is made in bonds with RAM credit rating of AAA.

(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, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Notes to the **Financial Statements**

31 January 2016

36 Financial Instruments (Cont'd.)**(b) Liquidity risk (Cont'd.)**

The table below summarises the maturity profile of the Group and Company's financial liabilities (borrowings and payables, excluding unearned revenue) at 31 January 2016 and 31 January 2015 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 2016				
Borrowings	686,099	2,922,894	994,187	4,603,180
Payables	1,418,501	646,590	-	2,065,091
Derivative financial instruments – financial liabilities	32,676	9,981	1,074	43,731
	2,137,276	3,579,465	995,261	6,712,002
At 31 January 2015				
Borrowings	539,124	2,556,634	1,058,974	4,154,732
Payables	1,513,631	634,021	-	2,147,652
Derivative financial instruments – financial liabilities	2,949	8,512	3,213	14,674
	2,055,704	3,199,167	1,062,187	6,317,058
Company				
At 31 January 2016				
Borrowings	527,621	2,265,487	258,177	3,051,285
Payables	19,674	-	-	19,674
Derivative financial instruments – financial liabilities	2,463	8,591	1,074	12,128
	549,758	2,274,078	259,251	3,083,087
At 31 January 2015				
Borrowings	423,389	2,107,561	745,292	3,276,242
Payables	4,434	-	-	4,434
Derivative financial instruments – financial liabilities	2,214	8,213	3,214	13,641
	430,037	2,115,774	748,506	3,294,317

Notes to the **Financial Statements**

31 January 2016

36 Financial Instruments (Cont'd.)**(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 currency sensitivity

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.

The Group hedges its foreign currency denominated trade payables. The Group uses forward foreign currency exchange contracts and foreign currency options to hedge its foreign currency risk. Most of the forward foreign currency exchange contracts have maturities of less than one year after the end of the balance sheet date. Where necessary, the forward foreign currency exchange contracts are rolled over at maturity. The Group has also entered into Cross-Currency Interest Rate Swaps ("CCIRS") to mitigate financial risks arising from adverse fluctuations in interest and exchange rates.

The notional principal amount and maturity profiles of forward foreign currency exchange contracts outstanding as at 31 January 2016 and CCIRS are disclosed in Note 24 to the financial statements.

The currency exposure of financial assets and financial liabilities of the Group and the Company that are denominated in USD are set out below:

	Denominated in USD	
	2016	2015
	RM'000	RM'000
Group		
Deposits with licensed banks	51,643	29,044
Receivables	18,247	104,855
Payables	(878,266)	(834,375)
Borrowings	(1,097,903)	(1,073,753)
Company		
Payables	(755)	-
Borrowings	(1,097,903)	(1,073,753)

Notes to the **Financial Statements**

31 January 2016

36 Financial Instruments (Cont'd.)**(c) Market risk (Cont'd.)****Foreign currency sensitivity (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 2016	+10%	(33,899)	53,827
	-10%	33,899	(53,827)
31 January 2015	+10%	(33,054)	53,283
	-10%	33,054	(53,283)
Company			
31 January 2016	+10%	(151)	3,673
	-10%	151	(3,673)
31 January 2015	+10%	-	3,838
	-10%	-	(3,838)

Interest rate sensitivity

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.

Notes to the Financial Statements

31 January 2016

36 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Interest rate sensitivity (Cont'd.)

Hedging instrument	Hedged item	2016 Weighted average fixed rate %	2015 Weighted average fixed rate %
Group			
IRS	RM term loan	4.15	4.15
CCIRS	USD term loan	4.19	4.19
	USD vendor financing	4.26	4.28
RM IRS	RM vendor financing	3.79	3.61
USD IRS	USD vendor financing	1.79	0.45
Company			
IRS	RM term loan	4.15	4.15
CCIRS	USD term loan	4.19	4.19

The IRS and CCIRS for borrowings will mature on 19 May 2021 and 8 June 2021 respectively, while the IRS and CCIRS 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 interest rate profile of the Group and Company's floating rate interest-bearing financial instruments, based on the carrying amounts are set out below:

	2016 RM'000	2015 RM'000
Group		
Advances to associate	29,029	29,068
Long term advances to joint venture	750	-
Payables	(1,048,679)	(1,103,797)
Borrowings	(2,695,072)	(2,871,576)
Company		
Advances to subsidiaries	1,591,422	2,125,732
Borrowings	(2,695,072)	(2,871,576)

Notes to the **Financial Statements**

31 January 2016

36 Financial Instruments (Cont'd.)**(c) Market risk (Cont'd.)****Interest rate sensitivity (Cont'd.)**

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 2016	+100	(6,153)	70,011
	-100	6,153	(70,011)
31 January 2015	+100	(5,283)	94,062
	-100	5,283	(94,062)
Company			
31 January 2016	+100	11,914	78,666
	-100	(11,914)	(78,666)
31 January 2015	+100	16,757	101,064
	-100	(16,757)	(101,064)

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 equity. To manage its price risk arising from the investment in unit trusts, the Group diversifies its portfolio in various financial institutions.

Notes to the **Financial Statements**

31 January 2016

36 Financial Instruments (Cont'd.)**(c) Market risk (Cont'd.)****Interest rate sensitivity (Cont'd.)**

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 equity RM'000
Group		
31 January 2016	+0.5%	1,716
	-0.5%	(1,716)
Company		
31 January 2016	+0.5%	841
	-0.5%	(841)

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 2016.

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.

Notes to the **Financial Statements**

31 January 2016

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total borrowings	3,805,085	3,503,378	2,693,867	2,864,363
Less: Deposits, cash and bank balances	(635,682)	(1,353,605)	(241,712)	(281,486)
	3,169,403	2,149,773	2,452,155	2,582,877
Total equity	613,796	714,215	6,930,169	6,939,347
Total capital	3,783,199	2,863,988	9,382,324	9,522,224

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 2016

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:

Group	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
At 31 January 2016				
Other investment - Bonds	45,000	-	44,467	-
Borrowings:				
Finance lease liabilities	(1,111,218)	-	(1,175,116)	-
At 31 January 2015				
Other investment - Bonds	45,000	-	44,599	-
Borrowings:				
Finance lease liabilities	(639,015)	-	(698,865)	-

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.

Group	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
At 31 January 2016				
Other investments:				
- Investment in unit trusts	343,219	343,219	-	-
Forward foreign currency exchange contracts				
- cash flow hedges	3,487	-	3,487	-
Interest rate swaps – cash flow hedges	(13,380)	-	(13,380)	-
Cross-currency interest rate swaps – cash flow hedges	351,339	-	351,339	-
Foreign currency options	(1,391)	-	(1,391)	-

Notes to the **Financial Statements**

31 January 2016

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 2015				
Other investments:				
- Preference shares in unquoted company	12,444	-	12,444	-
Forward foreign currency exchange contracts				
– cash flow hedges	94,890	-	94,890	-
Interest rate swaps – cash flow hedges	(13,737)	-	(13,737)	-
Cross-currency interest rate swaps – cash flow hedges	201,448	-	201,448	-
Company				
At 31 January 2016				
Other investments:				
- Investment in unit trusts	168,129	168,129	-	-
Interest rate swap – cash flow hedges	(12,128)	-	(12,218)	-
Cross-currency interest rate swap – cash flow hedges	303,972	-	303,972	-
At 31 January 2015				
Interest rate swap – cash flow hedges	(13,641)	-	(13,641)	-
Cross-currency interest rate swap – cash flow hedges	182,870	-	182,870	-

The fair value of derivatives 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 are valued using forward exchange rate at the balance sheet date, with the resulting value discounted back to present value. The foreign currency option contracts are valued using the Black-Scholes model based on the prevailing spot and forward exchange rates, and implied volatility prevailing at the balance sheet date in conjunction with the contracts' strike prices and remaining tenor to maturity.

Notes to the **Financial Statements**

31 January 2016

36 Financial Instruments (Cont'd.)**(d) Fair values (Cont'd.)**

Assets/(Liabilities) measured at fair value (Cont'd.):

The fair values of CCIRS and IRS are calculated using observable market interest rate and yield curves with estimated future cash flows being present valued.

The fair value of preference shares in 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 2016, 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.

(e) Financial Instruments by Category

	Group RM'000	Company RM'000
<u>31 January 2016</u>		
<u>Available-for-sale financial asset</u>		
Financial assets as per balance sheets		
Other investments	343,219	168,129
<u>Loans and receivables</u>		
Financial assets as per balance sheets		
Deposits, cash and bank balances	635,682	241,712
Other investment	45,000	-
Trade receivables, other receivables and deposits excluding downpayment and prepayments	614,374	947
Amounts due from associate	29,029	-
Amounts due from related companies	9,228	-
Amounts due from related parties	29,753	263
Amounts due from subsidiaries	-	246,617
	1,363,066	489,539
<u>Derivatives used for hedging</u>		
Financial assets as per balance sheets		
Derivative financial instruments	383,786	303,972
Financial liabilities as per balance sheets		
Derivative financial instruments	42,340	12,128

Notes to the **Financial Statements**

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36 Financial Instruments (Cont'd.)**(e) Financial Instruments by Category (Cont'd.)**

	Group RM'000	Company RM'000
<u>31 January 2016 (Cont'd.)</u>		
<u>Financial liabilities at amortised cost</u>		
Financial liabilities as per balance sheets		
Trade and other payables excluding unearned revenue	1,973,451	10,220
Amounts due to related parties	48,299	135
Amounts due to subsidiaries	-	9,319
Borrowings	3,805,085	2,693,867
	5,826,835	2,713,541
<u>Derivatives at fair value through profit or loss</u>		
Financial liabilities as per balance sheets		
Derivative financial instruments	1,391	-
<u>31 January 2015</u>		
<u>Available-for-sale financial asset</u>		
Financial assets as per balance sheets		
Other investments	12,444	-
<u>Loans and receivables</u>		
Financial assets as per balance sheets		
Deposits, cash and bank balances	1,353,605	281,486
Other investment	45,000	-
Trade receivables, other receivables and deposits excluding downpayment and prepayments	608,087	970
Long term advances to associate	29,068	-
Amounts due from related companies	6,188	-
Amounts due from related parties	51,067	2
Amounts due from subsidiaries	-	162,346
	2,093,015	444,804

Notes to the **Financial Statements**

31 January 2016

36 Financial Instruments (Cont'd.)**(e) Financial Instruments by Category (Cont'd.)**

	Group RM'000	Company RM'000
<u>31 January 2015 (Cont'd.)</u>		
<u>Derivatives used for hedging</u>		
Financial assets as per balance sheets		
Derivative financial instruments	297,275	182,870
Financial liabilities as per balance sheets		
Derivative financial instruments	14,674	13,641
<u>Financial liabilities at amortised cost</u>		
Financial liabilities as per balance sheets		
Trade and other payables excluding unearned revenue	2,037,544	1,344
Amounts due to related parties	61,843	146
Amounts due to subsidiaries	-	2,944
Borrowings	3,503,378	2,864,363
	5,602,765	2,868,797

37 Business Combinations**(a) Go Shop**

On 11 February 2014, Astro Retail Ventures Sdn. Bhd. ("ARV") entered into a Shareholders' Agreement ("SHA") with GS Home Shopping Inc. ("GSHS") to establish a home shopping business in Malaysia through Go Shop.

Go Shop was subsequently incorporated on 18 February 2014 with an initial issued and paid-up share capital of RM10.00 comprising 10 ordinary shares of RM1 each, issued to ARV and GSHS in the proportion of 60% and 40% respectively. Pursuant to the SHA, ARV and GSHS had on the following dates, subscribed for additional ordinary shares in Go Shop, proportionate to their respective shareholding interest of 60% and 40% respectively:

- (i) on 4 March 2014, ARV and GSHS subscribed for 2,999,994 and 1,999,996 ordinary shares of RM1 each in Go Shop respectively;
- (ii) on 5 May 2014, ARV and GSHS subscribed for 9,000,000 and 6,000,000 ordinary shares of RM1 each in Go Shop respectively; and
- (iii) on 30 June 2014, ARV and GSHS subscribed for 21,000,000 and 14,000,000 ordinary shares of RM1 each in Go Shop respectively.

