

## Directors' Responsibility Statement

The Companies Act 2016 ("the Act") requires the Directors to prepare financial statements for each financial year in accordance with the requirements of the Act, Malaysian Financial Reporting Standards ("MFRS"), the International Financial Reporting Standards ("IFRS") and the Main Market Listing Requirements of Bursa Securities ("MMLR") and to present these before the Company at its Annual General Meeting.

The Directors are responsible for the preparation of financial statements that give a true and fair view of the financial position of the Group and the Company as at 31 January 2020 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 FY20 financial statements in conformity with MFRS, the Directors have used certain critical accounting estimates and assumptions. In addition, the Directors have exercised their judgement in the process of applying the appropriate and relevant accounting policies.

The Directors have also relied on the accounting and internal control systems to ensure that the assets of the Company are safeguarded against loss from unauthorised use or disposition and the information generated for the preparation of the financial statements are true and fair and are free from material misstatement.

# Directors’ Report

For the Financial Year Ended 31 January 2020

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 2020.

### Principal Activities

The principal activity of the Company is investment holding. The Group is primarily engaged in the provision of television services; radio services; film library licensing; content creation, aggregation and distribution; talent management; multimedia interactive services; digital media and home shopping.

There were no significant changes in the nature of these activities of the Group and the Company during the financial year.

The Company and its subsidiaries are collectively referred to as the Group. The details of the subsidiaries are set out in Note 15 to the financial statements.

### Financial Results

	Group RM’000	Company RM’000
Profit for the financial year	644,615	776,576
Attributable to:		
Equity holders of the Company	655,298	776,576
Non-controlling interests	(10,683)	-
	644,615	776,576

### Dividends

The dividends on ordinary shares paid or declared by the Company since 31 January 2019 were as follows:

	RM’000
In respect of the financial year ended 31 January 2019:	
Fourth interim single-tier dividend of RM0.015 per share on 5,214,314,500 ordinary shares, declared on 26 March 2019 and paid on 25 April 2019	78,215
In respect of the financial year ended 31 January 2020:	
First interim single-tier dividend of RM0.02 per share on 5,214,314,500 ordinary shares, declared on 25 June 2019 and paid on 25 July 2019	104,286
Second interim single-tier dividend of RM0.02 per share on 5,214,314,500 ordinary shares, declared on 12 September 2019 and paid on 11 October 2019	104,286
Third interim single-tier dividend of RM0.02 per share on 5,214,506,700 ordinary shares, declared on 4 December 2019 and paid on 3 January 2020	104,290
	312,862

### Dividends (Cont’d.)

Subsequent to the financial year, on 25 March 2020, the Directors declared a fourth interim single-tier dividend of RM0.015 per share on 5,214,506,700 ordinary shares in respect of the financial year ended 31 January 2020, amounting to RM78,217,601, which had been paid on 24 April 2020.

The Directors do not recommend any final dividend to be paid for the financial year ended 31 January 2020.

Total dividend declared in respect of the financial year ended 31 January 2020 amounts to 7.5 sen, equating to a 60% dividend payout ratio. For comparative purposes, total dividend declared in respect of the financial year ended 31 January 2019 amounted to 9.0 sen, equating to a 101% dividend payout ratio. This represents a departure from AMH’s dividend policy of paying out at least 75% of consolidated profits for the financial year, provided that such distribution will not be detrimental to our Group’s cash requirements, or any plans approved by our Board.

Given unprecedented levels of uncertainty and volatility globally stemming from the COVID-19 pandemic, the Board believes this prudent approach is the best course of action, allowing for liquidity to be conserved and our Group’s balance sheet to be strengthened. The Board and management are closely monitoring and proactively managing the COVID-19 situation, and its corresponding impact to business and operations.

### Reserves and Provisions

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

### Share Capital

During the financial year, the total number of issued shares of the Company has increased from 5,214,314,500 ordinary shares to 5,214,506,700 ordinary shares. The increase in the issued ordinary shares of the Company arose from the vesting of share awards granted to eligible employees pursuant to the Management Share Scheme (“Share Scheme”) of the Company, details of which are disclosed in Note 7(a) to the financial statements. The abovementioned new ordinary shares rank pari-passu in all respects with the existing ordinary shares of the Company.

### Management Share Scheme

The Company established the Share Scheme, which came into effect on 20 September 2012. An eligible executive or eligible employee who accepts an offer under the Share Awards (“Grantee”) shall pay a sum of RM1.00 as consideration for acceptance of that offer. Subject to the terms and conditions of the By-Laws governing the Share Scheme, the Grantees shall be entitled to receive new ordinary shares to be issued pursuant to the Share Awards, on the scheduled vesting dates without further payment, subject to meeting the vesting conditions as set out in their respective letters of offer for their Share Awards, which comprise the performance targets stipulated by the Remuneration Committee of the Company.

The Share Scheme shall be in force for a period of ten years commencing from the date on which the Share Scheme becomes effective and no share under a share award shall vest beyond the expiry of the duration of the Share Scheme. The Company’s Share Scheme consists of Restricted Share Units (“RSU”) and Performance Share Units (“PSU”).

Details of the Share Scheme are disclosed in Note 7(a) to the financial statements.

Directors’ Report

For the Financial Year Ended 31 January 2020

Directors

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

Tun Dato’ Seri Zaki bin Tun Azmi  
Datuk Yvonne Chia  
Renzo Christopher Viegas  
Lim Ghee Keong  
Simon Cathcart  
Tunku Alizakri bin Raja Muhammad Alias (appointed on 15 February 2019)  
Mazita binti Mokty (appointed on 15 February 2019)  
Nik Rizal Kamil bin Nik Ibrahim Kamil (appointed on 1 September 2019)  
Nurhisham bin Hussein (appointed as Alternate Director to Tunku Alizakri bin Raja Muhammad Alias on 17 May 2019)  
Richard John Freudenstein (resigned on 31 August 2019)  
Shahin Farouque bin Jammal Ahmad (resigned on 31 August 2019)  
Vernon Das (Alternate Director to Lim Ghee Keong) (appointed on 15 February 2019 and resigned on 31 August 2019)

The names of the Directors of the Company’s subsidiaries are set out in the respective subsidiaries’ financial statements and the information is deemed incorporated herein by such reference and made a part thereof.

Directors’ Benefits

Save as disclosed in Note 7(a) to the financial statements, during and at the end of the financial year ended, there are no other arrangements that subsisted to which the Company is a party, being arrangements with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits shown under Directors’ remuneration below) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors’ Interests in Shares and Debentures

According to the Register of Directors’ shareholdings required to be kept under Section 59 of the Companies Act 2016, particulars of interest of Directors who held office at the end of the financial year in the shares in the Company (“AMH Shares”) are as follows:

	Number of ordinary shares			
	As at 1.2.2019/ date of appointment	Acquired	Disposed	As at 31.1.2020
Tun Dato’ Seri Zaki bin Tun Azmi	1,050,000	-	-	1,050,000
Datuk Yvonne Chia	100,000	-	-	100,000
Renzo Christopher Viegas	100,000	50,000	(50,000)	100,000
Lim Ghee Keong	1,000,000	-	-	1,000,000
Tunku Alizakri bin Raja Muhammad Alias	5,000	-	-	5,000

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’ Remuneration

	Group		Company	
	2020 RM’000	2019 RM’000	2020 RM’000	2019 RM’000
Fees and meeting allowances	3,039	2,409	3,029	2,399
Salaries and bonus	20,428	32,229	-	-
Defined contribution plans	3,226	4,981	-	-
Estimated money value of benefits-in-kind	53	118	30	30
Share-based payments	-	141	-	-
Separation scheme	504	6,252	-	-
Total Directors’ remuneration	27,250	46,130	3,059	2,429

Included in the analysis above is remuneration for Directors of the Company and its subsidiaries in accordance with the requirements of Companies Act 2016. Expenses incurred on indemnity given or insurance effected for any Director and officer of the Company and its subsidiaries during the financial year amounted to RM367,000 (2019: RM380,000).

Statutory Information on the Financial Statements

Before the financial statements of the Group and Company were prepared, 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.

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.

Directors’ Report

For the Financial Year Ended 31 January 2020

Statutory Information on the Financial Statements (Cont’d.)

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or the Company to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group’s and Company’s operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

Significant and Post Balance Sheet Events

The significant events during the year and post balance sheet events are as disclosed in Note 38 and Note 43 respectively to the financial statements.

Auditors and Auditors’ remuneration

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

Details of auditors’ remuneration are set out in Note 6 to the financial statements.

Signed on behalf of the Board of Directors in accordance with the approval granted by the Board of Directors on 30 April 2020.



TUN DATO’ SERI ZAKI BIN TUN AZMI  
DIRECTOR

Kuala Lumpur



RENZO CHRISTOPHER VIEGAS  
DIRECTOR

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tun Dato’ Zaki bin Tun Azmi and Renzo Christopher Viegas, the Directors of Astro Malaysia Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages165 to 282 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2020 and financial performance of the Group and of the Company for the financial year ended 31 January 2020 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with the approval granted by the Board of Directors on 30 April 2020.



TUN DATO’ SERI ZAKI BIN TUN AZMI  
DIRECTOR

Kuala Lumpur



RENZO CHRISTOPHER VIEGAS  
DIRECTOR

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, Shafiq Abdul Jabbar, the officer primarily responsible for the financial management of Astro Malaysia Holdings Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 165 to 282, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



SHAFIQ ABDUL JABBAR  
(MIA Number: 23405)

Subscribed and solemnly declared by the above named Shafiq Abdul Jabbar at Kuala Lumpur in Malaysia on 30 April 2020, before me.



COMMISSIONER FOR OATHS

ALAMAT PERSURUHJAYA SUMPAH PIORAM BERLA DAN PIORAM CARA  
1/2-04-06, LAYAR 8, LINGKARAN SY, SUNWAY VELOCITY, JALAN PIR  
MALURI, CHERAS, 55100 KUALA LUMPUR, MALAYSIA

# Independent Auditors’ Report

To the Members of Astro Malaysia Holdings Berhad  
(Incorporated in Malaysia)  
(Company No. 201101004392 (932533-V))

## Report on the Audit of the Financial Statements

### Our opinion

In our opinion, the financial statements of Astro Malaysia Holdings Berhad (“the Company”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Company as at 31 January 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the balance sheets as at 31 January 2020 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 165 to 282.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

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

### Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

## Report on the Audit of the Financial Statements (Cont’d.)

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p><b>Goodwill, intellectual properties, brands, spectrums and cost of investments in subsidiaries impairment assessment</b></p> <p><i>Refer to Note 3E – Summary of significant accounting policies – Intangible assets, Note 4 – Critical accounting estimates and judgements, Note 20 – Intangible assets and Note 15 – Investment in subsidiaries.</i></p> <p>(a) Goodwill, intellectual properties, brands and spectrums</p> <p>We focused on this area due to the size of the goodwill, intellectual properties, brands and spectrums balance of RM1,549 million as at 31 January 2020.</p> <p>Management’s assessment of the value in use (“VIU”) of the Group’s cash generating units (“CGUs”) involves significant judgements and estimates about the future results of the business and key assumptions applied to future cash flow projections. The goodwill has been allocated to the Television, Radio segments and others.</p> <p>Intellectual properties were allocated to others while the brands and spectrums have been allocated to the Radio segment.</p> <p>For the year ended 31 January 2020, management performed an impairment assessment over the goodwill, intellectual properties, brands and spectrums, as well as a sensitivity analysis over the VIU calculations, by varying the key assumptions used (compound revenue growth rates in the projection periods, discount rates) to assess the impact on the impairment assessment.</p>	<p>We performed the following audit procedures on the VIU calculation which was based on the approved financial budget for 2021 and cash flow projections for the next 4 years with terminal values at the end of year 5:</p> <ul style="list-style-type: none"><li>Agreed the VIU cash flows to the financial budget and cash flow projections approved by the Directors;</li><li>Compared the 2020 actual results with the figures included in the prior year VIU cash flows for 2020 to consider whether these forecasts included key assumptions that, with hindsight, had been optimistic;</li><li>Discussed with management the basis of the key assumptions being applied in the VIU cash flows and performed the following in respect of the key assumptions used in the Television, Radio and other CGUs:<ul style="list-style-type: none"><li>(i) compared the compounded revenue growth rates in the projection periods to historical results and industry forecasts;</li><li>(ii) assessed the components used in determining discount rates used in the model by taking into consideration risks associated with the cash flows and comparing them to market data and industry research with the assistance of our valuation experts;</li><li>(iii) compared the terminal growth rates used in determining the terminal value to market forecast; and</li></ul></li><li>Checked management’s sensitivity analysis on the key assumptions used in the impairment assessment to assess the possible changes to any of the key assumptions that would cause the recoverable amount to be less than the carrying amount.</li></ul> <p>Based on the procedures performed above, we did not find any material exceptions to the Directors’ conclusion that no impairment is required for goodwill, intellectual properties, brands and spectrums as at 31 January 2020.</p>

Independent Auditors’ Report

To the Members of Astro Malaysia Holdings Berhad  
(Incorporated in Malaysia)  
(Company No. 201101004392 (932533-V))

Report on the Audit of the Financial Statements (Cont’d.)

Key audit matters (Cont’d.)

Key audit matters	How our audit addressed the key audit matters
<p><b>Goodwill, intellectual properties, brands, spectrums and cost of investments in subsidiaries impairment assessment (Cont’d)</b></p>	<p>In addition to the procedures performed on the cash flows from the goodwill, intellectual properties, brands and spectrums as described above, we performed the following audit procedures:</p>
<p>(b) Cost of investments in subsidiaries (Company financial statements)</p> <p>As at 31 January 2020, the carrying value of investments in subsidiaries is RM7,209 million.</p> <p>Management performed impairment assessments of certain investments in subsidiaries, which had impairment indicators.</p> <p>We focused on this area due to the significant judgements and assumptions made by management in determining the recoverable amount of the investments given the current operating environment.</p> <p>The recoverable amounts of investments in subsidiaries were determined based on discounted cash flows taking into account financing and tax cash flows of subsidiaries which are available for distribution as dividends.</p>	<p>(i) agreed the cash flows used to determine the recoverable amount of the investments in subsidiaries to cash flows used to determine the recoverable amount of goodwill, intellectual properties, brands and spectrums which we have assessed above;</p> <p>(ii) checked that the cash flows used to determine the recoverable amount of the investments in subsidiaries had been appropriately adjusted for financing and tax cash flows of the respective subsidiaries; and</p> <p>(iii) checked the reasonableness of the discount rate with the assistance of our valuation experts.</p> <p>Based on the procedures performed above, we did not find any material exceptions to the Directors’ conclusion that no impairment is required for investments in subsidiaries as at 31 January 2020.</p>

Report on the Audit of the Financial Statements (Cont’d.)

Key audit matters (Cont’d.)

Key audit matters	How our audit addressed the key audit matters
<p><b>Subscription revenue recognition</b></p> <p><i>Refer to Note 3Q – Summary of Significant Accounting Policies – Revenue recognition and Note 5 – Revenue.</i></p> <p>The Group recorded subscription revenue of RM3,624 million for the financial year ended 31 January 2020 and it represents a significant component of the Group’s revenue.</p> <p>Given the complexity of the billing and accounting systems, there is an increased level of inherent risk due to error in revenue recognition, in particular surrounding the accuracy and recognition period of the subscription revenue transactions.</p> <p>We focused on this area as the accuracy and recognition period of subscription revenue involved the use of complex billing and accounting systems to process a large volume of data which includes multiple subscription packages.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"><li>• Tested the overall IT general controls of the billing and accounting systems of the revenue data recorded;</li><li>• Tested the application controls on the accounting system of the revenue data recorded;</li><li>• Recomputed contract liabilities on a sample basis and compared the calculation to the general ledger to assess proper revenue recognition period;</li><li>• Tested automated controls over pricing changes in relation to subscription packages; and</li><li>• Used Computer Assisted Audit Techniques to assess whether subscription revenue transactions are captured accurately in the appropriate periods by performing the following:<ul style="list-style-type: none"><li>(i) compared on a sample basis the revenue captured in the billing system to the accounting system;</li><li>(ii) reconciled the charges billed to the subscriber to the services delivered; and</li><li>(iii) profiled data to identify any potential unusual manual journals entries in subscription revenue account for further analysis.</li></ul></li></ul> <p>Based on our procedures, we noted no material exceptions in the accuracy and recognition period of the subscription revenue.</p>



Independent Auditors’ Report

To the Members of Astro Malaysia Holdings Berhad  
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Report on the Audit of the Financial Statements (Cont’d.)

Key audit matters (Cont’d.)

Key audit matters	How our audit addressed the key audit matters
<p><b>Assessment of funding requirements and ability to meet the short term obligations</b></p> <p><i>Refer to Note 37(b) – Financial Instruments – Liquidity Risk.</i></p> <p>As at 31 January 2020, the Group had short term borrowings of RM479 million and payables and accruals of RM1,104 million. We focused on the Group’s funding and ability to meet their short term obligations due to the significant amount of the short term borrowings and payables and accruals, which resulted in the current liabilities of the Group exceeding current assets by RM61 million at that date.</p> <p>The Group’s ability to obtain funding is disclosed in Note 37(b) to the financial statements.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"><li>• Checked management’s cash flow forecasts for the Group over the next 12 months to the financial budget which includes operating, investing and financing cash flows approved by the Directors;</li><li>• Discussed with management on key assumptions used in the cash flow forecasts comprising cash collection trends for subscription revenue, expected foreign exchange rates being used to project payments to vendors and significant transactions included in developing the cash flow forecasts for the Group;</li><li>• Checked the borrowing repayment terms of the Group against the loan agreements; and</li><li>• Checked management’s sensitivity analysis on the assumptions used in the cash flow forecast to assess the possible changes to key assumptions that would cause a deficit in the cash flow forecast.</li></ul> <p>Based on the procedures performed above, we did not note material exceptions to management’s assessment of the Group’s ability to meet their short term obligations.</p>

Information other than the financial statements and auditors’ report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors’ Report and other sections of the FY20 Integrated Annual Report but does not include the financial statements of the Group and of the Company and our auditors’ report thereon.

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

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

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

Report on the Audit of the Financial Statements (Cont’d.)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and of the Company’s internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s or on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors’ Report

To the Members of Astro Malaysia Holdings Berhad  
(Incorporated in Malaysia)  
(Company No. 201101004392 (932533-V))

Report on the Audit of the Financial Statements (Cont’d.)

Auditors’ responsibilities for the audit of the financial statements (Cont’d.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont’d.):

- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
30 April 2020

PAULINE HO  
02684/11/2021 J  
Chartered Accountant

Income Statements

For the Financial Year Ended 31 January 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	5	4,911,803	5,479,048	808,686	496,632
Cost of sales		(3,016,242)	(3,534,266)	-	-
Gross profit		1,895,561	1,944,782	808,686	496,632
Other operating income		10,268	10,109	247	43
Marketing and distribution costs		(384,799)	(491,098)	(179)	(311)
Administrative expenses		(448,927)	(532,037)	(18,085)	(24,069)
Finance income	9(a)	29,405	37,812	7,795	40,261
Finance costs	9(b)	(238,915)	(317,077)	(21,851)	(69,009)
Share of post tax results from investments accounted for using the equity method		87	796	-	-
Impairment of investments accounted for using the equity method		-	(2,142)	-	-
Profit before tax	6	862,680	651,145	776,613	443,547
Tax expense	10	(218,065)	(190,321)	(37)	13
Profit for the financial year		644,615	460,824	776,576	443,560
Attributable to:					
Equity holders of the Company		655,298	462,921	776,576	443,560
Non-controlling interests		(10,683)	(2,097)	-	-
		644,615	460,824	776,576	443,560
Earnings per share attributable to equity holders of the Company (RM):					
- Basic	11	0.13	0.09		
- Diluted	11	0.13	0.09		

The accompanying notes on pages 176 to 282 form part of these financial statements.



Statements of Comprehensive Income

For the Financial Year Ended 31 January 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit for the financial year	644,615	460,824	776,576	443,560
Other comprehensive (loss)/income:				
Items that will be reclassified subsequently to profit or loss:				
Net change in derivatives used for hedging	(1,144)	68,469	(1,798)	(1,609)
Net change in financial assets	6,572	-	-	-
Foreign currency translation	764	(9,683)	-	-
Taxation	(34)	(17,430)	-	-
Other comprehensive income/(loss), net of tax	6,158	41,356	(1,798)	(1,609)
Total comprehensive income	650,773	502,180	774,778	441,951
Attributable to:				
Equity holders of the Company	661,456	504,277	774,778	441,951
Non-controlling interests	(10,683)	(2,097)	-	-
	650,773	502,180	774,778	441,951

The accompanying notes on pages 176 to 282 form part of these financial statements.

Consolidated Balance Sheet

As at 31 January 2020

		Group	
	Note	2020 RM'000	2019 RM'000
<b>Non-Current Assets</b>			
Property, plant and equipment	13	720,527	2,233,114
Right-of-use assets	14	1,316,381	-
Investment in associates	16	-	-
Investment in joint ventures	17	2,214	2,127
Other investments	18	10,657	4,085
Receivables	22	218,880	180,054
Derivative financial instruments	25	33,639	83,171
Deferred tax assets	27	128,689	123,510
Intangible assets	20	2,023,727	2,091,910
		4,454,714	4,717,971
<b>Current Assets</b>			
Inventories	21	13,095	16,284
Receivables	22	668,913	808,430
Contract assets	5	8,557	9,625
Derivative financial instruments	25	58,327	64,869
Other investments	18	647,167	348,680
Tax recoverable		9,550	10,213
Deposits, cash and bank balances	23	338,095	283,486
		1,743,704	1,541,587
<b>Current Liabilities</b>			
Payables	24	1,103,803	1,257,841
Contract liabilities	5	174,248	208,720
Derivative financial instruments	25	14,834	11,557
Borrowings	26	478,685	474,949
Tax liabilities		33,123	26,757
		1,804,693	1,979,824
<b>Net Current Liabilities</b>		<b>(60,989)</b>	<b>(438,237)</b>

The accompanying notes on pages 176 to 282 form part of these financial statements.