Notes to the Financial Statements

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37 Business Combinations (Cont'd.)

(b) Asia Sports Ventures Pte. Ltd. ("ASV")

On 21 February 2014, Astro Sports Marketing Sdn. Bhd. ("ASM") acquired the remaining 50% equity interest in the share capital of ASV comprising 2,000,000 ordinary shares of SGD1 each and 1,000,000 redeemable convertible preference shares of SGD1 each. Consequently, ASV became a wholly-owned subsidiary of ASM and indirectly, of the Company. ASV is principally engaged in the development and global commercialisation of the sport of sepak takraw and the Group is expected to benefit from the sole and exclusive rights to the sports property.

Details of the identifiable assets, liabilities and net cash outflow arising from the acquisition of the subsidiary are as follows:

	Fair value RM'000
Plant and equipment (Note 13)	59
Intangible assets (Note 19)	17,909
Cash and cash equivalents	1,794
Other receivables	533
Other payables	(497)
Advances from ASM	(2,461)
Deferred tax liabilities (Note 26)	(1,437)
Total identifiable net assets	15,900
Add: Goodwill (Note 19)	10,230
Less: Fair value of previous stake	(13,065)
Cash outflow on acquisition	13,065
Less: Cash and cash equivalents of subsidiary acquired	(1,794)
Net cash outflow on acquisition of subsidiary	11,271

The Group recognised a gain of RM8,989,000 as a result of measuring at fair value its 50% equity interest in ASV held before the business combination. The gain is included in "other income" in the Group's income statement for the prior financial year ended 31 January 2015.

The revenue included in the consolidated income statement since 21 February 2014 contributed by ASV was RM841,400 whilst its contribution to the Group's profit was a loss of RM7,994,100 in financial year ended 31 January 2015. If the acquisition had occurred on 1 February 2014, the revenue included in the consolidated income statement would have been RM841,400 whilst its contribution to the Group's profit would have been a loss of RM8,464,300.

(c) Astro Production Services Sdn. Bhd. (formerly known as Matinee Productions Sdn. Bhd.) ("APSSB")

The Company had on 18 December 2014 acquired the entire issued and paid up share capital of APSSB for a total consideration of RM2.00. The principal activities of APSSB are that of production and distribution of television programmes and related services. On 24 February 2015 and 10 July 2015, the Company further subscribed for an additional 99,998 and 100,000 ordinary shares respectively of RM1.00 each in APSSB for a total cash consideration of RM99,998 and RM100,000 respectively.

Notes to the **Financial Statements**

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38 Significant Events During the Financial Year

The significant events during the year are disclosed in Note 16 to the financial statements.

39 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	
	2016	2015
	RM'000	RM'000
Indemnity given to financial institutions in respect of bank guarantees issued - unsecured		
- Programme rights vendors ¹	132,224	166,493
- Others ²	10,773	15,748
Other indemnities:		
- Parental guarantee to programme rights vendor ¹	1,233,018	1,072,500
- Indemnity to Maxis pursuant to shareholders' obligations in respect of Advance Wireless Technologies Sdn. Bhd.	6,250	6,250
	1,382,265	1,260,991

Notes:

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 for amongst others, the Health Ministry and the National Film Development Corporation.

(b) Contingent assets

There were no significant contingent assets as at 31 January 2016. As at 31 January 2015, the Group was in negotiations with MEASAT Satellite Systems Sdn. Bhd. ("MSS") on a settlement amount receivable for the delay in the return of the T-11 transponder from the original return date of 31 July 2014. The said transponder was returned to the Group in January 2015. During the year, the Group has recognised a final settlement amount of RM12,000,000.

(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 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.

Notes to the Financial Statements

31 January 2016

39 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.)

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 Group. AAAN, AAMN and AOL are not part of the 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.

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 and the appeals are pending determination.

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31 January 2016

39 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) 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);
- (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 item (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 1st Claimant and 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 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

Notes to the Financial Statements

31 January 2016

39 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.)

(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").

PT FM has refused to pay any part of the Awards, and the Awards remained unsatisfied.

The Claimants are taking 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 and/or are challenging 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. The outcome of that application is still pending. The Claimants are of the opinion, following consultation with their counsel that the decisions of the Head of CJDC and the Supreme Court of Indonesia are not based on strong legal considerations. However, the decision of the Supreme Court of Indonesia is final and binding, and the chance of a favourable outcome in the judicial review is slim. In any event, this being an enforcement action, an unfavourable outcome for the judicial review would not have direct monetary implications to the Claimants.

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.

PT DV and PT APM jointly appealed against the CJDC's decision not to annul the Remaining Awards and this appeal is pending before the Supreme Court. 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. With respect to the pending appeal before the Supreme Court, the Claimants are of the opinion, following consultation with their counsel that the Supreme Court is likely to grant a decision in favour of the Claimants since the legal considerations made by the judges in the CJDC are strong, supported by facts and have sufficient legal grounds.

Notes to the **Financial Statements**

31 January 2016

39 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.)

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.

- (iv) In Singapore, leave to enforce the Awards was granted by the Singapore High Court in August and September 2010, and the Claimants entered judgment in terms of the Awards in March 2011.

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 challenge the Claimants' right to enforce the Awards as Singapore court judgments. PT FM's application to set aside the Singapore court judgments 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 PTFM's Setting Aside Application and confirmed the enforceability of the Awards in Singapore. In the same decision, the court also dismissed the Claimants' Appeal, finding that on the facts there had not been effective service on PT FM.

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"). PT FM's Appeal was heard by the Singapore COA from 10 to 12 April 2013.

Notes to the Financial Statements

31 January 2016

39 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").

The judgment 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 judgment 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 Judgments 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:

- (i) 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;
- (ii) 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;
- (iii) 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
- (iv) 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 item (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.

Notes to the **Financial Statements**

31 January 2016

39 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 judgment 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, have ceased to be operative. PT FM has since filed an application in the court to determine whether it can claim any damages consequent on the Mareva Injunctions. This application is being opposed by the Claimants.

- (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 judgment in terms of the Awards in December 2010.

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 judgment enforcing the Awards ("HK Setting Aside Application"). PT FM and the Garnishee are also challenging the garnishee proceedings on the basis of jurisdiction. The hearing for the setting aside application in Hong Kong was stayed pending the determination of the Singapore setting aside application (as described in item (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.

Notes to the Financial Statements

31 January 2016

39 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.)

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.

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 judgment in favour of the Claimants wherein:

1. the garnishee order nisi dated 22 July 2011 issued by the Hong Kong High Court be made absolute;
2. the Garnishee's application to set aside the garnishee order nisi and to discharge the payment in order dated 21 March 2012 (as amended on 19 April 2012) issued by the Hong Kong High Court be dismissed; and
3. an order nisi be made for costs to the Claimants, (i.e. that the Claimants are to be paid their costs of the garnishee proceedings subject only to the Court being asked within 14 days to vary such order).

Notes to the **Financial Statements**

31 January 2016

39 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 garnishee proceedings form 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 judgment 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 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.

The Claimants had subsequently filed an application to the High Court for leave to appeal to the 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 High Court. On 4 April 2014, the Claimants renewed this application for leave to appeal, this time before the 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 in favour of the Claimants. The Hong Kong High Court found, amongst others, that:

- (i) 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;
- (ii) PT FM had taken a deliberate decision not to take action within the time limited to challenge enforcement of the Awards in Hong Kong;
- (iii) 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.

Consequently, PT FM's HK Setting Aside Application was dismissed in its entirety.

Notes to the Financial Statements

31 January 2016

39 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.)

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 PT FM's appeal and/or the Garnishee's appeal against the Garnishee Order Absolute.

In the meanwhile, there is an interim stay of execution of the Garnishee Order Absolute dated 31 October 2013 pending the hearing in relation to the above.

- (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 been 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 paragraph (i) to (v) above).

On 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. Judgment has been entered in the terms of the Awards in Singapore, Malaysia, Hong Kong and England.

Notes to the **Financial Statements**

31 January 2016

39 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) (Cont'd.)

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 before 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 paragraph (ii) above). These SIAC Awards have been registered in Malaysia.

It is believed that PT DV has appealed against the judgment of the SJDC.

40 Segment Information

For management purposes, the Group is organised into business units based on their services, and has two separate segments based on operating segments as follows:

- I. The television segment is a provider of television services including television content, creation, aggregation and distribution, magazine publication and distribution and multimedia interactive services;
- II. The radio segment is a provider of radio broadcasting services; and
- III. Other non-reportable segments mainly comprise of home-shopping business.

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.

Notes to the Financial Statements

31 January 2016

40 Segment Information (Cont'd.)

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 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 2016

40 Segment Information (Cont'd.)

	Television RM'000	Radio RM'000	Others RM'000	Corporate Function RM'000	Elimination RM'000	Total RM'000
At 31 January 2016						
Revenue						
Total revenue	5,011,653	304,278	201,243	51,177	-	5,568,351
Inter-segment revenue ⁽¹⁾	(24,434)	(8,245)	(11,831)	(48,470)	-	(92,980)
External revenue	4,987,219	296,033	189,412	2,707	-	5,475,371
Results						
Interest income	39,001	2,678	3,854	116,822	(109,889)	52,466
Interest expense	(224,651)	(178)	(4,004)	(108,359)	109,889	(227,303)
Depreciation and amortisation	(1,202,975)	(5,307)	(4,793)	(6,690)	43,685	(1,176,080)
Share of results of associates/joint ventures	150	-	8,141	-	-	8,291
Segment profit/(loss) – Profit/(loss) before tax	691,189	169,859	(21,643)	(24,704)	14,689	829,390
Assets/Liabilities						
Investment in associates/joint ventures	2,249	-	27,924	-	-	30,173
Additions to non-current assets ⁽²⁾	1,475,040	3,774	3,327	1,665	-	1,483,806
Segment assets	5,345,987	1,648,136	106,566	810,866	(1,127,111)	6,784,444
Unallocated assets						116,528
Total assets						6,900,972
Segment liabilities	3,891,475	552,856	55,681	2,735,202	(1,101,577)	6,133,637
Unallocated liabilities						153,539
Total liabilities						6,287,176

Notes to the **Financial Statements**

31 January 2016

40 Segment Information (Cont'd.)

	Television RM'000	Radio RM'000	Others RM'000	Corporate Function RM'000	Elimination RM'000	Total RM'000
At 31 January 2015						
Revenue						
Total revenue	4,941,803	264,709	36,406	34,598	-	5,277,516
Inter-segment revenue ⁽¹⁾	(10,455)	(3,396)	(11,283)	(20,938)	-	(46,072)
External revenue	4,931,348	261,313	25,123	13,660	-	5,231,444
Results						
Interest income	32,397	2,087	3,524	127,857	(108,962)	56,903
Interest expense	(195,746)	(227)	(3,411)	(111,019)	108,962	(201,441)
Depreciation and amortisation	(1,228,706)	(5,509)	(1,561)	(5,170)	30,596	(1,210,350)
Share of results of associates/joint ventures	(11,449)	-	4,802	-	-	(6,647)
Segment profit/(loss) - Profit/(loss) before tax	616,080	142,217	(17,063)	(29,440)	9,094	720,888
Assets/Liabilities						
Investment in associates/joint ventures	-	-	48,851	-	-	48,851
Additions to non-current assets ⁽²⁾	971,796	3,139	18,618	5,414	-	998,967
Segment assets	5,383,271	1,402,654	124,663	529,712	(763,107)	6,677,193
Unallocated assets						54,134
Total assets						6,731,327
Segment liabilities	3,370,915	277,110	52,219	2,892,808	(726,996)	5,866,056
Unallocated liabilities						151,056
Total liabilities						6,017,112

Notes:⁽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 (excluding acquisition of subsidiaries).