Consolidated Balance Sheet

As at 31 January 2020

	Note	Group	
		2020 RM'000	2019 RM'000
<b>Non-Current Liabilities</b>			
Payables	24	319,392	411,619
Derivative financial instruments	25	3,422	4,045
Borrowings	26	3,042,874	3,095,721
Deferred tax liabilities	27	89,277	89,441
		3,454,965	3,600,826
<b>NET ASSETS</b>		938,760	678,908
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	28	6,728,415	6,727,947
Exchange reserve		4,132	3,368
Capital reorganisation reserve	29	(5,470,197)	(5,470,197)
Hedging reserve	30	679	1,857
Fair value reserve	31	6,572	-
Share scheme reserve	32	-	312
Accumulated losses		(413,798)	(678,019)
		855,803	585,268
Non-controlling interests		82,957	93,640
<b>TOTAL EQUITY</b>		938,760	678,908

The accompanying notes on pages 176 to 282 form part of these financial statements.

Company Balance Sheet

As at 31 January 2020

		Company	
	Note	2020 RM'000	2019 RM'000
Non-Current Assets			
Property, plant and equipment	13	21	33
Investment in subsidiaries	15	7,209,297	7,169,297
Advances to subsidiaries	19	-	51,785
Derivative financial instruments	25	26,472	80,989
Deferred tax assets	27	221	258
Intangible assets	20	-	-
		7,236,011	7,302,362
Current Assets			
Receivables	22	283,871	76,540
Derivative financial instruments	25	52,868	54,618
Advances to subsidiaries	19	17,542	108,691
Other investments	18	111,826	-
Tax recoverable		214	486
Deposits, cash and bank balances	23	6,143	65,752
		472,464	306,087
Current Liabilities			
Payables	24	8,209	12,205
Borrowings	26	279,506	281,894
		287,715	294,099
Net Current Assets		184,749	11,988
Non-Current Liabilities			
Borrowings	26	138,689	416,136
		138,689	416,136
NET ASSETS		7,282,071	6,898,214
Capital and reserves attributable to equity holders of the Company			
Share capital	28	6,728,405	6,727,937
Hedging reserve	30	(448)	1,350
Share scheme reserve	32	-	312
Retained earnings		554,114	168,615
TOTAL EQUITY		7,282,071	6,898,214

The accompanying notes on pages 176 to 282 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 January 2020

	Attributable to equity holders of the Company							Total RM'000	Non- controlling interests RM'000	Total RM'000
	Share capital (Note 28) RM'000	Exchange reserve RM'000	Capital reorganisation reserve (Note 29) RM'000	Hedging reserve (Note 30) RM'000	Fair value reserve (Note 31) RM'000	Share scheme reserve (Note 32) RM'000	Accumulated losses RM'000			
Year ended 31 January 2020	6,727,947	3,368	(5,470,197)	1,857	-	312	(678,019)	585,268	93,640	678,908
At 31 January 2019										
Profit/(loss) for the financial year	-	-	-	-	-	-	655,298	655,298	(10,683)	644,615
Other comprehensive income/ (loss) for the year	-	764	-	(1,178)	6,572	-	-	6,158	-	6,158
<b>Total comprehensive income/ (loss) for the year</b>	-	764	-	(1,178)	6,572	-	655,298	661,456	(10,683)	650,773
Ordinary shares dividends declared (Note 12)	-	-	-	-	-	-	(391,077)	(391,077)	-	(391,077)
Share grant exercised	468	-	-	-	-	(468)	-	-	-	-
Share-based payment transaction	-	-	-	-	-	156	-	156	-	156
<b>Transactions with owners</b>	468	-	-	-	-	(312)	(391,077)	(390,921)	-	(390,921)
At 31 January 2020	6,728,415	4,132	(5,470,197)	679	6,572	-	(413,798)	855,803	82,957	938,760

The accompanying notes on pages 176 to 282 form part of these financial statements.

	Attributable to equity holders of the Company							Total RM'000	Non- controlling interests RM'000	Total RM'000
	Share capital (Note 28) RM'000	Exchange reserve RM'000	Capital reorganisation reserve (Note 29) RM'000	Hedging reserve (Note 30) RM'000	Fair value reserve (Note 31) RM'000	Share scheme reserve (Note 32) RM'000	Accumulated losses RM'000			
Year ended 31 January 2019	6,726,845	13,051	(5,470,197)	(49,182)	(369)	10,362	(576,918)	653,592	(263)	653,329
At 31 January 2018, as reported										
Effects arising from adoption of:										
- MFRS 15	-	-	-	-	-	-	5,170	5,170	-	5,170
- MFRS 9	-	-	-	-	369	-	(6,591)	(6,222)	-	(6,222)
At 1 February 2018, as adjusted	6,726,845	13,051	(5,470,197)	(49,182)	-	10,362	(578,339)	652,540	(263)	652,277
Profit/(loss) for the financial year	-	-	-	-	-	-	462,921	462,921	(2,097)	460,824
Other comprehensive (loss)/ income for the year	-	(9,683)	-	51,039	-	-	-	41,356	-	41,356
<b>Total comprehensive (loss)/ income for the year</b>	-	(9,683)	-	51,039	-	-	-	-	-	-
Ordinary shares dividends declared (Note 12)	-	-	-	-	-	-	(573,538)	(573,538)	-	(573,538)
Issuance of shares to non- controlling interest (Note 41)	-	-	-	-	-	-	-	-	96,000	96,000
Redemption of redeemable preference share ("RPS") by a subsidiary (Note 15)	10	-	-	-	-	-	(10)	-	-	-
Transfer of lapsed share options	-	-	-	-	-	(10,947)	10,947	-	-	-
Share grant exercised	1,092	-	-	-	-	(1,092)	-	-	-	-
Share-based payment transaction	-	-	-	-	-	1,989	-	1,989	-	1,989
<b>Transactions with owners</b>	1,102	-	-	-	-	(10,050)	(562,601)	(571,549)	96,000	(475,549)
At 31 January 2019	6,727,947	3,368	(5,470,197)	1,857	-	312	(678,019)	585,268	93,640	678,908

The accompanying notes on pages 176 to 282 form part of these financial statements.

Company Statement of Changes in Equity

For the Financial Year Ended 31 January 2020

Year ended 31 January 2020					
	Share capital (Note 28) RM'000	Hedging reserve (Note 30) RM'000	Share scheme reserve (Note 32) RM'000	Retained earnings RM'000	Total RM'000
At 31 January 2019	6,727,937	1,350	312	168,615	6,898,214
Profit for the financial year	-	-	-	776,576	776,576
Other comprehensive loss for the year	-	(1,798)	-	-	(1,798)
<b>Total comprehensive (loss)/income for the year</b>	-	(1,798)	-	776,576	774,778
Ordinary shares dividends declared (Note 12)	-	-	-	(391,077)	(391,077)
Share grant exercised	468	-	(468)	-	-
Share-based payment transaction	-	-	156	-	156
<b>Transactions with owners</b>	468	-	(312)	(391,077)	(390,921)
At 31 January 2020	6,728,405	(448)	-	554,114	7,282,071

Year ended 31 January 2019						
	Share capital (Note 28) RM'000	Hedging reserve (Note 30) RM'000	Fair value reserve (Note 31) RM'000	Share scheme reserve (Note 32) RM'000	Retained earnings RM'000	Total RM'000
At 31 January 2018, as reported	6,726,845	2,959	39	10,362	287,607	7,027,812
Effect arising from adoption of MFRS 9	-	-	(39)	-	39	-
At 1 February 2018, as adjusted	6,726,845	2,959	-	10,362	287,646	7,027,812
Profit for the financial year	-	-	-	-	443,560	443,560
Other comprehensive loss for the year	-	(1,609)	-	-	-	(1,609)
<b>Total comprehensive (loss)/income for the year</b>	-	(1,609)	-	-	443,560	441,951
Ordinary shares dividends declared (Note 12)	-	-	-	-	(573,538)	(573,538)
Transfer of lapsed share options	-	-	-	(10,947)	10,947	-
Share grant exercised	1,092	-	-	(1,092)	-	-
Share-based payment transaction	-	-	-	1,989	-	1,989
<b>Transactions with owners</b>	1,092	-	-	(10,050)	(562,591)	(571,549)
At 31 January 2019	6,727,937	1,350	-	312	168,615	6,898,214

The accompanying notes on pages 176 to 282 form part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 January 2020

Note	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Cash Flows From Operating Activities</b>				
Profit before tax	862,680	651,145	776,613	443,547
Adjustments for:				
Bad debts written off	1,195	8,172	-	-
Barter transactions – revenue	(11,643)	(21,896)	-	-
Contract cost amortisation	49,614	56,108	-	-
Depreciation of right-of-use	188,339	-	-	-
Dividend income – unit trusts	(18,246)	(29,379)	(3,022)	(3,885)
Dividend income	-	-	(804,409)	(492,482)
Event licence rights:				
- amortisation	115	9,132	-	-
Fair value (gain)/loss on unit trusts	-	(369)	-	1,602
Fair value loss on derivatives recycled to income statement arising from:				
- Foreign exchange risk	50,446	53,355	53,767	19,625
- Interest rate risk	2,973	11,670	2,311	10,307
Film library and programme rights:				
- amortisation	373,150	382,532	-	-
- impairment	1,923	7,448	-	-
Impairment of receivables	51,467	32,550	-	-
Impairment of investments accounted for using the equity method	-	2,142	-	-
(Write back)/impairment of advances	-	-	(480)	1,254
Interest expense	232,762	239,609	19,540	57,061
Interest income	(11,159)	(8,064)	(4,773)	(36,376)
Inventories written off	386	1,335	-	-
Loss on disposal of unit trusts	-	2,589	-	39
Property, plant and equipment:				
- depreciation	299,627	506,910	14	10
- gain on disposal	(887)	(202)	-	-
- impairment	146	1,053	-	-
- written off	321	57	-	-
Share-based payments	156	1,989	-	103
Share of post tax results from investments accounted for using the equity method	(87)	(796)	-	-
Software:				
- amortisation	156,655	139,169	-	-
- impairment	5,467	16,725	-	-
- written off	181	-	-	-
Unrealised foreign exchange (gains)/losses, net	(54,998)	41,856	(53,770)	(19,621)
Write back of bad debts	(3,485)	(2,078)	-	-
<b>Operating profit/(loss) before changes in working capital</b>	<b>2,177,098</b>	<b>2,102,762</b>	<b>(14,209)</b>	<b>(18,816)</b>