Notes to the **Financial Statements**

31 January 2016

41 Significant Post Balance Sheet Event

On 14 March 2016, the Company incorporated a wholly-owned subsidiary, Tribe Limited, with an issued and paid up share capital of HKD100,000 comprising 100,000 ordinary shares. The principal activities of Tribe Limited are that of creation, aggregation, distribution and monetisation of content.

42 Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 24 March 2016.

Notes to the **Financial Statements**

31 January 2016

43 Supplementary information pursuant to Bursa Malaysia Securities Berhad Listing Requirements**Realised and Unrealised Earnings**

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Malaysia Securities Berhad.

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total (accumulated losses)/retained earnings:				
- Realised	(223,910)	(175,765)	199,434	222,191
- Unrealised	(23,103)	(16,395)	554	-
	(247,013)	(192,160)	199,988	222,191
Share of retained earnings of associate and joint ventures:				
- Realised	15,807	7,517	-	-
- Unrealised	-	-	-	-
	(231,206)	(184,643)	199,988	222,191
Less: Consolidated adjustments	(438,318)	(449,892)	-	-
Total (accumulated losses)/retained earnings	(669,524)	(634,535)	199,988	222,191

Analysis of Shareholdings

As at 7 April 2016

SHARE CAPITAL

Authorised	: RM1,000,000,000 divided into 10,000,000,000 ordinary shares of RM0.10 each
Issued and Paid-up	: RM520,501,560 divided into 5,205,015,600 ordinary shares of RM0.10 each
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	381	3.08	3,489	0.00
100 to 1,000	2,525	20.38	2,027,150	0.04
1,001 to 10,000	7,760	62.65	29,808,644	0.57
10,001 to 100,000	1,294	10.45	37,220,243	0.72
100,001 to 260,250,779*	423	3.41	2,322,911,850	44.63
260,250,780 and above**	4	0.03	2,813,044,224	54.04
TOTAL	12,387	100.00	5,205,015,600	100.00

Notes:

* less than 5% of the issued share capital

** 5% and above of the issued share capital

Category of shareholders	No. of shareholders	% of shareholders	No. of shares	% of issued shares
Individuals	10,925	88.20	65,066,728	1.25
Banks/Finance Companies	19	0.15	276,391,600	5.31
Investment Trusts/Foundations/Charities	0	0.00	0	0.00
Other Types of Companies	114	0.92	3,680,855,301	70.72
Government Agencies/Institutions	3	0.02	1,330,000	0.03
Nominees	1,326	10.71	1,181,371,971	22.69
Others	0	0.00	0	0.00
TOTAL	12,387	100.00	5,205,015,600	100.00

Analysis of Shareholdings

As at 7 April 2016

LIST OF 30 LARGEST SHAREHOLDERS

as at 7 April 2016 (Based on Record of Depositors of the Company)

No.	Name	No. of shares	% of issued shares
1.	Pantai Cahaya Bulan Ventures Sdn Bhd	1,077,735,927	20.71
2.	All Asia Media Equities Ltd	1,013,297,290	19.47
3.	East Asia Broadcast Network Systems N.V.	421,939,707	8.11
4.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	300,071,300	5.77
5.	Usaha Tegas Entertainment Systems Sdn Bhd	235,778,182	4.53
6.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (Resident USA-2)	186,634,500	3.59
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 Bumiputera	105,114,900	2.02
14.	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	50,703,900	0.97
15.	Amanahraya Trustees Berhad - Amanah Saham Malaysia	48,356,300	0.93
16.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	38,907,103	0.75
17.	Cartaban Nominees (Asing) Sdn Bhd - Exempt AN for State Street Bank & Trust Company (West CLTOD67)	38,257,300	0.74
18.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	33,740,600	0.65
19.	HSBC Nominees (Asing) Sdn Bhd - BBH And Co Boston for Vanguard Emerging Markets Stock Index Fund	32,292,300	0.62
20.	DB (Malaysia) Nominee (Asing) Sdn Bhd - BNYM SA/NV for Magna Emerging Markets Dividend Fund (Magna UMBR FD P)	21,772,355	0.42
21.	Citigroup Nominees (Asing) Sdn Bhd - UBS AG	21,179,532	0.41
22.	Cartaban Nominees (Tempatan) Sdn Bhd - Exempt An for Eastspring Investments Berhad	20,480,000	0.39
23.	Amanahraya Trustees Berhad - As 1Malaysia	19,541,000	0.38
24.	Cartaban Nominees (Asing) Sdn Bhd - BBH And Co Boston for WGI Emerging Markets Smaller CompaniesFund, LLC	18,303,400	0.35
25.	RHB Nominees (Tempatan) Sdn Bhd - OSK Capital Sdn Bhd For Yayasan Islam Terengganu	17,000,000	0.33

Analysis of Shareholdings

As at 7 April 2016

No.	Name	No. of shares	% of issued shares
26.	Mujur Nusantara Sdn Bhd	16,073,887	0.31
27.	Permodalan Nasional Berhad	15,962,400	0.31
28.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.K.)	15,694,100	0.30
29.	Sanjung Nusantara Sdn Bhd	14,734,417	0.28
30.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for The Bank of New York Mellon (Mellon Acct)	14,092,212	0.27
TOTAL		4,621,542,072	88.81

SUBSTANTIAL SHAREHOLDERS

as at 7 April 2016 (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		1,077,735,927	20.71	-	-
Khazanah Nasional Berhad	(1)	-	-	1,077,735,927	20.71
All Asia Media Equities Ltd		1,013,297,290	19.47	-	-
Usaha Tegas Entertainment Systems Sdn Bhd	(2)	235,778,182	4.53	1,013,297,290	19.47
Usaha Tegas Sdn Bhd	(3)	-	-	1,249,075,472	24.00
Pacific States Investment Limited	(4)	-	-	1,249,075,472	24.00
Excorp Holdings N.V.	(5)	-	-	1,249,075,472	24.00
PanOcean Management Limited	(5)	-	-	1,249,075,472	24.00
East Asia Broadcast Network Systems N.V.		421,939,707	8.11	-	-
East Asia Broadcast Systems Holdings N.V.	(6)	-	-	421,939,707	8.11
Tucson N.V.	(7)	-	-	421,939,707	8.11
Ananda Krishnan Tatparanandam	(8)	-	-	2,133,139,626	40.98
Harapan Terus Sdn Bhd	(9)	-	-	462,124,447	8.88
Dato' Haji Badri Bin Haji Masri	(10) & (11)	-	-	462,624,447	8.89
Tun Haji Mohammed Hanif Bin Omar	(11)	-	-	462,124,447	8.88
Mohamad Shahrin Bin Merican	(11)	200,000	0.00*	462,124,447	8.88
Employees Provident Fund Board	(12)	335,659,100	6.45	-	-

* negligible

Analysis of Shareholdings

As at 7 April 2016

Notes:

- (1) Khazanah is deemed to have an interest in the ordinary shares of RM0.10 each 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 4.53% 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’s 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 99.99% 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 24% 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 884,064,154 AMH Shares representing 16.98% equity interest in AMH. TAK is deemed to have an interest in the 884,064,154 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 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, 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) DB is deemed to have an interest in 500,000 AMH Shares representing 0.01% equity interest in AMH held by Casa Saga Sdn Bhd (CSSB) by virtue of his 99% direct equity interest in CSSB.
- (11) DB, THO and MSM are deemed to have interest in the AMH Shares arises by virtue of their 25% direct equity interest in HTSB respectively. However, they do 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.
- (12) Held through nominee companies managed by portfolio managers.

Analysis of **Shareholdings**

As at 7 April 2016

DIRECTORS' INTERESTS IN SHARES

as at 7 April 2016 (Based on the Register of Directors' Shareholdings of the Company)

The interests of the Directors in the shares of our Company are as follows:

Name	No. of shares held		% of issued shares	
	Direct	Indirect	Direct	Indirect
Tun Dato' Seri Zaki Bin Tun Azmi	1,000,000	-	0.02	-
Augustus Ralph Marshall	8,500,000	-	0.16	-
Dato' Rohana Rozhan	4,580,000	-	0.09	-
Datuk Chin Kwai Yoong	1,000,000	-	0.02	-
Dato' Mohamed Khadar Bin Merican	855,600	-	0.02	-
Bernard Anthony Cragg	-	-	-	-
Quah Bee Fong	-	-	-	-
Datuk Yvonne Chia	-	-	-	-
Lim Ghee Keong (alternate to Augustus Ralph Marshall)	1,000,000	-	0.02	-

The interests of our Executive Director/GCEO in the unissued shares of our Company pursuant to the Share Scheme as at 7 April 2016 are as follows:-

Name	Granted	Vested	Outstanding
Dato' Rohana Rozhan	6,576,900	1,880,000	4,696,900

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 2016 (RM'000)
1	HSD 34194 (previously held under HSD 7038), PT 12002, Mukim Dengkil, District of Sepang, State of Selangor	Land and building	10 months	Freehold 31 March 2004	Not applicable	Television, Data Media Centre and Office	18,267	8,105	68,170
2	Unit Nos. 165-1-1, 165-1-2 and 165-1-3 and 165-2-1, Wisma Mutiara (Block B), No. 165, Jalan Sungai Besi, 57100 Kuala Lumpur	Shops/ Office lots	15 years	Freehold 31 March 2005	Not applicable	Vacant	Not applicable	753.8	1,019
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 3 rd Floor Administration Building All Asia Broadcast Centre Technology Park Malaysia Lebuhraya Puchong-Sungai Besi, Bukit Jalil, 57000 Kuala Lumpur	Land and building	19 years	Sublease land and building 1 August 1995	9 years (31 July 2025, with an option to renew for a further 30 years to July 2055)	Television, Radio and Data Media Centre and Office	117,419	32,533	89,890
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	11 years (1 April 2027)	Vacant	412,780	Not applicable	Operating lease

Disclosure of Recurrent **Related Party Transactions**

At the Extraordinary General Meetings held on 19 June 2014 (“2014 Mandate”) and 17 June 2015 (“2015 Mandate”), the Company obtained its shareholders’ mandate to allow the Group to enter into RRPTs of a revenue or trading nature (“Shareholders’ Mandate”).