The accompanying notes on pages 176 to 282 form part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 January 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Cash Flows From Operating Activities (Cont'd.)</b>					
Changes in working capital:					
Inventories		2,803	2,059	-	-
Receivables and prepayments		(11,791)	57,083	23,122	(6,331)
Payables		(313,872)	(50,430)	(3,746)	(13,143)
Cash from operations:		1,854,238	2,111,474	5,167	(38,290)
Dividend received		-	-	574,357	749,434
Interest received		8,455	5,028	1,593	1,375
(Tax paid)/tax refund		(216,413)	(221,532)	272	(125)
<b>Net cash generated from operating activities</b>		1,646,280	1,894,970	581,389	712,394
<b>Cash Flows From Investing Activities</b>					
Advances to subsidiaries		-	-	(1,000)	(50,615)
Financial assets:					
(purchase)/disposal of unit trusts		(280,241)	407,295	(108,804)	172,914
Intangible assets:					
- purchase of software		(152,304)	(117,159)	-	-
- acquisition of film library and programme rights		(315,020)	(386,706)	-	-
Interest received on:					
- advances to subsidiaries		-	-	4,856	35,004
Investment in associates:					
- purchase		-	(780)	-	-
Investment in subsidiaries	15	-	-	(12)	(56,650)
Property, plant and equipment:					
- purchase		(28,817)	(99,379)	(4)	(22)
- proceeds from disposal		1,293	466	2	3
Redemption of RPS by a subsidiary	15	-	-	-	10
Repayment from subsidiaries		-	-	102,505	890,985
Withdrawal/(placement) of fixed deposits with maturity of more than 3 months		500	(43,000)	-	-
<b>Net cash (used in)/generated from investing activities</b>		(774,589)	(239,263)	(2,457)	991,629

The accompanying notes on pages 176 to 282 form part of these financial statements.

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash Flows From Financing Activities					
Dividends paid	12	(391,077)	(573,538)	(391,077)	(573,538)
Interest paid		(97,020)	(121,468)	(23,028)	(71,277)
Payment for set-top boxes		(140,666)	(325,982)	-	-
Payment of lease interest		(94,061)	(104,652)	-	-
Net drawdown/(repayment) of borrowings		75,564	(325,561)	(224,436)	(1,011,936)
Repayment of lease liabilities		(170,086)	(187,945)	-	-
Net cash used in financing activities		(817,346)	(1,639,146)	(638,541)	(1,656,751)
Net increase/(decrease) in cash and cash equivalents		54,345	16,561	(59,609)	47,272
Effects of foreign exchange rate changes		764	(9,683)	-	-
Cash and cash equivalents at beginning of the financial year		240,486	233,608	65,752	18,480
Cash and cash equivalents at end of the financial year	23	295,595	240,486	6,143	65,752

The principal non-cash transactions are as disclosed in Note 33.

The accompanying notes on pages 176 to 282 form part of these financial statements.



# Notes to the Financial Statements

31 January 2020

## 1 General Information

The principal activity of the Company is investment holding. The Group is primarily engaged in the provision of television service; radio services; film library licensing; content creation, aggregation and distribution; talent management; multimedia interactive services; digital media and home shopping. The principal activities of the subsidiaries are as disclosed in Note 15 to the financial statements.

There were no significant changes in the nature of these activities of the Group and of the Company during the financial year.

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

The Company is incorporated and domiciled in Malaysia and is listed and quoted on the Official List of the Main Market of Bursa Malaysia Securities Berhad.

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

All Asia Broadcast Centre  
Technology Park Malaysia  
Lebuhraya Puchong-Sungai Besi  
Bukit Jalil, 57000, Kuala Lumpur

## 2 Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity and cash flow risk, price risk and capital risk. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

The Group uses derivative financial instruments such as forward foreign currency exchange contracts and a mixture of fixed and floating interest rate instruments to hedge certain exposures.

### (a) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of the foreign currency transactions entered into by the Group in currencies other than its functional currency. Forward foreign currency exchange contracts and foreign currency options are used to limit exposure to currency fluctuations on foreign currency payables and on cash flows generated from anticipated transactions denominated in foreign currencies. Cross-currency interest rate swaps are used to limit exposure to currency fluctuations on borrowings.

### (b) Interest rate risk

The Group's interest rate exposure arises principally from the Group's trade payables and borrowings. The interest rate risk is managed through the use of fixed and floating interest rate instruments.

### (c) Credit risk

The Group has no significant concentrations of credit risk. Customer credit risk exposure is managed with a combination of credit limits and arrears monitoring procedures. Deposits of cash are placed only with financial institutions with strong credit ratings and investment in unit trusts are made only in cash/money market i.e. very liquid funds.

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

### (d) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group's treasury aims to maintain flexibility in funding by keeping committed credit facilities available and if necessary, obtain additional debt and equity funding.

### (e) Price risk

The Group is exposed to price risk resulting from investment in unit trusts classified as fair value through profit or loss on the balance sheet. To manage its price risk arising from investment in unit trusts, the Group diversifies its portfolio in various financial institutions. The Group is not exposed to commodity price risk.

### (f) Capital risk

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

The Group and Company will balance their overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt or the repayment of existing borrowings.

### (g) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Estimated discounted cash flows are used to determine the fair value of financial instruments. The fair value of forward foreign exchange contracts and foreign currency options are determined using quoted forward exchange rates at the balance sheet date. The fair values of cross-currency interest rate swaps and interest rate swaps are calculated using observable market interest rate and yield curves with estimated future cash flows being discounted to present value. The fair value of other investments is determined by reference to recent sales price of a comparable transaction with a third party.

Further details on financial risks are disclosed in Note 37.

## 3 Summary of Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

### A Basis of preparation

The financial statements of the Group and Company have been prepared under the historical cost convention.

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

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

Notes to the Financial Statements

31 January 2020

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

A Basis of preparation (Cont'd.)

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year. It also requires Directors to exercise their judgement in the process of applying the Group and Company’s accounting policies. Although these estimates and judgement are based on the Directors’ best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and Company have applied the following amendments for the first time for the financial year beginning on 1 February 2019:

- MFRS 16 Leases

The Group has adopted MFRS 16 for the first time in the 2020 financial statements with the date of initial application (“DIA”) of 1 February 2019 by applying the simplified retrospective transition method.

The practical expedients elected and the detailed impact of the change in accounting policy on leases are disclosed in Note 3(D) and Note 42.

- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 9 Prepayment Features with Negative Compensation
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement
- Annual improvements to MFRS Standards 2015-2017 cycle

(b) Standards, amendments to published standards and interpretations to existing standards that have been issued but not yet effective

A number of new standards, amendments to published standards and interpretations are effective for financial year beginning on/after 1 February 2020. None of these is expected to have significant impact on the financial statements of the Group and Company, except the following set out below:

- (i) Financial years beginning on/after 1 February 2020
  - Amendments to References to the Conceptual Framework in MFRS Standards
  - Definitions of a Business (Amendments to MFRS 3 Business Combinations)
  - Definition of Material (Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)
  - Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)
  - Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)

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

A Basis of preparation (Cont'd.)

(b) Standards, amendments to published standards and interpretations to existing standards that have been issued but not yet effective (Cont'd.)

- (ii) 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.

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.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Notes to the Financial Statements

31 January 2020

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

B Consolidation (Cont'd.)

(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.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

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

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. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

Notes to the Financial Statements

31 January 2020

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

C Property, plant and equipment

Property, plant and equipment are stated at cost (inclusive of sales and services tax), less accumulated depreciation and impairment losses.

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	2 - 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 “Pay-TV set-top boxes”) used to provide the Astro High Definition Services (“Astro Byond”) to Astro subscribers. These Pay-TV set-top boxes remain the property of the Group after installation. The Pay-TV set-top boxes are capitalised and depreciated over their useful economic life of 3 years.

No depreciation is calculated on assets under construction until the assets are completed and are ready for their intended use.

The opening balance as at 1 February 2019 for property, plant and equipment is impacted by the adoption of MFRS 16 as leased assets are reclassified as right-of-use assets.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(G) on impairment of non-financial assets.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement.

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

D Leases

The Group as a lessee

Accounting policies applied from 1 February 2019

From 1 February 2019, leases are recognised as right-of-use (“ROU”) assets and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(a) Lease term

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

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

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

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

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset’s useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities. ROU assets are presented as a separate line item in the balance sheet. Lease terms are generally negotiated on an individual basis.

Notes to the Financial Statements

31 January 2020

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

D Leases (Cont'd.)

The Group as a lessee (Cont'd.)

Accounting policies applied from 1 February 2019 (Cont'd.)

(c) Lease liabilities

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

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

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

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

The Group presents the lease liabilities as part of borrowings in the balance sheet. Interest expense on the lease liability is presented within the finance cost in the income statement.

(d) Reassessment of lease liabilities

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

(e) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in income statement.

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

D Leases (Cont'd.)

Accounting policies applied until 31 January 2019

(a) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included as part of borrowings.

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term. Assets acquired under finance leases are depreciated according to the basis set out in Note 3(C).

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease expense.

(b) Operating leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the leases.

E Intangible assets

(a) Goodwill

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred of an acquisition of a subsidiary/associate/joint venture, the amount of any non-controlling interest in the subsidiary/associate/joint venture and the acquisition-date fair value of any previous equity interest in the subsidiary/associate/joint venture over the fair value of the Group's share of the net identifiable assets acquired and liabilities assumed of the acquired subsidiary/associate/joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of investments accounted for using the equity method is included in the investments. Goodwill is not amortised, but is subject to an annual review for impairment and carried at cost less accumulated impairment losses. Any impairment is recognised immediately as an expense and is not subsequently reversed. The calculation of the gains and losses on the disposal takes into account the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.



Notes to the Financial Statements

31 January 2020

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

E Intangible assets (Cont'd.)

(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.

(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.

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

E Intangible assets (Cont'd.)

(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 two years effective from financial year ended 31 January 2020.

The cost of programme rights for sports are amortised on a straight-line basis over a season or annually, depending on the expected consumption of the rights. Live and one-off events are fully amortised on the date of first transmission.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(G) on impairment of non-financial assets.

(f) Event licence rights

Events license rights are stated at cost less accumulated amortisation and any impairment losses. These rights are amortised over the remaining term of the rights agreements and are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

(g) Spectrums

Spectrums relating to the radio business are recognised at cost at the acquisition date. The spectrums have an indefinite useful life and are not amortised, but are subject to annual review for impairment and carried at cost less accumulated impairment losses. Any impairment is charged to the income statement as it arises.

The useful lives of the spectrums are estimated to be indefinite as management intends to utilise the spectrums to broadcast and generate net cash inflows for the Group indefinitely. Also, the costs associated with the renewal process is insignificant to the future economic value of the business.

Notes to the Financial Statements

31 January 2020

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

E Intangible assets (Cont'd.)

(h) Intellectual properties

Intellectual properties relating to the publication businesses are recognised at cost at the acquisition date. The intellectual properties have an indefinite useful life and are not amortised, but are subject to annual review for impairment and carried at cost less accumulated impairment losses. Any impairment is charged to the income statement as it arises.

The useful lives of the intellectual properties are estimated to be indefinite on the basis that there is no foreseeable limit to the period over which the intellectual properties are expected to generate net cash inflows for the Group.

F Turnaround channel transmission rights

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

G Impairment of non-financial assets

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

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

H Inventories

Inventories which principally comprise set-top boxes used in the provision of non-subscription services, merchandise and other materials are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts.

Costs of purchased inventory (inclusive sales and services tax) are determined after deducting rebates, discounts.

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.

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

I Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is capitalised as prepayment until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period fo the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the borrowings that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in income statement within finance costs.

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.

Notes to the Financial Statements

31 January 2020

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

K Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the financial period in which the associated services are rendered by employees of the Group. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(b) Defined contribution plans

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

The Group pays contributions to publicly administered pension plans on a mandatory, contractual or voluntary basis, that are charged to income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions are accounted for on the accruals basis.

(c) Termination benefits/separation scheme

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 Provision, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Share-based payment transactions

The Group and Company operate an equity settled share-based compensation plan under which the Group and Company receive services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the share awards is recognised as an expense with a corresponding increase to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted, excluding the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, is recognised in the income statement, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

The fair value of the share awards is measured using the Monte Carlo Simulation Model. Measurement inputs include share price on the 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).

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.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income or separate income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

M Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, cash at bank and deposits with banks that have maturity periods of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

31 January 2020

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

N Contingent liabilities and assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group discloses the existence of contingent assets where inflows of economic benefits are probable, but not virtually certain.

**O Provisions**

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

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

**P Share capital**

**(a) Classification**

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

**(b) Share issuance costs**

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

**(c) Dividends**

Dividends on ordinary shares are recognised as liabilities when declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period, other than final dividends which are recognised when approved by the members at the Annual General Meeting.

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

Q Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Performance obligations by type of good or service are as follows:

(i) Subscription

The Group provides subscription-based satellite television services to customers. Pay-TV set-top boxes are not sold as ownership of these boxes remain with the Group, as disclosed in Note 3(C). Subscription revenue is recognised over the period in which the services are rendered. The Group's obligation to provide service to a customer for which the Group has received consideration in advance from customer is presented as contract liabilities.

(ii) Advertising airtime sales and digital advertising sales

The Group provides advertising services over multiple platforms - TV, Radio and Digital. Advertising revenue for TV and Radio is recognised over the period in which the advertisement is broadcasted or published. Digital advertising revenue is recognised over the period in which fulfillment in accordance with the contract with customer is completed.

Certain advertising revenues are generated in barter transactions in exchange for goods or services, delivered or provided by the advertisers. Such revenues are measured at the estimated fair market value of the goods or services received. The fair market value of the goods received is recorded as an asset when they qualify for assets recognition or is otherwise expensed to income statement. Services received in exchange are expensed to income statement over the service period fulfilled by advertisers.

(iii) Non-subscription based set-top boxes and prepaid subscription revenue

The Group sells non-subscription based set-top boxes with pre-determined channels at a one-time fee. Customers can benefit from the usage of the non-subscription set-top boxes by viewing the channels transmitted by the Group over the life of the set-top boxes. The revenue and cost attributable to the sale of non-subscription based set-top boxes are recognised over an estimated period of 12 months.

The Group offers customers of non-subscription based set-top boxes the ability to purchase channels that are not pre-determined in the set-top boxes via prepaid voucher. Prepaid subscription revenue is recognised upon utilisation of prepaid voucher by the customers or upon expiry, whichever is earlier. Unutilised credits of prepaid voucher that have been deferred are presented as contract liabilities.

Notes to the Financial Statements

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

Q Revenue recognition (Cont'd.)

Performance obligations by type of good or service are as follows (Cont'd.):

(iv) Provision of programme broadcast rights

Revenue from provision of programme broadcast rights consists of provision of film library, programme rights and theatrical sales. Provision of film library and programme rights is recognised at a point in time when the rights are available to the licensee. Theatrical sales of motion pictures are recognised at a point in time the tickets for the motion pictures are sold in cinemas.

(v) Production service revenue

The Group provides production services, encompassing everything from pre-production, production to post-production works, of which rights of content produced are held by customers. Production service revenue is recognised over the period in which the services are rendered.

(vi) Licensing income

Licensing income is recognised over the period the content or channel is being provided.

(vii) Interactive services

Fees from the development of multimedia and interactive applications (interactive services) are recognised over the contractual period in which the development takes place. Fees from the right to access multimedia and interactive applications are recognised over the period in which the services are provided.

(viii) Sales of merchandise

The Group operates a home shopping business through various platforms including but not limited to TV, internet/online shopping and mobile shopping. Revenue from the sales of merchandise is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the product and takes delivery. It is the Group's policy to sell its products to the end customer with a right of return within 10 days. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Revenue from other sources are recognised as follows:

- (i) Dividend income from subsidiaries is recognised when the right to receive payment is established. Dividend income from financial assets at fair value through profit or loss ("FVTPL") is recognised as part of net gains or net losses on these financial instruments.
- (ii) Interest income is recognised using the effective interest method.

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

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.

(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 and the Company classify its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

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

(b) Recognition and derecognition

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

(c) Measurement

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

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



Notes to the Financial Statements

31 January 2020

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

S Financial assets (Cont'd.)

(c) Measurement (Cont'd.)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in respective income statement lines together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement.

(b) Fair value through other comprehensive income ("FVOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in respective income statement lines. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in respective income statement lines and impairment expenses are presented as separate line item in the income statement.

(c) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in income statement and presented net within respective income statement lines in the period which it arises.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in income statement as revenue or other income when the Group's and the Company's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in respective income statement lines in the income statement as applicable.

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

S Financial assets (Cont'd.)

(d) Impairment

(i) Impairment for debt instruments

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group and the Company have six types of financial instruments that are subject to the ECL model:

- Trade receivables
- Advances to subsidiaries and amounts due from subsidiaries
- Contract assets
- Other receivables
- Amounts due from related parties
- Amount due from associate

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

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

The measurement of ECL reflects:

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

(a) Simplified approach for trade receivables, contract assets, amounts due from related parties and amount due from associate

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, contract assets, amounts due from related parties and amount due from associate.

Note 37(a) sets out the measurement details of ECL.

(b) General 3-stage approach for other receivables and advances to subsidiaries

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

Note 37(a) sets out the measurement details of ECL.

Notes to the Financial Statements

31 January 2020

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

S Financial assets (Cont'd.)

(d) Impairment (Cont'd.)

- (ii) Significant increase in credit risk

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

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor’s ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

- (iii) Definition of default and credit-impaired financial assets

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

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within the credit term.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor’s financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

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

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

S Financial assets (Cont'd.)

(d) Impairment (Cont'd.)

- (iv) Groupings of instruments for ECL measured on collective basis

(a) Collective assessment

To measure ECL, trade receivables arising from television services and advertising services have been grouped respectively based on shared credit risk characteristics and the days past due.

(b) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Advances to subsidiaries in the Company’s separate financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each advances to subsidiary.

- (v) Write-off

(a) Trade receivables, contract assets, amounts due from related parties and amount due from associate

Trade receivables, contract assets, amounts due from related parties and amount due from associate are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

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

(b) Other receivables, advances to subsidiaries and amounts due from subsidiaries

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

Notes to the Financial Statements

31 January 2020

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

T Financial liabilities

Financial liabilities within the scope of MFRS 9 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value at the end of the reporting period. Other financial liabilities (except for financial guarantees) are measured at amortised cost using the effective interest method.

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

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

U Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for at fair value through profit or loss. Changes in the fair value are recognised immediately in income statement.

The Group documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of various derivative instruments used for hedging purposes are disclosed in the financial statements. Movements on the hedging reserve in shareholders' equity are shown in the Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

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

U Derivative financial instruments and hedging activities (Cont'd.)

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

MFRS 9 introduces the concept of 'cost of hedging' which are seen as cost of achieving the risk mitigation inherent in the hedge. The changes in these 'cost of hedging' are initially recognised within OCI as a hedging reserve in equity. Subsequently, these 'cost of hedging' is removed from equity and recognised in income statement.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instruments. Since the adoption of MFRS 9, gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in other comprehensive income and accumulated in cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised in other comprehensive income and accumulated in costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Since adoption of MFRS 9, gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income and accumulated in cash flow hedge reserve within equity. The changes in the forward element of the contract that relate to the hedged item ('aligned forward element') is recognised in other comprehensive income and accumulated in costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

V Earnings per ordinary share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise share awards granted to employees.

Notes to the Financial Statements

31 January 2020

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

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.

X Trade and other receivables

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

Trade and other receivables are recognised initially at fair value. Cash flows are included in the statements of cash flows on a gross basis.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. See accounting policy Note 3S(d) on impairment of financial assets.

Y Trade and other payables

Trade payables represent liabilities for goods or services provided to the Group and Company prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value. Cash flows are included in the statements of cash flows on a gross basis.

Trade payables are subsequently measured at amortised cost using the effective interest method.

Z Non-current assets held-for-sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

AA Offsetting financial instruments

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

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

AB Advances to subsidiaries

Advances to subsidiaries are recognised initially at fair value. If there is any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary as it reflects the substance of the transaction.

Advances to subsidiaries are subsequently measured at amortised cost using the effective interest method, less loss allowance. Details on the Company's impairment policies of advances to subsidiaries are provided in Note 3S(d).

AC Contract assets and liabilities

Contract asset is the satisfied obligation by the Group for which billings have not been raised.

Contract liability is the unsatisfied obligation by the Group to transfer goods or service to customer for which the Group has received the consideration in advance or has billed the customers. Contract liabilities include deferred income where the Group has billed or collected before the services are provided to customers.

AD Contract cost assets

The Group capitalises sales commissions and non-subscription based set-top boxes as costs to obtain a contract as these are incremental costs that would not have been incurred by the Group if the respective contracts had not been obtained. The Group expects to recover these costs over the service period.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relates to.

Amortisation of contract cost assets incurred to obtain or fulfil a contract is presented within the income statement.

An impairment loss is recognised to income statement to the extent that the carrying amount of the contract cost asset recognised exceeds the remaining amount of considerations that the Group expects to receive for the specific contract that the cost relate to less additional costs required to complete the specific contract.