In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the MMLR, the details of RRPTs conducted during FY16 pursuant to the 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:-

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)		Name	Nature and extent of interest
(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	405	324	729	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 1
							<u>Directors</u> ARM and LGK	
2.	AMH and/or its subsidiaries	UTSBM and/or its affiliates	Provision of consultancy and support services to AMH and/or its subsidiaries	4,592	7,563	12,155	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 1
							<u>Directors</u> ARM and LGK	

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Mandate	Mandate		Name	Nature and extent of interest
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)			
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	72	123	195	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 1
							<u>Directors</u> ARM and LGK	
4.	Tayangan Unggul and/or its affiliates	TGV and/or its affiliates	Rental of cinema hall by Tayangan Unggul and/or its affiliates	54	92	146	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 1
							<u>Directors</u> ARM and LGK	
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	65	93	158	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 1
							<u>Directors</u> ARM and LGK	

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Mandate	Mandate		Name	Nature and extent of interest
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)			
6.	MBNS and/or its affiliates	TGVP and/or its affiliates	Provision of rights and license for films to MBNS and/or its affiliates	16	-	16	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 1
							<u>Directors</u> ARM and LGK	
7.	Astro Shaw and/or its affiliates	TGV and/or its affiliates	Distribution and licensing of films rights to/by Astro Shaw and/or its affiliates	NA*	14	14	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 1
							<u>Directors</u> ARM and LGK	
Aggregate Value of Transactions with UTSB Group				5,204	8,209	13,413		

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party		
				Mandate	Mandate		Name	Nature and extent of interest	
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)				
(B) Maxis Group									
8.	AMH and/or its subsidiaries	Maxis Broadband and/or its affiliates	Provision of premium telephone services to AMH and/or its subsidiaries	8	12	20	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 2	
							<u>Directors</u> ARM, LGK and DB		
9.	MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of private leased circuit to MBNS and/or its affiliates	288	NA [#]	288	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 2	
							<u>Directors</u> ARM, LGK and DB		
10.	MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of managed communications services to MBNS and/or its affiliates	7,110	9,844	16,954	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 2	
							<u>Directors</u> ARM, LGK and DB		

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Mandate	Mandate		Name	Nature and extent of interest
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)			
11.	Astro Radio and/or its affiliates	Maxis Mobile and/or its affiliates	Sale of airtime, sponsorship and online web branding by Astro Radio and/or its affiliates	10,555	15,670	26,225	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 2
							<u>Directors</u> ARM, LGK and DB	
12.	MBNS and/or its affiliates	Maxis Mobile and/or its affiliates	Provision of talent for promotional activities by MBNS and/or its affiliates	-	17	17	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 2
							<u>Directors</u> ARM, LGK and DB	
13.	MBNS and/or its affiliates	Maxis Mobile and/or its affiliates	Provision of content by MBNS and/or its affiliates	401	821	1,222	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 2
							<u>Directors</u> ARM, LGK and DB	
14.	AMH and/or its subsidiaries	Maxis Mobile and/or its affiliates	Provision of publishing and advertising services by AMH and/or its subsidiaries	1,257	111	1,368	<u>Major Shareholders</u> UTSB, PSIL, Excorp, PanOcean and TAK	Please refer to Note 2
							<u>Directors</u> ARM, LGK and DB	

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Mandate	Mandate		Name	Nature and extent of interest
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)			
15.	MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Collaboration in respect of IPTV, content, broadband, voice and ancillary services	22,652	39,096	61,748	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, LGK and DB	Please refer to Note 2
16.	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	217	376	593	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, LGK and DB	Please refer to Note 2
17.	Astro Radio and/or its affiliates	Maxis Mobile and/or its affiliates	Provision of leased line services to Astro Radio and/or its affiliates	69	120	189	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, LGK and DB	Please refer to Note 2
Aggregate Value of Transactions with Maxis Group				42,557	66,067	108,624		

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Mandate Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Mandate Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)		Name	Nature and extent of interest
(C) MGB Group								
18.	MBNS and/or its affiliates	MSS	Lease of M3 satellite transponders capacity for adhoc services by MBNS and/or its affiliates payable on a monthly or quarterly basis	881	1,404	2,285	<u>Major Shareholder</u> TAK <u>Directors</u> ARM and LGK	Please refer to Note 3
19.	MBNS and/or its affiliates	MSS and/or its affiliates	Provision of uplink and transponder services to MBNS and/or its affiliates	551	NA [#]	551	<u>Major Shareholder</u> TAK <u>Directors</u> ARM and LGK	Please refer to Note 3
20.	MBNS and/or its affiliates	MSS and/or its affiliates	Provision of broadcast, transponder, uplink services and ancillary services to MBNS and/or its affiliates	-	793	793	<u>Major Shareholder</u> TAK <u>Directors</u> ARM and LGK	Please refer to Note 3
Aggregate Value of Transactions with MGB Group				1,432	2,197	3,629		

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party		
				Mandate	Mandate		Name	Nature and extent of interest	
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)				
(D) AHSB Group									
21.	MBNS and/or its affiliates	CTE and/or its affiliates	Provision of exclusive rights for carriage of Kix HD & Celestial (SD & HD) channels to MBNS and/or its affiliates	12,183	23,629	35,812	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, DCKY, DKM, BAC, QBF, LGK and DB	Please refer to Note 4	
22.	AMH and/or its subsidiaries	AHSB and/or its subsidiaries	Provision of corporate management services and other services by AMH and/or its subsidiaries	817	2,952	3,769	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, DCKY, DKM, BAC, QBF, LGK and DB	Please refer to Note 4	
23.	MBNS and/or its affiliates	MIPL and/or its affiliates	Provision of services in relation to design, build and commission of OTT solutions to MBNS and/or its affiliates	4,259	8,710	12,969	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, DCKY, DKM, BAC, QBF, DRR, LGK and DB	Please refer to Note 4	

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party		
				Mandate	Mandate		Name	Nature and extent of interest	
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)				
24.	AMH and/or its subsidiaries	IMSB and/or its affiliates	Provision of management services to IMSB and/or its affiliates	-	39	39	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, DCKY, DKM, BAC, QBF, LGK and DB	Please refer to Note 4	
25.	MBNS and/or its affiliates	CMCL and/or its affiliates	Provision of rights and license for films to MBNS and/or its affiliates	334	141	475	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, DCKY, DKM, BAC, QBF, LGK and DB	Please refer to Note 4	
Aggregate Value of Transactions with AHSB Group				17,593	35,471	53,064			
(E) Sun TV									
26.	AMH and/or its subsidiaries	Sun TV and/or its affiliates	Provision of channel and content rights to AMH and/or its subsidiaries	12,789	23,367	36,156	Major Shareholders PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK Directors ARM, DCKY, DKM, BAC, QBF, LGK and DB	Please refer to Note 5	
Aggregate Value of Transactions with Sun TV				12,789	23,367	36,156			

Disclosure of Recurrent **Related Party Transactions**

No.	Company within our Group involved	Transacting Related Party	Nature of transaction	2014	2015	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party		
				Mandate	Mandate		Name	Nature and extent of interest	
				Actual value incurred from 1 February 2015 to 16 June 2015 (RM'000)	Actual value incurred from 17 June 2015 up to 31 January 2016 (RM'000)				
(F) GSHS									
27.	Go Shop	GSHS and/or its affiliates	Provision of support and expertise in merchandising and retail operations of the Home Shopping Business to Go Shop	2,960	976	3,936	<u>Major Shareholders</u> GSHS	Please refer to Note 6	
							<u>Directors</u> WSK and SYS		
28.	Go 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 Go Shop	5,049	611	5,660	<u>Major Shareholders</u> GSHS	Please refer to Note 6	
							<u>Directors</u> WSK and SYS		
Aggregate Value of Transactions with GSHS Group				8,009	1,587	9,596			

* Transactions approved under 2015 Mandate.

Transactions approved under 2014 Mandate but not renewed under 2015 Mandate.

Disclosure of Recurrent **Related Party Transactions**

NOTES (as at 7 April 2016):

1. **UTSB Group**

MBNS, Tayangan Unggul, Astro Shaw and Astro Radio are wholly-owned subsidiaries of AMH. UTP and UTSBM are wholly-owned subsidiaries of UTSB while Tanjong plc, TGV and TGVP are wholly-owned subsidiaries of Tanjong Capital Sdn Bhd (TCSB). UTP, UTSBM, Tanjong plc, TGV and TGVP 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 24% 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 4.53% and 19.47% equity interest in AMH, respectively.

PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity interest in UTSB. 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.

TAK who is a Major Shareholder with a deemed interest over 2,133,139,626 AMH Shares representing 40.98% equity interest in AMH, 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.

UTSB holds an aggregate of 124,688,000 ordinary shares of RM1.00 each in TCSB ("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. Each of PSIL, Excorp, PanOcean and TAK has a deemed interest over 124,688,000 TCSB Shares representing 65.84% equity interest in TCSB through UTSB.

Although TAK and PanOcean are deemed to have an interest in the 124,688,000 TCSB Shares held through UTSB, 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 the above.

In addition, TAK is deemed to have an interest over 47,792,803 TCSB Shares representing 25.23% equity interest in TCSB in which MAI Sdn Berhad (MAI) has an interest, by virtue of his 99.999% direct equity interest in MAI, through its wholly-owned subsidiaries.

ARM, who is a Director and Non-Executive Deputy Chairman of AMH, is also a director of UTSBM, AAME, Excorp, PSIL and an executive director of UTSB and Tanjong plc. He has a direct equity interest over 8,500,000 AMH Shares representing 0.16% equity interest in AMH. He does not have any equity interest in Tanjong plc, TGV, TGVP, UTSB Group and AMH subsidiaries.

LGK, who is an alternate Director to ARM in AMH, is also a director of PSIL, Excorp, PanOcean, UTSBM, TCSB and Tanjong plc. 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, TGVP, UTSB Group and AMH subsidiaries.

2. **Maxis Group**

Maxis Broadband and Maxis Mobile are wholly-owned subsidiaries of Maxis which is in turn a 64.91%-owned indirect subsidiary of MCB.

Each of UTSB, 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 of RM0.10 each in Maxis ("Maxis Shares") representing 64.91% equity interest in Maxis, by virtue of its deemed interest in BGSM which holds 100% equity interest in MCB which in turn 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 64.91% equity interest in Maxis. UTSB's deemed interest in such 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 UTSB. 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 such discretionary trust. Please refer to Note 1 above for interests of UTSB, PSIL, Excorp, PanOcean and TAK in AMH.

Disclosure of Recurrent **Related Party Transactions**

ARM, who is a Director and Non-Executive Deputy Chairman of AMH, and a director of several subsidiaries of AMH including MBNS and Astro Radio, is also a director of Excorp, PSIL, UTSB, BGSM and MCB. ARM has a direct equity interest over 750,000 Maxis Shares representing 0.01% equity interest in Maxis. ARM does not have any equity interests in Maxis subsidiaries and AMH subsidiaries. Please refer to Note 1 above for ARM's interest in AMH.

LGK, who is an alternate Director to ARM in AMH, is also a director of PSIL, Excorp, PanOcean, Maxis and several subsidiaries of Maxis (including Maxis Broadband and Maxis Mobile). He does not have any equity interest in Maxis Group and AMH subsidiaries. Please refer to Note 1 above for LGK's interest in AMH.

DB is a director of MBNS. He is deemed to have an interest over 462,124,447 AMH Shares representing 8.88% equity interest in AMH in which 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 (BNSB), Nusantara Cempaka Sdn Bhd (NCSB), Nusantara Delima Sdn Bhd (NDSB), Mujur Nusantara Sdn Bhd (MNSB), Gerak Nusantara Sdn Bhd (GNSB) and Sanjung Nusantara Sdn Bhd (SNSB) (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. In addition, DB has a deemed interest over 500,000 AMH Shares representing 0.01% equity interest in AMH held by Casa Saga Sdn Bhd (CSSB) by virtue of his 99% direct equity interest in CSSB.

DB is a major shareholder of Maxis with a deemed interest over 4,875,000,000 Maxis Shares representing 64.91% equity interest in Maxis in which Harapan Nusantara 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, DB 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 also a major shareholder of MGB with a deemed interest over 272,953,208 ordinary shares of RM0.78 each ("MGB Shares") representing 70% equity interest in MGB held via MEASAT Global Network Systems Sdn Bhd (MGNS), an indirect wholly-owned subsidiary of MAI Holdings Sdn Bhd (MAIH) in which he has a 99.999% direct equity interest. Hence, TAK also has deemed interest over MSS. Please refer to Note 1 above for TAK's deemed interest in AMH.

ARM, who is a Director and Non-Executive Deputy Chairman of AMH, and a director of several subsidiaries of AMH including MBNS, is also a director of MGB. LGK, who is an alternate Director to ARM in AMH, is also a director of MGNS. ARM and LGK do not have any equity interest in the shares of MGB and MSS. Please refer to Note 1 above for interests of ARM and LGK in AMH.

4. **AHSB Group**

MIPL is a 78.15%-owned subsidiary of AOL which in turn is wholly-owned by AHSB via AAAN. CTE and its subsidiary, CMCL are associate companies of AOL. IMSB is a jointly controlled company of AOL and Khazanah via their respective subsidiaries.

Khazanah is a Major Shareholder with a deemed interest over 1,077,735,927 AMH Shares representing 20.71% 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 of RM0.10 each ("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.