4 Critical Accounting Estimates and Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are outlined below.

(a) Programme rights

The Group amortises programme rights over the license period, or estimated useful life if shorter, from the date of first transmission, to match the costs of consumption with the estimated benefits to be received as disclosed in Note 3E(e). The estimated benefits to be received are based on management's estimates of the consumption pattern and period a programme will be broadcast.

During the year, the Group revised its estimates in relation to the amortisation of certain programme rights based on the forecast period for the consumption of the rights licensed from a third party. The impact of the change on the Group's income statements for the year is a decrease of RM21.7 million in profit before tax.

Notes to the Financial Statements

31 January 2020

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

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. (Cont’d.)

(b) Impairment test for goodwill, brands, spectrum and intellectual properties

Goodwill, brands, spectrum and intellectual properties which are indefinite life intangible assets, are allocated to the Group’s cash-generating units (“CGUs”) identified according to operating segment. The CGUs that have been allocated goodwill, brands, spectrum and intellectual properties are disclosed in Note 20 to the financial statements.

The recoverable amount of the CGUs was determined based on a value in use basis and no impairment was identified during the financial year.

The recoverable amount reflects historical results for the related CGUs taking into consideration market forecast and strategic plans of the CGUs. The cash flow projections are based on the Board approved budget for the next financial year and the strategic plan covering a three year period, after which a long term growth rate of the respective segments has been applied. Management has considered external information in completing the budget and strategic plan, including forecast economic indicators for the Malaysian market as well as the competitive landscape and potential changes in technology.

Further details of the carrying value, the key assumptions applied in the impairment assessment and sensitivity analysis to changes in the assumptions are as disclosed in Note 20.

(c) Investment in subsidiaries

The Company assesses the impairment of its investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of investments in subsidiaries were determined based on discounted cash flows taking into account financing and tax cash flows of subsidiaries which are available for distribution as dividends and no impairment was identified during the financial year.

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 to determine the discounted cash flows.

(d) Measurement of ECL allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s and the Company’s past history, existing market conditions as well as forward looking estimates at the end of reporting period. Details of the key assumptions and inputs used are disclosed in Note 37(a).

(e) Extension and termination options of leases

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

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. Refer to Note 14 for details about the Group’s ROU assets.

5 Revenue and contract assets/(liabilities)

	Group		Company	
	2020 RM’000	2019 RM’000	2020 RM’000	2019 RM’000
Revenue from contract with customers (Note (a))	4,907,195	5,477,407	4,277	4,150
Revenue from other sources:				
- Dividend income from subsidiaries	-	-	804,409	492,482
- Rental income	4,608	1,641	-	-
	4,911,803	5,479,048	808,686	496,632

(a) Disaggregation of the Group’s revenue from contracts from customers

Financial year ended 31 January 2020

	Television RM’000	Radio RM’000	Home- shopping RM’000	Others RM’000	Total RM’000
<b>Major goods and services</b>					
Television services:					
- Subscription	3,623,657	-	-	-	3,623,657
- Prepaid subscription	49,817	-	-	-	49,817
- Non-subscription based set-top boxes	39,114	-	-	-	39,114
- Others*	61,960	-	-	-	61,960
Advertising airtime sales:					
- barter	3,236	7,398	-	-	10,634
- non-barter	333,211	248,524	-	-	581,735
Digital advertising:					
- barter	-	1,009	-	-	1,009
- non-barter	31,048	16,771	-	-	47,819
Sales of merchandise	850	-	366,175	-	367,025
Programme and channel sales:					
- Provision of programme broadcast rights	18,284	-	-	-	18,284
- Production service revenue	32,792	-	459	-	33,251
- Licensing income	39,418	-	-	-	39,418
- Others	4,553	-	-	-	4,553
Others	27,904	92	876	47	28,919
	4,265,844	273,794	367,510	47	4,907,195
<b>Timing of revenue recognition</b>					
At a point in time	55,381	-	366,175	47	421,603
Over time	4,210,463	273,794	1,335	-	4,485,592
	4,265,844	273,794	367,510	47	4,907,195



Notes to the Financial Statements

31 January 2020

5 Revenue and contract assets/(liabilities) (Cont'd.)

(a) Disaggregation of the Group's revenue from contracts from customers (Cont'd.)

Financial year ended 31 January 2019

	Television RM'000	Radio RM'000	Home- shopping RM'000	Others RM'000	Total RM'000
<b>Major goods and services</b>					
Television services:					
- Subscription	4,002,137	-	-	-	4,002,137
- Prepaid subscription	62,057	-	-	-	62,057
- Non-subscription based set-top boxes	51,549	-	-	-	51,549
- Others*	72,440	-	-	-	72,440
Advertising airtime sales:					
- barter	6,538	12,653	-	-	19,191
- non-barter	362,103	255,728	-	-	617,831
Digital advertising:					
- barter	-	2,705	-	-	2,705
- non-barter	25,486	21,696	-	-	47,182
Sales of merchandise	1,575	-	371,157	-	372,732
Programme and channel sales:					
- Provision of programme broadcast rights	39,403	-	-	-	39,403
- Production service revenue	73,107	-	211	-	73,318
- Licensing income	91,034	-	-	-	91,034
- Others	7,735	-	-	-	7,735
Others	14,705	83	2,597	708	18,093
	4,809,869	292,865	373,965	708	5,477,407
<b>Timing of revenue recognition</b>					
At a point in time	83,948	-	371,157	-	455,105
Over time	4,725,921	292,865	2,808	708	5,022,302
	4,809,869	292,865	373,965	708	5,477,407

Revenue from contract with customers of the Company comprise management fees, recognised over time.

\* Comprise interactive services, set up fees revenue, activation fee and technical service fee.

5 Revenue and contract assets/(liabilities) (Cont'd.)

(b) Assets and liabilities related to contracts with customers:

The Group has recognised the following assets and liabilities related to contracts with customers:

Contract assets

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year	9,625	-
Effect arising from adoption of MFRS 15	-	5,107
At beginning of financial year, as adjusted	9,625	5,107
Transfer to receivables	(9,625)	(5,107)
Additions due to revenue recognised during the financial year	8,557	9,625
At end of financial year	8,557	9,625

Contract assets represent completed performance obligation in relation to television services and programme and channel sales for which billings have not been raised.

Contract liabilities

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year	208,720	-
Effect arising from adoption of MFRS 15	-	222,110
At beginning of financial year, as adjusted	208,720	222,110
Increases due to cash received	191,343	234,787
Revenue recognised in income statement during the financial year	(225,815)	(248,177)
At end of financial year	174,248	208,720

Contract liabilities mainly comprise subscription fees billed prior to services being provided and allocation of non-subscription based set-top boxes revenue over the period.

Contract liabilities represent the aggregate amount of the transaction price allocated to the remaining performance obligation and the Group will recognise this revenue as and when service is provided, which is expected to occur over the next 1 to 12 months.

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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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Amortisation:				
- film library and programme rights	373,150	382,532	-	-
- event license rights	115	9,132	-	-
- contract costs assets	49,614	56,108	-	-
- software	156,655	139,169	-	-
Auditors' remuneration:				
- audit	1,749	2,079	510	573
- audit related services (including quarterly reviews)	768	873	695	735
- other services*	823	1,157	-	-
Bad debts written off	1,195	8,172	-	-
Set-top boxes related costs	35,238	45,996	-	-
Corporate management costs	-	-	4,142	6,620
Corporate responsibility programme costs	7,698	11,293	-	-
Depreciation:				
- property, plant and equipment	299,627	506,910	14	10
- right-of-use	188,339	-	-	-
Fair value loss on derivatives recycled to income statement arising from foreign exchange risk	-	34,186	-	-
Impairment:				
- film library and programme rights	1,923	7,448	-	-
- software	5,467	16,725	-	-
- property, plant and equipment	146	1,053	-	-
- receivables	51,467	32,550	-	-
- advances to subsidiaries	-	-	-	1,254
- investments accounted for using equity method	-	2,142	-	-
Insurance	3,212	6,346	1	82
Inventories written off	386	1,335	-	-
Maintenance expenses	94,720	97,688	190	290
Marketing and market research expenses	78,828	136,833	179	310
Professional, consultancy and other related expenses	128,989	133,324	1,417	851
Programme provider fees	973,493	1,248,009	-	-
Property, plant and equipment written off	321	57	-	-
Realised foreign exchange losses (net)	403	-	244	240

6 Profit Before Tax (Cont'd.)

(a) The following items have been expensed off in arriving at profit before tax (excluding finance costs and finance income) (Cont'd.):

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Rental:				
- buildings	3,309	16,123	270	141
- equipment	9,751	9,700	40	19
- land	-	2,435	-	-
- storage	507	614	6	8
Staff costs (Note 7)	558,235	702,359	5,739	7,769
Selling and distribution expenses**	134,565	145,464	-	-
Software written off	181	-	-	-
Unrealised foreign exchange loss (net)	528	1,108	-	4

Included in cost of sales are programme provider fees, set-top boxes related costs, staff costs, amortisation of film library and programme rights, attributable portion of depreciation of property, plant and equipment and other direct expenses.

\* Fees for other services were incurred in connection with performance of agreed upon procedures, regulatory compliance reporting, tax and advisory services paid or payable to PwC Malaysia, auditors of the Group and Company, member firms of PwC Malaysia and member firms of PwC International Limited.

\*\* Included in selling and distribution expenses are sales incentive and warehousing and distribution costs.

(b) The following amounts have been credited in arriving at profit before tax (excluding finance costs and finance income):

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Gain on disposal of property, plant and equipment	(887)	(202)	-	-
Realised foreign exchange gains (net)	-	(5,287)	-	-
Unrealised foreign exchange gains (net)	-	-	(3)	-
Write back of bad debts	(3,485)	(2,078)	-	-
Write back of impairment on advances to subsidiary	-	-	(480)	-
Fair value gain on derivatives recycled to income statement arising from foreign exchange risk	(6,998)	-	-	-

Notes to the Financial Statements

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages and salaries	446,487	502,758	4,737	5,191
Employee benefits-in-kind	27,375	26,650	211	179
Social security costs	4,118	4,462	21	24
Defined contribution plans	65,008	74,269	703	773
Staff welfare and allowances	8,601	9,685	67	66
Share-based payments (Note (a))	156	1,989	-	103
Separation scheme*	6,490	82,546	-	1,433
	558,235	702,359	5,739	7,769

Directors fees, meeting allowances, estimated money value of benefits-in-kind paid to non-executive directors is disclosed in Note 8 to the financial statements.

The Group and Company contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group and Company have no further payment obligations.

\* Represents the charge in relation to the Employee Separation Scheme accepted by certain employees within the Group and Company.

(a) Share-based payments

The Company established a Share Scheme, which came into effect on 20 September 2012. An eligible executive or eligible employee who accepts an offer under the Share Awards ("Grantee") shall pay a sum of RM1.00 as consideration for acceptance of that offer. Subject to the terms and conditions of the By-Laws governing the Share Scheme, the Grantees shall be entitled to receive new ordinary shares to be issued pursuant to the Share Awards, on the scheduled vesting dates without further payment, subject to meeting the vesting conditions as set out in their respective letters of offer for their Share Awards, which comprise the performance targets stipulated by the Remuneration Committee of the Company.

The Share Scheme shall be in force for a period of ten years commencing from the date on which the Share Scheme became effective and no share under a share award shall vest beyond the expiry of the duration of the Share Scheme. The Company's Share Scheme consists of two types of share awards namely, Restricted Share Units ("RSU") and Performance Share Units ("PSU").

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

(a) Share-based payments (Cont'd.)

RSU

On 11 October 2012, 19 October 2015 and 19 October 2016, the Company granted share awards in respect of 21,927,000, 629,200 and 511,100 new ordinary shares respectively to the eligible executives and eligible employees of the Group and Company as part of the RSU award.

Key features of the RSU are as follows:

- The RSU granted will vest upon the fulfilment of predetermined vesting conditions including company and individual performance targets.
- The Grantees shall be entitled to receive new ordinary shares in the Company to be issued, on the scheduled vesting dates without further payment.

The movement in the number of RSU is as follows:

Financial year ended 31 January 2020

	Group
	3 <sup>rd</sup> RSU '000
At 1 February	264
Forfeited	(72)
Vested	(192)
At 31 January	-

Financial year ended 31 January 2019

	Group	
	3 <sup>rd</sup> RSU '000	2 <sup>nd</sup> RSU '000
At 1 February	366	419
Forfeited	(26)	(64)
Vested	(76)	(355)
At 31 January	264	-

	Company
	2 <sup>nd</sup> RSU '000
At 1 February	7
Vested	(7)
At 31 January	-

# Notes to the Financial Statements

31 January 2020

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

### (a) Share-based payments (Cont'd.)

RSU (Cont'd.)

Details of the RSU granted:

Grant date	Vesting Date	Group	
		2020 Share grants '000	2019 Share grants '000
19 October 2015 ("2 <sup>nd</sup> RSU")	19 October 2016 – 19 October 2018	-	-
19 October 2016 ("3 <sup>rd</sup> RSU")	19 October 2017 – 19 October 2019	-	264

Grant date	Vesting Date	Company	
		2020 Share grants '000	2019 Share grants '000
19 October 2015 ("2 <sup>nd</sup> RSU")	19 October 2016 – 19 October 2018	-	-

### 3<sup>rd</sup> RSU

Vesting tranche	Vesting Date	Group	
		2020 Share grants '000	2019 Share grants '000
2 <sup>nd</sup> Tranche	19 October 2018	-	-
3 <sup>rd</sup> Tranche	19 October 2019	-	264
		-	264

The fair value of the RSU were estimated by an external valuer using the Monte Carlo Simulation Model with the following inputs:

### 3<sup>rd</sup> RSU

Group and Company	
2020/2019	
Fair value at grant date	RM2.43-RM2.67
Share price at grant date	RM2.80
Expected volatility	26.19%
Expected dividends	4.82%
Risk-free interest rate (based on Malaysian Government Securities yield)	2.99%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the available trading dates of the Company's shares.

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

### (a) Share-based payments (Cont'd.)

PSU

On 1 August 2013, 1 August 2014 and 7 August 2015, the Company granted share awards in respect of 8,624,000, 7,889,600 and 9,093,900 new ordinary shares respectively to eligible executives and eligible employees of the Group and Company as part of the PSU award.

Key features of the PSU are as follows:

- The PSU granted will vest upon fulfilment of predetermined vesting conditions including the Company's performance over a three-year period and individual performance rating.
- The Grantees shall be entitled to receive new ordinary shares in the Company to be issued, on the scheduled vesting dates without further payment.

Details of the PSU granted:

Grant date	Vesting Date	Group	
		2020 Share grants '000	2019 Share grants '000
7 August 2015 ("3 <sup>rd</sup> PSU")	7 August 2018	-	-

Grant date	Vesting Date	Company	
		2020 Share grants '000	2019 Share grants '000
7 August 2015 ("3 <sup>rd</sup> PSU")	7 August 2018	-	-

The movement in the number of PSU is as follows:

### Financial year ended 31 January 2019

Group	
3 <sup>rd</sup> PSU '000	
At 1 February	8,205
Lapsed	(8,205)
At 31 January	-

Company	
3 <sup>rd</sup> PSU '000	
At 1 February	329
Lapsed	(329)
At 31 January	-

## Notes to the Financial Statements

31 January 2020

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

#### (a) Share-based payments (Cont'd.)

PSU (Cont'd.)

The fair value of the PSU awards were estimated by an external valuer using the Monte Carlo Simulation Model with the following inputs:

#### 3<sup>rd</sup> PSU

	Group and Company
	2020/2019
Fair value at grant date	RM2.526-RM2.598
Share price at grant date	RM3.00
Expected volatility	25.80%
Expected dividends	4.84%
Risk-free interest rate (based on Malaysian Government Securities yield)	3.48%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the available trading dates of the Company's shares.

### 8 Directors' Remuneration

The aggregate amount of emoluments receivable by Directors during the financial year was as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Non-Executive Directors</b>				
Fees and meeting allowances	3,039	2,409	3,029	2,399
Estimated money value of benefits-in-kind	30	30	30	30
	3,069	2,439	3,059	2,429
<b>Executive Directors*</b>				
Salaries and bonus	20,428	32,229	-	-
Defined contribution plans	3,226	4,981	-	-
Estimated money value of benefits-in-kind	23	88	-	-
Share-based payments (Note 7(a))	-	141	-	-
Separation scheme	504	6,252	-	-
	24,181	43,691	-	-
Total Directors' remuneration	27,250	46,130	3,059	2,429

\* Includes Executive Directors of subsidiary companies to comply with the requirements of Companies Act 2016 (as disclosed in the Directors' Report).

### 9 Finance Income and Finance Costs

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>(a) Finance income:</b>				
Interest income	11,159	8,064	4,773	36,376
Dividend income – unit trusts	18,246	29,379	3,022	3,885
Unrealised foreign exchange gains (net)	-	-	53,767	19,625
Fair value loss on derivatives recycled to income statement arising from foreign exchange risk	-	-	(53,767)	(19,625)
Fair value gain on unit trusts (net)	-	369	-	-
	29,405	37,812	7,795	40,261
<b>(b) Finance costs:</b>				
Interest expense:				
- Bank borrowings	92,916	102,984	18,468	50,161
- Lease liabilities	97,089	101,008	-	-
- Vendor financing	25,361	27,576	-	-
- Debt service and other finance costs	17,396	8,041	1,072	6,900
	232,762	239,609	19,540	57,061
Realised foreign exchange losses (net)	1,262	3,292	-	-
Unrealised foreign exchange (gains)/losses (net)	(55,526)	40,748	-	-
Loss on disposal of unit trusts	-	2,589	-	39
Fair value loss on unit trusts (net)	-	-	-	1,602
Fair value loss on derivatives recycled to income statement arising from:				
- Foreign exchange risk	57,444	19,169	-	-
- Interest rate risk	2,973	11,670	2,311	10,307
	238,915	317,077	21,851	69,009

## Notes to the Financial Statements

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### 10 Tax Expense

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
- Malaysian income tax	227,023	214,324	-	-
- Foreign tax	446	4,443	-	-
- (Over)/under accrual in prior year	(4,027)	4,667	-	-
	223,442	223,434	-	-
Deferred tax (Note 27):				
- Origination and reversal of temporary differences	(5,377)	(33,113)	37	(13)
	218,065	190,321	37	(13)

The reconciliation between tax expense and accounting profit multiplied by the Malaysian corporate tax rate is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax	862,680	651,145	776,613	443,547
Tax at the Malaysian corporate tax rate of 24% (2019: 24%)	207,043	156,275	186,387	106,451
Share of post tax results from investments accounted for using the equity method	(21)	(191)	-	-
Expenses not deductible for tax purposes	11,428	27,618	7,445	12,999
Income not subject to tax	(3,422)	(7,074)	(193,832)	(119,450)
Effect of tax rates in foreign jurisdictions	405	2,159	-	-
Recognition and utilisation of previously unrecognised temporary differences	-	(1,173)	-	-
(Over)/under accrual in prior year	(4,027)	4,667	-	-
Under/(over) accrual in prior year deferred tax	2,021	(13,862)	37	(13)
Unrecognised deferred tax assets	4,638	21,902	-	-
Tax expense	218,065	190,321	37	(13)

### 11 Earnings per Ordinary Share

The calculation of basic earnings per ordinary share for the financial year ended 31 January 2020 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per ordinary shares for the financial year ended 31 January 2020 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Group	
	2020 RM'000	2019 RM'000
Profit for the year attributable to ordinary shareholders used in the computation of basic/diluted earnings per share	655,298	462,921

#### (a) Basic earnings per share

Weighted average number of ordinary shares for basic earnings per share computation:

	Group	
	2020	2019
Weighted average number of ordinary shares for basic earnings per share* ('000)	5,214,369	5,214,006
Basic earnings per ordinary share (RM)	0.13	0.09

#### (b) Diluted earnings per share

Weighted average number of ordinary shares for basic earnings per share* ('000)	5,214,369	5,214,006
Adjustment for:		
Grant of share award under the management share scheme ('000)	-	109
Weighted average number of ordinary shares for diluted earnings per share ('000)	5,214,369	5,214,115
Diluted earnings per ordinary share (RM)	0.13	0.09

\* The weighted average number of shares takes into account the weighted average effect of ordinary shares issued during the year.



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12 Dividends

The followings dividends were declared and paid by the Group and the Company:

	2019
	RM'000
In respect of the financial year ended 31 January 2018:	
Fourth interim single-tier dividend of RM0.03 per share on 5,213,883,600 ordinary shares, declared on 28 March 2018 and paid on 27 April 2018	156,416
Final single-tier dividend of RM0.005 per share on 5,213,883,600 ordinary shares, approved by shareholders at the Annual General Meeting on 7 June 2018 and paid on 6 July 2018	26,070
	182,486
In respect of the financial year ended 31 January 2019:	
First interim single-tier dividend of RM0.025 per share on 5,213,883,600 ordinary shares, declared on 6 June 2018 and paid on 6 July 2018	130,347
Second interim single-tier dividend of RM0.025 per share on 5,213,883,600 ordinary shares, declared on 26 September 2018 and paid on 26 October 2018	130,347
Third interim single-tier dividend of RM0.025 per share on 5,214,314,500 ordinary shares, declared on 5 December 2018 and paid on 4 January 2019	130,358
	391,052
	573,538
	2020
	RM'000
In respect of the financial year ended 31 January 2019:	
Fourth interim single-tier dividend of RM0.015 per share on 5,214,314,500 ordinary shares, declared on 26 March 2019 and paid on 25 April 2019	78,215
In respect of the financial year ended 31 January 2020:	
First interim single-tier dividend of RM0.02 per share on 5,214,314,500 ordinary shares, declared on 25 June 2019 and paid on 25 July 2019	104,286
Second interim single-tier dividend of RM0.02 per share on 5,214,314,500 ordinary shares, declared on 12 September 2019 and paid on 11 October 2019	104,286
Third interim single-tier dividend of RM0.02 per share on 5,214,506,700 ordinary shares, declared on 4 December 2019 and paid on 3 January 2020	104,290
	312,862
	391,077

Subsequent to the financial year, on 25 March 2020, the Directors declared a fourth interim single-tier dividend of RM0.015 per share on 5,214,506,700 ordinary shares in respect of the financial year ended 31 January 2020, amounting to RM78,217,601, which had been paid on 24 April 2020.