Disclosure of Recurrent **Related Party Transactions**

DB, who is a director of MBNS, is also a director of AHSB and AOL. DB 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 interest in such AHSB Shares as such interest is held subject to the terms of such discretionary trusts. Please refer to Note 2 above for DB's interest in AMH.

ARM, who is a Director and Non-Executive Deputy Chairman of AMH, is also a director and group chief executive officer of AHSB. He is also a director and Executive Deputy Chairman of AOL Group. He does not have any equity interest in AHSB and AOL. Please refer to Note 1 above for ARM's interest in AMH.

DRR, who is a Director and GCEO of AMH, is also a director of MIPL. She has a direct equity interest over 4,580,000 AMH Shares representing 0.09% equity interest in AMH. In addition, she has an interest over 4,696,900 unissued AMH Shares pursuant to the Share Scheme of AMH. DRR does not have any equity interest in AHSB and MIPL.

DCKY, DKM and BAC who are Directors of AMH, are also directors of AOL Group. DCKY and DKM have direct equity interests over 1,000,000 and 855,600 AMH Shares each representing 0.02% equity interest in AMH, respectively. BAC does not have any equity interest in AMH. DCKY, DKM and BAC do not have any equity interest in AHSB and AOL.

QBF, who is a Director of AMH, is also a director of AHSB, PCBV and IMSB. She is an alternate director to DB in AOL. She does not have any equity interest in AMH, AHSB, AOL, PCBV and IMSB.

LGK, who is an alternate Director of ARM in AMH, is also a director of AHSB and an alternate director to ARM in AOL. He does not have any interests in AHSB and AOL. Please refer to Note 1 above for LGK's interest in AMH.

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, Khazanah, 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, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK in AMH. They do not have any equity interest in Sun TV.

DB, who is a director of MBNS, is also a director of AHSB and AOL. He does not have any interest in AHSB, AOL and Sun TV. Please refer to Note 2 above for DB's interest in AMH.

ARM, who is a Director and Non-Executive Deputy Chairman of AMH, is also a director and group chief executive officer of AHSB. He is a director and Executive Deputy Chairman of AOL Group. He does not have any equity interest in AHSB, AOL and Sun TV. Please refer to Note 1 above for ARM's interest in AMH.

DCKY, DKM and BAC who are Directors of AMH, are also directors of AOL Group. DCKY, DKM and BAC do not have any equity interest in AHSB, AOL and Sun TV. Please refer to Note 4 above for DCKY's, DKM's and BAC's interests in AMH.

QBF, who is a Director of AMH, is also a director of AHSB and PCBV, and an alternate director of DB in AOL. She does not have any equity interest in AMH, AHSB, AOL, PCBV and Sun TV.

LGK, who is an alternate Director to ARM in AMH, is also a director of AHSB and an alternate director to ARM in AOL. He does not have any equity interest in AHSB, AOL and Sun TV. Please refer to Note 1 above for LGK's interest in AMH.

6. GSHS Group

GSHS is a Major Shareholder of Go Shop with a direct equity interest of 40% in the share capital of Go Shop. The remaining 60% equity interest is held by a wholly-owned subsidiary of AMH.

WSK and SYS, who are directors of Go Shop, are representatives of GSHS. They do not have equity interest in AMH, GSHS and Go Shop.

Additional Disclosures

MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

The particulars of material contracts entered into by the Group involving directors' and major shareholders' interests which are either still subsisting as at 31 January 2016 or if not then subsisting, entered into since the end of the financial year ended 31 January 2015 are as follows^{Note 1}:

	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 M3 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 M3a satellite	Fee payable by MBNS to MSS	18 May 2009	Cash	Please refer to Note 1 below
3.	MBNS	MEASAT International (South Asia) Ltd ("MISAL")	Supply of capacity on 18 transponders on the M3b satellite	Fee payable by MBNS to MISAL	11 May 2012	Cash	Please refer to Note 1 below
4.	MBNS	MSS	Supply of transponder capacity on 6 transponders on the M3c satellite	Fee payable by MBNS to MSS	15 May 2013	Cash	Please refer to Note 1 below

Notes to Material Contracts Disclosure (as at 7 April 2016):

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 309 to 310 for TAK's interests in AMH and MGB Group.

ARM, who is a Director and Non-Executive Deputy Chairman of AMH, is also a director of MGB. LGK, who is an alternate Director to ARM in AMH, is also a director of MEASAT Global Network Systems Sdn Bhd (the holding company of MGB). Please refer to Notes 1 and 3 of pages 309 to 310 for ARM and LGK's interests in AMH and MGB Group.

^{Note 1} Transactions of a recurrent nature entered into by the Group between 1 February 2015 and 31 January 2016 involving the interest of our directors or major shareholders have been disclosed on pages 299 to 311 of this Annual Report.

Additional Disclosures

MANAGEMENT SHARE SCHEME

Detailed Information on the Share Scheme of the Company is set out in Note 7 of the Audited Financial Statements for FY16 on pages 214 to 221 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 the Company's Share Scheme since its commencement until FY16 are as follows:-

Total number of shares granted	: 48,163,700
Total number of shares vested	: 6,715,600
Total number of shares outstanding	: 32,350,100 ⁽¹⁾

⁽¹⁾ Excluding those shares granted to employees due to non-acceptance of the offer, resignation and termination of employment, employees not meeting individual performance rating and under disciplinary cases in accordance with the By-Laws governing the Share Scheme.

With the exception of our Executive Director/GCEO as disclosed below, none of the other Directors of the Company have been granted share awards pursuant to the Share Scheme:

Name	Granted	Vested	Outstanding
Dato' Rohana Rozhan	6,576,900	1,880,000	4,696,900

The details of shares granted under the Share Scheme to our GCEO and senior management since the commencement of the Share Scheme and during FY16 are as follows:

- There is no maximum allocation applicable to Directors and senior management. 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 issued and paid-up share capital of the Company.
- The actual percentage granted to our Executive Director/GCEO and senior management since the commencement of the Share Scheme and during FY16 is 30.96% and 43.29% respectively.

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

On 19 October 2012, the entire issued and paid-up share capital of the Company was listed on the Main Market of Bursa Securities.

On 15 September 2015, our Board approved a revision in the utilisation of part of the said proceeds amounting to RM60 million, which was originally intended to be used for capital expenditure, to be utilised for working capital purposes in view that the construction of our corporate building has been deferred. As at 24 March 2016, the gross proceeds of RM1,422.9 million from the IPO were utilised in the following manner:

Additional Disclosures

	Proposed Utilisation Amount RM million	Actual Utilisation Amount RM million	Intended Timeframe for	Balance RM million	%
Repayment of bank borrowings	500.0	500.0	Within 12 months	-	-
Capital expenditure [#]	750.0	750.0	Within 36 months	-	-
Working capital	112.9	112.9	Within 24 months	-	-
Estimated fees and expenses for the IPO and listing [*]	60.0	60.0	Within 3 months	-	-
	1,422.9	1,422.9		-	-

[#] The balance unutilised proceeds of RM60 million was transferred to working capital from capital expenditure.

^{*} Excess of the amounts allocated will be utilised for meeting general working capital requirements as disclosed in the Prospectus in relation to the IPO dated 21 September 2012. As at 31 October 2014, the excess amount had been utilised.

IMPOSITION OF SANCTIONS/PENALTIES

On 8 June 2015, the CMCF issued to MBNS, a wholly-owned subsidiary of AMH, a compound of RM2,000 for breach of Section 9 subsection 8 of the Content Code.

On 21 September 2015, MCMC issued MBNS a compound of RM30,000 for a breach of (i) Section 2, subsection 2.1 of the Content Code, (ii) Section 2, subsection 8 of the Content Code and (iii) Section 6.1 of the standard license condition.

On 5 November 2015, CMCF issued Radio Lebuhraya Sdn Bhd a compound of RM5,000 for a breach of Section 4, subsection 2.3 of the Content Code.

All of the aforementioned compounds have been paid.

Save as disclosed above, there are no public sanctions and penalties imposed on our Group, Directors or management by the relevant regulatory bodies.

Glossary

AAAN	Astro All Asia Networks Limited
AAME	All Asia Media Equities Ltd
AAMN	All Asia Multimedia Networks FZ-LLC
AC	Audit Committee
Act	Companies Act 1965
Adex	Advertising expenditure. Generally used to refer to the total advertising expenditure in the market as a whole
ADPSB	Astro Digital Publications Sdn Bhd
AESB	Astro Entertainment Sdn Bhd
AGM	Annual General Meeting
AGS	Astro Group Services Sdn Bhd
AHSB	Astro Holdings Sdn Bhd
Astro/AMH/ Company	Astro Malaysia Holdings Berhad
AOL	ASTRO Overseas Limited
AOTG	Astro on the Go, Astro's OTT service for viewing Astro linear and on-demand content on PCs and on smart devices
App	Applications, used in reference to digital applications on PCs and smart devices
APSB	Astro Productions Sdn Bhd
ARM	Augustus Ralph Marshall
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
ASEAN	The Association of Southeast Asian Nations
Astro Arena	Astro Arena Sdn Bhd
Astro Radio	Astro Radio Sdn Bhd
Astro Shaw	Astro Shaw Sdn Bhd
BAC	Bernard Anthony Cragg
BCP	Business continuity plans
BEE	Board Effectiveness Evaluation
BGSM	Binariang GSM Sdn Bhd
Board	Board of Directors of AMH
Bursa Securities/ Bursa Malaysia	Bursa Malaysia Securities Berhad

CA	Corporate Assurance division
CG	Corporate Governance
CG Code	The Malaysian Code on Corporate Governance 2012
Churn	The number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconnections within a given period
CMCF	Communications and Multimedia Content Forum of Malaysia
CMCL	Celestial Movie Channel Limited
COBE	Code of Business Ethics
CSR	Corporate social responsibility
CTE	Celestial Tiger Entertainment Limited
DB	Dato' Haji Badri Bin Haji Masri
DCKY	Datuk Chin Kwai Yoong
Disclosures	Employee concerns raised under the Ethics Line Procedures
DKM	Dato' Mohamed Khadar Bin Merican
DRR	Dato' Rohana Binti Tan Sri Datuk Haji Rozhan
DTAM	Dynamic Television Audience Measurement, a system that captures and collates viewing data directly from Astro STBs
DTH	Direct-to-Home
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
EABNS	East Asia Broadcast Network Systems N.V.
EABSH	East Asia Broadcast Systems Holdings N.V.
EBIT	Earnings before interest and taxation

Glossary

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	GRMC	Group Risk Management Committee
E-commerce	Electronic commerce is a term a business or commercial transaction that involves the transfer of information across the Internet	Group	AMH and its subsidiaries
EPF	Employees Provident Fund	GSHS	GS Home Shopping Inc.
EPG	Electronic Programme Guide	HC	Human Capital, Astro's human resources department
EPS	Earnings per share	HD	High-definition, commonly refers to TV or video at a resolution of either 720p, 1080i or 1080p
ESG	Environmental, social and governance metrics that measure the sustainability and ethical impact of an investment in a business	HTSB	Harapan Terus Sdn Bhd
ESports	A multiplayer video game played competitively for spectators, typically by professional gamers	INED	Independent Non-Executive Director
Excorp	Excorp Holdings N.V.	IMSB	Ideate Media Sdn Bhd
FCF	Free cash flow	Internet	A vast computer network linking smaller computer networks worldwide. The Internet includes commercial, educational, governmental, and other networks, all of which use the same set of communications protocols
Fibre optic broadband	Broadband delivered via a fibre optic network, with practical current limits at up to 1000 Mbps, but typically used to deliver broadband below 30 to 40 Mbps	IP	Intellectual property
FM	Frequency modulation, commonly refers to the delivery of music and speech via terrestrial radio broadcast	IPO	Initial public offering of up to 1,518,300,000 ordinary shares in AMH, comprising a public issue and offer for sale
FTSE4Good Bursa Malaysia Index	Designed to highlight companies that demonstrate a leading approach to addressing ESG risks. It comprises eligible companies from the universe of the top 200 companies in the FTSE Bursa Malaysia EMAS Index	IPTV	IP TV, generally referring to multichannel digital TV distributed over a managed IP network with a managed quality of service and dedicated bandwidth
FY14	Financial year ended 31 st January 2014	IR	Investor Relations
FY15	Financial year ended 31 st January 2015	ISO	The International Organization for Standardization, a non-governmental organisation that is the world's largest developer of voluntary international standards and facilitates world trade by providing common standards between nations
FY16	Financial year ended 31 st January 2016	ISTAF	International Sepaktakraw Federation
FY17	Financial year ending 31 st January 2017	IT	Information technology
GCEO	Group CEO	KCC	Key Controls Checklist
GBO	Gross box office	Khazanah	Khazanah Nasional Berhad
GDP	Gross domestic product	Ku-band	Microwave frequency spectrum in the range of 10.7 GHz to 14.8 GHz, typically reserved and used for satellite based communications and broadcast services, such as DTH satellite TV services
GFC	Group Financial Controller	KPI	Key performance indicator
Go Shop	Astro GS Shop Sdn Bhd	LGK	Lim Ghee Keong
GPRA	Group Process, Risk and Assurance	LOA	Limits of authority
GRM	Group Risk Management		

Glossary

Major Shareholders	A person who has an interest or interests in one or more voting shares in our Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (i) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in our Company; or (ii) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in our Company where such person is the largest shareholder of our Company	MSS	MEASAT Satellite Systems Sdn Bhd
MAT Churn	MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last 12 months with the average active residential customer base over the same period	NCGC	Nomination and Corporate Governance Committee
Maxis	Maxis Berhad	NED	Non-Executive Director
Maxis Broadband	Maxis Broadband Sdn Bhd	NJOI	Astro's non-subscription based DTH satellite TV service
Maxis Mobile	Maxis Mobile Services Sdn Bhd	OD	On Demand is 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
MBNS	MEASAT Broadcast Network Systems Sdn Bhd	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
MCB	Maxis Communications Berhad	PanOcean	PanOcean Management Limited
MCMC	Malaysian Communications and Multimedia Commission	PAT	Profit after taxation
M3	The Malaysia East Asia Satellite-3 which currently broadcasts Astro Malaysia's DTH multi-channel subscription and non-subscription TV services to Malaysia and Brunei, located at 91.5 degrees east geostationary orbit	PATAMI	Profit after taxation and minority interests
M3a	The satellite that is co-located with MEASAT-3	PBT	Profit before taxation
M3b/MEASAT-3b	The satellite launched in 2014 and co-located with MEASAT-3 and MEASAT-3a	PC	Personal computer
M3c	A soon-to-be launched satellite, to be co-located with MEASAT-3, MEASAT-3a and MEASAT-3b	PCBV	Pantai Cahaya Bulan Ventures Sdn Bhd
MFRS	Malaysian Financial Reporting Standards	Person(s) Connected	This shall have the same meaning as in Paragraph 1.01, Chapter 1 of the MMLR
MGB	MEASAT Global Berhad	PIMS	Pinewood Iskandar Malaysia Studios
MIPL	Media Innovations Pte Ltd	PSIL	Pacific States Investment Limited
mTC	Minor Tender Committee	PSU	Performance Share Units
MTC	Major Tender Committee	PVR	Personal Video Recorder refers to a STB with a hard disk drive installed inside it, on which recordings of broadcast TV signals passing through the STB can be saved and viewed at a later time
MMLR	The Main Market Listing Requirements and Practice Notes of Bursa Securities	PwC	PricewaterhouseCoopers, Astro's external auditors
MSM	Mohamad Shahrin Bin Merican	QBF	Quah Bee Fong
		RA	Revenue Assurance

Glossary

Radex	Radio advertising expenditure. Generally used to refer to the total advertising expenditure in the radio market as a whole
RC	Remuneration Committee
Red Communications	Red Communications Sdn Bhd
Regulatory	The Regulatory and Industry Affairs Department
RM	Ringgit Malaysia
RPG	Recommended Practice Guide
RPT	Related Party Transaction
RRPT	Recurrent Related Party Transaction
RSU	Restricted Share Units
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
Share Scheme	The Management Share Scheme
SME	Small and medium-sized enterprises
SMS	Short message service; a service whereby mobile telephone users may send and receive text messages
STB	Set-top box
Sun TV	Sun TV Network Limited
SVOD	Subscription VOD
SYS	Sang Yol Song
TAK	Ananda Krishnan Tatparanandam
Tanjong plc	Tanjong Public Limited Company
Tayangkan Unggul	Tayangkan Unggul Sdn Bhd
TCSB	Tanjong Capital Sdn Bhd
TGV	TGV Cinemas Sdn Bhd
TGVP	TGV Pictures Sdn Bhd
THO	Tun Haji Mohammed Hanif Bin Omar
TIME	TT dotCom Sdn Bhd
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
UTES	Usaha Tegas Entertainment Systems Sdn Bhd
UTP	UT Projects Sdn Bhd
UTSB	Usaha Tegas Sdn Bhd
UTSBM	UTSB Management Sdn Bhd
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
WSK	Won Sik Kim
Y-o-Y	Year-on-Year
XL	An Indonesia-based mobile telecommunications services operator
24/7	24 hours a day, seven days a week
3D	Three dimensional refers to programmes that convey depth perception to the viewer

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of ASTRO MALAYSIA HOLDINGS BERHAD (“Company”) will be held on Wednesday, 1 June 2016 at 9.30 a.m. at the Grand Ballroom, Level 3A, Connexion@ 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 2016 and the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note 1)
- (2) To declare a Final Single-Tier Dividend of 1.0 sen per ordinary share for the financial year ended 31 January 2016.
(Please refer to Explanatory Note 2) **Resolution 1**
- (3) To re-elect the following Directors of the Company who retire by rotation pursuant to Article 111 of the Company’s Articles of Association and who being eligible, have offered themselves for re-election:-
- (i) Augustus Ralph Marshall **Resolution 2**
(ii) Datuk Yau Ah Lan @ Fara Yvonne **Resolution 3**
(Please refer to Explanatory Note 3)
- (4) To re-appoint Tun Dato’ Seri Zaki Bin Tun Azmi, who retires pursuant to Section 129(2) of the Companies Act, 1965, as a Director of the Company to hold office until the conclusion of the next Annual General Meeting.
(Please refer to Explanatory Note 3) **Resolution 4**
- (5) To re-appoint Messrs PricewaterhouseCoopers 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.
(Please refer to Explanatory Note 4) **Resolution 5**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

- (6) Retention of Independent Non-Executive Director **Resolution 6**
- “THAT approval be and is hereby given to Datuk Chin Kwai Yoong, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”
(Please refer to Explanatory Note 5)

Notice of **Annual General Meeting**

(7) Appointment of Additional Director

Resolution 7

“THAT Dato’ Abdul Rahman Bin Ahmad, having completed the statutory declaration as required under Section 123(4) of the Companies Act, 1965 and declarations pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, be appointed as an Independent Non-Executive Director of the Company with immediate effect.

THAT any one of the Directors or the Secretary of the Company be authorised to take all such actions that may be necessary and/or desirable to give effect to this resolution.”
(Please refer to Explanatory Note 6)

(8) Renewal of Authority for Directors to issue ordinary shares pursuant to Section 132D of the Companies Act, 1965

Resolution 8

“THAT, subject to Section 132D of the Companies Act, 1965 (“the Act”), the Articles of Association of the Company, and the approvals from any relevant governmental/regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered to issue new ordinary shares in the Company:

- (i) at any time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit; and/or
- (ii) in pursuance of any offer, agreement, option, or any other instruments (collectively, the “Instruments”) to be made, granted, or issued by them (as the case may be), while the approval under this resolution remains in force; AND THAT the Directors be and are hereby further authorised to make, grant or issue such Instruments which would or might require new ordinary shares in the Company to be issued after the expiration of the approval hereof;

provided that

- (i) the aggregate nominal value of shares to be issued pursuant to the authority granted under this resolution, and/or shares that are capable of being issued from the Instruments during the preceding twelve (12) months (calculated in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)), does not exceed 10% of the nominal value of the issued and paid-up share capital (excluding treasury shares) of the Company at the time of issuance of the shares or issuance, making or granting the Instruments; and
- (ii) for the purpose of determining the number of shares which are capable of being issued from the Instruments, each Instrument is treated as giving rise to the maximum number of shares into which it can be converted or exercised,

and such authority under this resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or when it is required by law to be held, whichever is earlier, and that:

Notice of Annual General Meeting

- (a) approval and authority be and are 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 to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) in connection therewith; and
- (b) the Directors of the Company be and are also empowered to obtain, if required, the approval for the listing of and quotation for the additional shares to be or so issued on Bursa Securities.”
(Please refer to Explanatory Note 7)

- (9) Renewal of Authority for the Company to Purchase its Own Shares of up to 10% of its Issued and Paid-Up Share Capital

Resolution 9

“THAT, subject to compliance with all applicable laws (as may be amended, modified or re-enacted from time to time), the Company’s articles of association, and the regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad (“Bursa Securities”) 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 Securities (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 to be purchased and/or held by the Company pursuant to this resolution shall not exceed 10% of the total issued and paid-up share capital of the Company at the time of purchase; and
 - (ii) the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the Company’s aggregate retained profits and/or share premium account;
- (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;

Notice of **Annual General Meeting**

(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 Securities 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 Securities and/or any other relevant authority for the time being in force.

(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 powers to assent to any condition, modification, variation and/or amendment 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 8)

(10) Proposed Allotment and Issuance of Ordinary Shares in the Company to Dato’ Rohana Binti Tan Sri Datuk Haji Rozhan, Executive Director/Group Chief Executive Officer of the Company pursuant to the Management Share Scheme

Resolution 10

“THAT

- (a) pursuant to the terms and conditions of the By-Laws governing the Company’s Management Share Scheme (“Share Scheme”) and the terms of the Letter of Employment between the Company and Dato’ Rohana Binti Tan Sri Datuk Haji Rozhan (“Dato’ Rohana Rozhan”), Executive Director/Group Chief Executive Officer of the Company, dated 1 April 2016 (“Letter of Employment”), the Directors be and are hereby authorised at any time and from time to time, to offer, grant and/or allot to Dato’ Rohana Rozhan such number of ordinary shares of 10.0 sen each in the Company (“AMH Shares”) equivalent to RM6,000,000 divided by the five-day volume weighted average market price of the AMH Shares preceding the date of grant, subject always to the terms and conditions of, and/or any adjustments which may be made pursuant to Letter of Employment and/or the provisions of the By-Laws of the Share Scheme; and

Notice of **Annual General Meeting**

- (b) approval 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 to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Directors of the Company may deem fit and in the best interest of the Company.”

(Please refer to Explanatory Note 9)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE

NOTICE IS HEREBY GIVEN THAT subject to the approval of the Company’s shareholders at the Fourth Annual General Meeting (“AGM”) to be held on 1 June 2016, a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 January 2016 will be paid on 30 June 2016 to Depositors whose names appear in the Record of Depositors at the close of business on 16 June 2016.

A Depositor shall qualify for entitlement to the dividend in respect of:-

- (a) shares transferred to the Depositor’s securities account before 4.00 p.m. on 16 June 2016 in respect of transfers; and
- (b) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON (LS7908)
Company Secretary

3 May 2016
Kuala Lumpur

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 Article 57 of the Company’s Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a Record of Depositors (“ROD”) **as at 26 May 2016**. Only a depositor whose name appears on the ROD **as at 26 May 2016** shall be entitled to attend the meeting or appoint a proxy(ies) to attend and/or vote on such depositor’s behalf.

Notice of **Annual General Meeting**

EXPLANATORY NOTES

1) **Audited Financial Statements and the Reports of the Directors and Auditors thereon**

The Act requires that the Directors lay the audited financial statements (comprising profit and loss account, balance sheet and the reports of the Directors and Auditors attached thereto) of the company before the company in general meeting. The audited financial statements and the reports of the Directors and Auditors thereon will accordingly be laid before the Company at this AGM for consideration of the shareholders. There is no requirement for the shareholders to approve such documents and hence, the matter will not be put forward for voting.

2) **Final Single-Tier Dividend**

The Directors have recommended a Final Single-Tier Dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 January 2016. If approved, the dividend will be paid on 30 June 2016 to those shareholders whose names appear in the Record of Depositors at the close of business on 16 June 2016.

3) **Re-election and re-appointment of Directors**

Pursuant to Article 111 of the Company's Articles of Association, Augustus Ralph Marshall and Datuk Yau Ah Lan @ Fara Yvonne, shall retire by rotation at this AGM and being eligible, they have offered themselves for re-election.

Tun Dato' Seri Zaki Bin Tun Azmi ("Tun Zaki"), who has attained the age of 70 shall retire pursuant to Section 129(2) of the Act and has offered himself for re-appointment as a Director of the Company. The re-appointment of Tun Zaki shall take effect upon Resolution 4 being passed by a majority of not less than three-fourths of such members being entitled to vote in person or by proxies at this AGM, of which not less than 21 days' notice has been given.

The Board had conducted an assessment of the respective Directors through the annual board effectiveness evaluation, and it is of the collective view that the said Directors have discharged their responsibilities to act in the best interest of the Company. The Board thereby recommends that they be re-appointed as Directors of the Company.

Please refer to Part A of the Statement Accompanying Notice of AGM.

4) **Re-appointment of Auditors**

At each AGM, a company shall appoint a person to be the auditor of the Company, and any auditors so appointed shall hold office until the conclusion of the next AGM of the company. PricewaterhouseCoopers ("PwC"), the auditors of the Company has consented to be re-appointed as auditors of the Company for the financial year ending 31 January 2017. The Board, through the Audit Committee, had reviewed the performance and independence of PwC in the last financial year, and recommends that they be retained as auditors of the Company to hold office until the conclusion of the next AGM.

5) **Retention of Independent Non-Executive Director**

At the last AGM on 17 June 2015, the shareholders of the Company had approved the retention of Datuk Chin Kwai Yoong ("Datuk Chin") as an Independent Non-Executive Director of the Company until the conclusion of this AGM.

Datuk Chin is an Independent Non-Executive Director of Astro All Asia Networks Limited since March 2006, a former holding company which held substantially the business of the group prior to the establishment of the Company in March 2011. Taking into consideration the spirit and intent of Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, it is regarded that the tenure of Datuk Chin's appointment as an Independent Director has exceeded a cumulative term of nine (9) years.

Notice of **Annual General Meeting**

The Board, through the Nomination and Corporate Governance Committee (“NCGC”), had undertaken an assessment of the independence of the Independent Directors of the Company, including Datuk Chin as part of the annual board effectiveness evaluation. Based on the assessment, the Board is satisfied that Datuk Chin continues to be independent based on the following grounds:-

- (i) he is able to exercise independent judgement and to act in the best interest of the Company;
- (ii) he has detailed knowledge of the business and has proven commitment, experience and competency to effectively advise and oversee the management of the Company;
- (iii) he is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company; and
- (iv) he has voluntarily abstained from participating in the discussion and decision-making of matters, in which he may have a potential conflict of interest.

6) Appointment of Additional Director

The Board, through the NCGC, had identified, reviewed and evaluated the credentials, background and experience of Dato’ Abdul Rahman Bin Ahmad (“Dato’ Abdul Rahman”) for the purpose of appointing him as an additional Director of the Company. It is of the view that Dato’ Abdul Rahman will be able to contribute his expertise and knowledge relating to the media industry to the Board and management. The Board thereby recommends the appointment of Dato’ Abdul Rahman as an Independent Non-Executive Director of the Company for approval of the shareholders of the Company at this AGM.

Please refer to Part B of the Statement Accompanying Notice of AGM for the profile of Dato’ Abdul Rahman.

7) Renewal of Authority for Directors to Issue Ordinary Shares

At the last AGM on 17 June 2015, the shareholders of the Company had approved a resolution to authorise the Directors of the Company, pursuant to Section 132D of the Act, to issue new ordinary shares in the Company up to an aggregate number not exceeding 10% of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company (“General Mandate”).

Resolution 8, if passed, will renew the authority and continue to empower the Directors of the Company, pursuant to Section 132D of the Act, to issue new ordinary shares in the Company.

Please refer to Part C of the Statement Accompanying Notice of AGM for further details of the proposed renewal of the General Mandate.

8) Renewal of Authority for the Company to Purchase its Own Shares

Resolution 9, if passed, will renew the authority and continue to empower the Directors of the Company to purchase shares of the Company through Bursa Securities up to 10% of the issued and paid-up share capital of the Company.

Please refer to Part D of the Statement Accompanying the Notice of AGM for further details of the Proposed Share Buy-Back.

Notice of **Annual General Meeting**

9) **Proposed Allotment and Issuance of Ordinary Shares in the Company to Dato' Rohana Rozhan, Executive Director/Group Chief Executive Officer of the Company pursuant to the Share Scheme**

Resolution 10, if passed, will allow Dato' Rohana Rozhan, Executive Director/Group Chief Executive Officer of the Company, to further participate in the Company's Share Scheme, and be eligible for grants of up to such number of AMH Shares equivalent to RM6,000,000 divided by the five-day volume weighted average market price of the AMH Shares preceding the grant date, over the next two financial years ending 31 January 2017 and 2018 ("Proposed Grant").

The allotment of the AMH Shares to Dato' Rohana Rozhan made pursuant to the Proposed Grant is subject, among others, to the meeting of Company and individual performance targets determined by the Remuneration Committee and the By-Laws of the Share Scheme.

NOTES ON ABSTENTION FROM VOTING

Directors who are referred to in Resolutions 2, 3, 4, 6 and 10, are interested in the relevant resolutions in respect of his/her re-election or re-appointment as a Director, retention as an Independent Non-Executive Director and the Proposed Grant, and therefore will abstain from voting on the relevant resolutions in respect of his/her direct shareholdings in the Company at the AGM. The said Director will ensure that persons connected to him/her will also abstain from voting on the relevant resolutions at the AGM.

NOTES ON PROXY

- (1) A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote for him/her provided that the number of proxies appointed shall not be more than two except in the circumstances set out in Notes 2 and 3 below. A proxy may but need not be a member of the Company, and the provision of Section 149(1)(b) of the Act shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
- (2) Where a member of the Company is an authorised nominee, it may appoint one proxy in respect of each securities account it holds to which ordinary shares in the 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. For 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 the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (3) The instrument appointing a proxy shall be:
 - (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.
- (4) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (5) **The original instrument appointing a proxy must be deposited at the Company's share registrar, 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, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or in the case of a poll, not less than 24 hours before the taking of the poll; 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.**

Notice of **Annual General Meeting**

- (6) A proxy may vote on a show of hands and on a poll. 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) 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. A proxy appointed to attend and vote at this meeting shall have the same rights as the member to speak at the meeting and the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. 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 PROCEDURE

- (1) 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) On a show of hands, every person present who is a member or a member's representative, or proxy or attorney or other duly authorised representative shall have one (1) vote. In the case of a show of hands, you are advised to raise your hand to indicate whether you vote for or against the relevant resolution in accordance with the guidance of the Chairman. In the absence of a show of hands, you are deemed to abstain from voting on the particular resolution.
- (3) A resolution put to the vote of the general meeting shall be determined by a show of hands of the members present in person or by proxy, unless a poll is demanded (before or upon the declaration of the result of a show of hands):-
 - (a) by the chairman of the meeting;
 - (b) by at least five (5) members present in person or by proxy and entitled to vote thereat;
 - (c) by any member or members present in person or by proxy representing not less than one tenth (1/10) of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth (1/10) of the total sum paid up on all the shares conferring that right.

Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the chairman that a resolution has been carried or lost or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes, recorded in favour of or against such resolution.

- (4) In the case of a poll, every member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way.
- (5) In the case of a poll, you will be given a ballot paper and pen. Please cast your vote for the relevant resolutions, sign and drop the said ballot paper into the ballot boxes as directed by the Chairman. The ballot papers will then be collected for verification and votes counting by the Company's Share Registrar and thereafter to be validated by independent scrutineers as appointed by the Company. Following which, the Chairman will announce the polling results accordingly.

Statement Accompanying Notice of Annual General Meeting

STATEMENT ACCOMPANYING NOTICE OF FOURTH ANNUAL GENERAL MEETING OF ASTRO MALAYSIA HOLDINGS BERHAD PURSUANT TO PARAGRAPHS 8.27(2) AND 12.06(2)(A) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“MMLR”)

PART A (Resolutions 2 to 4)

RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS PURSUANT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY AND IN ACCORDANCE WITH SECTION 129(6) OF THE COMPANIES ACT, 1965 RESPECTIVELY

The profiles of the Directors who are standing for re-election and re-appointment as per Resolutions 2 to 4 as stated in the Notice of the Fourth AGM are stated on pages 42 and 44 of the Annual Report 2016.

PART B (Resolution 7)

APPOINTMENT OF ADDITIONAL DIRECTOR - PROFILE OF DATO’ ABDUL RAHMAN BIN AHMAD

Name:	Dato’ Abdul Rahman Bin Ahmad (“Dato’ Abdul Rahman”)
Gender:	Male
Nationality / Age:	Malaysian / 46
Academic / Professional Qualification(s):	1. Master of Arts in Economics from Cambridge University, United Kingdom 2. Member of the Institute of Chartered Accountants in England and Wales (ICAEW)
Working Experience and occupation:	<p>Dato’ Abdul Rahman is currently the non-executive chairman of ILMU Education Group Sdn Bhd, a leading integrated education group in Malaysia.</p> <p>He was formerly the chief executive officer of Ekuiti Nasional Berhad (Ekuinas), a government linked private equity firm. Prior to joining Ekuinas, Dato’ Abdul Rahman was the group managing director/chief executive officer of Media Prima Berhad (MPB) and also held the post of group managing director/chief executive officer of Malaysian Resources Corporation Berhad (MRCB).</p> <p>Dato’ Abdul Rahman began his career at Arthur Andersen, London, and later served as Special Assistant to the executive chairman of Trenergy (M) Berhad/Turnaround Managers Inc Sdn Bhd. He later served Pengurusan Danaharta Nasional Berhad, the country’s national asset management company and went on to become Executive Director of SSR Associates Sdn Bhd, a boutique corporate finance consulting firm.</p> <p>He is also a director of M+S Pte Ltd, a joint venture property company of Khazanah Nasional Berhad and Temasek Holdings (Private) Limited and RHB Investment Bank Bhd.</p>
Other Directorships of public companies:	<ol style="list-style-type: none"> 1. Non-Executive Director, Icon Offshore Berhad 2. Independent Director, Axiata Group Berhad 3. Director, RHB Investment Bank Berhad
Details of interest in the shares of the Company and its subsidiaries:	None
Family relationship with any Director and/or Major Shareholder of the Company:	None

Statement Accompanying **Notice of Annual General Meeting**

Any conflict of interests with the Company:	None
Convictions for offences within the past 10 years other than traffic offences:	None

PART C (Resolution 8)**RENEWAL OF AUTHORITY FOR DIRECTORS TO ISSUE ORDINARY SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 (“the Act”)**

The shareholders of our Company had approved a resolution to authorise our Directors to issue new ordinary shares in our Company pursuant to Section 132D of the Act (“General Mandate”) at the last AGM held on 17 June 2015.

Our Company has not issued any new shares pursuant to the General Mandate which will lapse upon the conclusion of this AGM.

Resolution 8, if passed, will renew the authority and continue to empower our Directors, pursuant to Section 132D of the Act, to issue new ordinary shares in our Company up to an aggregate number not exceeding 10% of the issued share capital of our Company for the time being from the date of this AGM until the next AGM of our Company for such purposes as our Directors consider would be in the interest of our Company. The 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 D (Resolution 9)**RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF ITS ISSUED AND PAID-UP SHARE CAPITAL (“PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK”)****1. INTRODUCTION**

On 17 June 2015, we obtained your approval for the authority for our Company to purchase our own shares of up to 10% of our issued and paid-up share capital. The said approval shall, in accordance to the MMLR, expire at the conclusion of the forthcoming Fourth AGM of our Company scheduled to be held on 1 June 2016.

On 22 March 2016, we announced our intention to seek your approval for the Proposed Renewal of Authority for Share Buy-Back at our forthcoming AGM.

The purpose of this Statement is to provide you with the relevant information pertaining to the Proposed Renewal of Authority of Share Buy-Back and to seek your approval for the resolution in connection with the Proposed Renewal of Authority for Share Buy-Back to be tabled at our forthcoming AGM.

YOU ARE ADVISED TO READ 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.

Statement Accompanying **Notice of Annual General Meeting**

2. DETAILS OF THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

2.1 The Proposed Renewal of Authority for Share Buy-Back

We propose to seek your approval for the renewal of authority to be granted to our Company for the purchase of our Company's ordinary shares of RM0.10 each ("AMH Shares") of up to 10% of our issued and paid-up share capital ("Proposed Share Buy-Back"), which will be subject to compliance with Section 67A of the Act, our Memorandum and Articles of Association, the MMLR 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 our next AGM;
- (b) the expiration of the period within which our next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by our shareholders in general meeting,

whichever is the earliest.

2.2 Funding

It is our intention to use our internally-generated funds to finance the purchase of AMH Shares and any decision by our 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 retained earnings and share premium account. Based on our latest audited financial statements as at 31 January 2016, our Company's retained earnings and share premium accounts were RM520.5 million and RM6,183.3 million, respectively.

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 our 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 our 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 our shareholders. Alternatively, any purchased AMH Shares which are retained as treasury shares may be resold on Bursa Securities at a potentially higher price and/or distributed as share dividends to our shareholders.

Statement Accompanying **Notice of Annual General Meeting**

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 perspective.

Our Board may retain the AMH Shares purchased as treasury shares and subsequently distribute them as share dividends to our 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.

- 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 be mindful of our Company's and shareholders' interests.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

5.1 Share capital

The Proposed Share Buy-Back will not have any effect on our Company's issued and paid-up share capital unless the AMH Shares purchased are cancelled.

For illustrative purposes, based on our Company's issued and paid-up share capital as at 31 January 2016 and assuming the maximum permissible number of AMH Shares that may be purchased by our Company pursuant to the Proposed Share Buy-Back ("Maximum Purchase") and the subsequent cancellation of all shares purchased, our Company's issued and paid-up share capital would decrease from RM520.5 million to RM468.5 million.

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.

Statement Accompanying Notice of Annual General Meeting

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 our own shares if our Company has surplus funds, after taking into consideration the capital expenditure and working capital requirements of our Group.

5.5 Proforma Effects on Our Substantial Shareholders’ and Directors’ shareholdings

Based on our Register of Substantial Shareholders, Register of Directors’ Shareholdings and our issued and paid-up share capital as at 7 April 2016, 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 the Company other than from our substantial shareholders and Directors) are as follows:

	Notes	As at 7 April 2016				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	20.71	-	-	1,077,735,927	23.01	-	-
Khazanah Nasional Berhad	1	-	-	1,077,735,927	20.71	-	-	1,077,735,927	23.01
All Asia Media Equities Limited		1,013,297,290	19.47	-	-	1,013,297,290	21.63	-	-
Usaha Tegas Entertainment Systems Sdn Bhd	2	235,778,182	4.53	1,013,297,290	19.47	235,778,182	5.03	1,013,297,290	21.63
Usaha Tegas Sdn Bhd	3	-	-	1,249,075,472	24.00	-	-	1,249,075,472	26.66
Pacific States Investment Limited	4	-	-	1,249,075,472	24.00	-	-	1,249,075,472	26.66

Statement Accompanying **Notice of Annual General Meeting**

	Notes	As at 7 April 2016				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	%	
Excorp Holdings N.V.	5	-	-	1,249,075,472	24.00	-	-	1,249,075,472	26.66	
PanOcean Management Limited	5	-	-	1,249,075,472	24.00	-	-	1,249,075,472	26.66	
East Asia Broadcast Network Systems N.V.		421,939,707	8.11	-	-	421,939,707	9.01	-	-	
East Asia Broadcast Systems Holdings N.V.	6	-	-	421,939,707	8.11	-	-	421,939,707	9.01	
Tucson N.V.	7	-	-	421,939,707	8.11	-	-	421,939,707	9.01	
Ananda Krishnan Tatparanandam	8	-	-	2,133,139,626	40.98	-	-	2,133,139,626	45.54	
Harapan Terus Sdn Bhd	9	-	-	462,124,447	8.88	-	-	462,124,447	9.86	
Dato' Haji Badri Bin Haji Masri	10 & 11	-	-	462,624,447	8.89	-	-	462,624,447	9.88	
Tun Haji Mohammed Hanif Bin Omar	11	-	-	462,124,447	8.88	-	-	462,124,447	9.86	
Mohamad Shahrin Bin Merican	11	200,000	0.00*	462,124,447	8.88	200,000	0.00*	462,124,447	9.86	
Employees Provident Fund Board	12	335,659,100	6.45	-	-	335,659,100	7.17	-	-	
Directors:										
Tun Dato' Seri Zaki Bin Tun Azmi		1,000,000	0.02	-	-	1,000,000	0.02	-	-	
Augustus Ralph Marshall		8,500,000	0.16	-	-	8,500,000	0.18	-	-	
Dato' Rohana Binti Tan Sri Datuk Haji Rozhan	13	4,580,000	0.09	-	-	4,580,000	0.10	-	-	
Datuk Chin Kwai Yoong		1,000,000	0.02	-	-	1,000,000	0.02	-	-	
Dato' Mohamed Khadar Bin Merican		855,600	0.02	-	-	855,600	0.02	-	-	
Bernard Anthony Cragg		-	-	-	-	-	-	-	-	
Quah Bee Fong		-	-	-	-	-	-	-	-	
Datuk Yvonne Chia		-	-	-	-	-	-	-	-	
Lim Ghee Keong		1,000,000	0.02	-	-	1,000,000	0.02	-	-	

* 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 4.53% 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 99.99% 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 24% 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 884,064,154 AMH Shares representing 16.98% equity interest in AMH. TAK is deemed to have an interest in the 884,064,154 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.

Statement Accompanying Notice of Annual General Meeting

- (9) HTSB is deemed to have an interest in all of the 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, 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) DB is deemed to have an interest in 500,000 AMH Shares representing 0.01% equity interest in AMH held by Casa Saga Sdn Bhd (“CSSB”) by virtue of his 99% direct equity interest in CSSB.
- (11) He is deemed to have 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.
- (12) Held through nominee companies managed by portfolio managers.
- (13) DRR also has an interest over 4,696,900 unissued AMH Shares pursuant to the Management Share Scheme of the Company.

As at 7 April 2016, based on our Record of Depositors, our public shareholding spread was 29.04%.

6. IMPLICATION OF THE CODE

Under subparagraph 10.1, Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 (“Code”), a mandatory offer obligation under Part III of the Code (“MGO”) arises when:

- (a) a person obtains controls in a company as a result of a buy-back scheme by the company;
- (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; or
- (c) a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) acquires more than 2% of the voting shares or voting rights of the company when he knows or reasonably ought to know that the company would carry out a buy-back scheme.

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 our shareholders having to undertake a MGO pursuant to the Code.

Statement Accompanying **Notice of Annual General Meeting**

7. PURCHASE OF AMH SHARES DURING THE FINANCIAL YEAR ENDED 31 JANUARY 2016

Our Company had not purchased any AMH Shares during FY16.

8. DIRECTORS' AND SUBSTANTIAL 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 substantial 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).

9. 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 to be tabled at our forthcoming AGM.

10. STATEMENT BY BURSA SECURITIES

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

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:

1.	_____ <small>(FULL NAME OF PROXY IN BLOCK LETTERS) ("PROXY 1")</small>	*NRIC/*Passport No. _____ <small>(COMPULSARY)</small>
2.	_____ <small>(FULL NAME OF PROXY IN BLOCK LETTERS) ("PROXY 2")</small>	*NRIC/*Passport No. _____ <small>(COMPULSARY)</small>

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 **Fourth Annual General Meeting of the Company to be held on Wednesday, 1 June 2016 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.	Declaration of a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 January 2016			
2.	Re-election of Augustus Ralph Marshall as a Director of the Company			
3.	Re-election of Datuk Yau Ah Lan @ Fara Yvonne as a Director of the Company			
4.	Re-appointment of Tun Dato' Seri Zaki Bin Tun Azmi as a Director of the Company in accordance with Section 129(6) of the Companies Act, 1965			
5.	Re-appointment of Messrs PricewaterhouseCoopers as Auditors of the Company			
6.	Retention of Datuk Chin Kwai Yoong as an Independent Non-Executive Director of the Company			
7.	Appointment of Dato' Abdul Rahman Bin Ahmad as an additional Director of the Company			
8.	Proposed Renewal of Authority for Directors to Issue Ordinary Shares pursuant to Section 132D of the Companies Act, 1965			
9.	Proposed Renewal of Authority for the Company to Purchase its Own Shares			
10.	Proposed Allotment and Issuance of Ordinary Shares to Dato' Rohana Binti Tan Sri Datuk Haji Rozhan pursuant to the Management Share Scheme			

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 _____ 2016

The proportion of shareholdings to be represented by *my/*our proxies is as follows:

	No. of Shares	Percentage
Total shares held		100%
Proxy 1		
Proxy 2		

 Signed by hand (if individual)/
 by Affixation of Common Seal (if Corporation)

Notes:

- (1) A member of the Company entitled to attend and vote at this annual general meeting ("AGM") is entitled to appoint one or more proxies to attend and vote for him/her provided that the number of proxies appointed shall not be more than two except in the circumstances set out in Notes 2 and 3. A proxy may but need not be a member of the Company, and the provision of Section 149(1)(b) of the Companies Act, 1965 (the "Act") shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
- (2) Where a member of the Company is an authorised nominee, it may appoint one proxy in respect of each securities account it holds to which ordinary shares in the 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. For 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 the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (3) The instrument appointing a proxy shall be:
 - (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.
- (4) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (5) **The original instrument appointing a proxy must be deposited at the Company's share registrar, 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, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or in the case of a poll, not less than 24 hours before the taking of the poll; 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) A proxy may vote on a show of hands and on a poll. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.
- (7) 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. A proxy appointed to attend and vote at this meeting shall have the same rights as the member to speak at the meeting and the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. 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 Article 57 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a Record of Depositors ("ROD") as at 26 May 2016. Only a depositor whose name appears on the ROD as at 26 May 2016 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 <http://corporate.astro.com.my/> 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



Symphony Share Registrars Sdn Bhd
Level 6, Symphony House, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please Fold Here



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Go Beyond™ **MULTITAINMENT**

ASTRO MALAYSIA HOLDINGS BERHAD (932533-V)
All Asia Broadcast Centre, Technology Park Malaysia,
Lebuhraya Puchong-Sungai Besi, Bukit Jalil,
57000 Kuala Lumpur, Malaysia.
Tel: +603 9543 6688 Fax: +603 9543 6877

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