The Directors do not recommend any final dividend to be paid for the financial year ended 31 January 2020.

13 Property, Plant and Equipment

	(1) Freehold land RM'000	Buildings RM'000	(2) Satellite transponders RM'000	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 2019	10,586	130,693	1,403,678	90,935	524,732	72,490	2,233,114
Effect arising from adoption of MFRS 16 (Note 42)	-	-	(1,403,678)	(6,060)	-	-	(1,409,738)
Additions	-	-	-	2,738	186,349 <sup>(4)</sup>	12,059	201,146
Adjustments	-	(471)	-	-	-	-	(471)
Disposal	-	-	-	(112)	(294)	-	(406)
Transfers between classes	-	18,076	-	7,571	50,529	(76,176)	-
Reclassification to/ (from) intangible assets (Note 20)	-	-	-	55	951	(4,030)	(3,024)
Impairment	-	-	-	-	(146)	-	(146)
Written off	-	-	-	(319)	(2)	-	(321)
Depreciation charge	-	(5,902)	-	(27,571)	(266,154)	-	(299,627)
At 31 January 2020	10,586	142,396	-	67,237	495,965	4,343	720,527
At 31 January 2020							
Cost	10,586	188,118	-	524,377	4,260,584 <sup>(5)</sup>	4,343	4,988,008
Accumulated depreciation and impairment	-	(45,722)	-	(457,140)	(3,764,619)	-	(4,267,481)
Net book value	10,586	142,396	-	67,237	495,965 <sup>(6)</sup>	4,343	720,527

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13 Property, Plant and Equipment (Cont'd.)

	<sup>(1)</sup> Freehold land RM'000	Buildings RM'000	<sup>(2)</sup> Satellite transponders RM'000	<sup>(2)</sup> Equipment, fixtures and fittings RM'000	Broadcast and transmission equipment RM'000	Assets under construction RM'000	Total RM'000
<b>Group (Cont'd.)</b>							
<b>Net book value</b>							
At 1 February 2018	10,586	136,978	1,496,419	101,858	609,871	45,134	2,400,846
Additions	-	-	76,594 <sup>(3)</sup>	19,801	180,876 <sup>(4)</sup>	64,216	341,487
Adjustments	-	(488)	-	-	-	-	(488)
Disposal	-	-	-	(260)	(4)	-	(264)
Transfers between classes	-	-	-	2,059	34,801	(36,860)	-
Reclassification to intangible assets (Note 20)	-	-	-	(468)	-	-	(468)
Impairment	-	-	-	(390)	(663)	-	(1,053)
Written off	-	-	-	(12)	(45)	-	(57)
Exchange differences	-	-	-	19	2	-	21
Depreciation charge	-	(5,797)	(169,335)	(31,672)	(300,106)	-	(506,910)
At 31 January 2019	10,586	130,693	1,403,678	90,935	524,732	72,490	2,233,114
<b>At 31 January 2019</b>							
Cost	10,586	170,513	2,367,906	548,064	4,107,807 <sup>(5)</sup>	72,490	7,277,366
Accumulated depreciation and impairment	-	(39,820)	(964,228)	(457,129)	(3,583,075)	-	(5,044,252)
<b>Net book value</b>	10,586	130,693	1,403,678	90,935	524,732 <sup>(6)</sup>	72,490	2,233,114

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes assets held under a lease liability as disclosed in Note 26(a).

<sup>(3)</sup> Includes significant non-cash transactions of RM Nil (2019: RM76,594,000) as disclosed in Note 33.

<sup>(4)</sup> Includes significant non-cash transactions of RM172,329,000 (2019: RM165,514,000) as disclosed in Note 33.

<sup>(5)</sup> Includes fully depreciated Pay-TV set-top boxes of RM2,356,511,000 (2019: RM2,266,674,000) that are still in use.

<sup>(6)</sup> Includes net book value of Pay-TV set-top boxes of RM232,223,000 (2019: RM236,425,000).

13 Property, Plant and Equipment (Cont'd.)

	Equipment, fixtures and fittings	
	2020 RM'000	2019 RM'000
<b>Company</b>		
<b>Net book value</b>		
At 1 February	33	24
Additions	4	22
Disposal	(2)	(3)
Depreciation charge	(14)	(10)
At 31 January	21	33
<b>At 31 January</b>		
Cost	785	786
Accumulated depreciation	(764)	(753)
<b>Net book value</b>	21	33

14 Right-of-use assets

	2020 RM'000
<b>Group</b>	
<b>Carrying amount</b>	
Leasehold land	39,680
Satellite transponders	1,232,216
Office	22,037
Equipment	16,348
Warehouse	6,100
At 31 January	1,316,381
<b>Depreciation charge</b>	
Leasehold land	1,618
Satellite transponders	171,462
Office	10,208
Equipment	2,839
Warehouse	2,212
At 31 January	188,339
Addition to the Right-of-use ("ROU") assets during the financial year	
Expenses relating to short-term leases	3,057
Expenses relating to leases of low value	6,633

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15 Investment in Subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Unquoted shares, at cost	6,995,879	6,955,879
Investment in Redeemable Preference Shares ("RPS")	214,400	214,400
	7,210,279	7,170,279
Less: Impairment of investment in RPS	(982)	(982)
	7,209,297	7,169,297

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2020 %	2019 %	
Directly held by the Company				
Astro (Brunei) Sdn. Bhd. ("ABSB")	Malaysia	100	100	Investment holding
Astro Digital Sdn. Bhd. ("ADSB")	Malaysia	100	100	Investment holding
Astro Entertainment Sdn. Bhd. ("AESB")	Malaysia	100	100	Organising trade related projects, marketing, soliciting and sale of airtime
Astro Group Services Sdn. Bhd. ("AGS")	Malaysia	100	100	Management services
Astro Productions Sdn. Bhd. ("APSB")	Malaysia	100	100	Production and distribution of television programmes and rental of building
Astro Production Services Sdn. Bhd. ("APSSB")	Malaysia	100	100	Production and distribution of television programmes and related services
Astro Shaw Sdn. Bhd. ("ASSB")	Malaysia	100	100	Production and distribution of films
Astro GTS Sdn. Bhd. ("GTS")	Malaysia	100	100	Provision of In-house Banking services
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
Tribe Network Asia Pacific Limited (registered as a foreign company in Malaysia) ("Tribe")	Hong Kong	100	100	Creation, aggregation, distribution and monetisation of content

15 Investment in Subsidiaries (Cont'd.)

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2020 %	2019 %	
Subsidiaries held by MBNS				
Astro Radio Sdn. Bhd. ("ARSB")	Malaysia	100	100	Management of commercial radio broadcasting stations, content and programming provider and provision of multimedia and advertising agency services
Maestra Broadcast Sdn. Bhd. ("MBSB")	Malaysia	100	100	Operation of commercial radio broadcasting stations
MEASAT Digicast Sdn. Bhd. ("MDIG")	Malaysia	100	100	Inactive
MEASAT Radio Communications Sdn. Bhd. ("MRC")	Malaysia	100	100	Operation of commercial radio broadcasting stations
Perfect Excellence Waves Sdn. Bhd. ("PEW")	Malaysia	100	100	Operation of commercial radio broadcasting stations
Radio Lebuhraya Sdn. Bhd. ("RLSB")	Malaysia	100	100	Operation of commercial radio broadcasting stations
Astro Media Solutions Sdn. Bhd. (formerly known as Capital FM Sdn. Bhd.) ("AMS")	Malaysia	100	100	Operation of broadcasting stations
Yayasan Astro Kasih ("Yayasan")	Malaysia	-	-	Advancing and benefitting the community
Subsidiary held by ARSB				
DVR Player.Com Sdn. Bhd. ("DVRSB")	Malaysia	100	100	Provision of radio services via internet
Subsidiaries held by AESB				
Astro Arena Sdn. Bhd. ("AASB")	Malaysia	100	100	Inactive
Astro Awani Network Sdn. Bhd. ("AANSB")	Malaysia	80	80	Provision of news content
Maestro Talent and Management Sdn. Bhd. ("MTAM")	Malaysia	100	100	Provision of training and related services
Astro Sports Marketing Sdn. Bhd. ("ASM")	Malaysia	100	100	Investment holding

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15    Investment in Subsidiaries (Cont'd.)

Name of subsidiaries	Country of incorporation and place of business	Group's effective interest		Principal activities
		2020 %	2019 %	
Subsidiaries held by ASSB				
Karya Anggun Sdn. Bhd. ("KASB")	Malaysia	100	100	Provision of consultancy services
Nusantara Retail Sdn. Bhd. ("NRSB")	Malaysia	100	100	Retailing and sales of merchandise
Tayangan Unggul Sdn. Bhd. ("TUSB")	Malaysia	100	100	Film production, acquisition, commissioning and distribution as well as the provision of contact centre services
Subsidiaries held by ADSB				
Astro Digital 5 Sdn. Bhd. ("AD5SB")	Malaysia	100	100	Development and licensing of multimedia and interactive applications
Rocketfuel Entertainment Sdn. Bhd. ("RFESB")	Malaysia	100	100	Talent management, creative services, music sound recording, music publishing, film production and related business
Nu Ideaktiv Sdn. Bhd. ("NISB")	Malaysia	34	34	Creation and monetisation of content verticals in Malaysia and the Nusantara region
Subsidiary held by ASM				
Asia Sports Ventures Pte. Ltd. ("ASV")	Singapore	100	100	Inactive
Subsidiary held by ARV				
Astro GS Shop Sdn. Bhd. ("Go Shop")	Malaysia	60	60	Home shopping business
Subsidiary held by Go Shop				
Astro GS Shop Singapore Pte. Ltd. ("Go Shop Singapore")	Singapore	60	60	Home shopping business

All the subsidiaries are audited by PricewaterhouseCoopers PLT Malaysia, except for Tribe, ASV and Go Shop Singapore which are audited by member firms of PricewaterhouseCoopers International Limited.

15    Investment in Subsidiaries (Cont'd.)

The Group's effective equity interest in the subsidiaries, the respective principal activities and countries of incorporation are listed above. Other than Yayasan and NISB, which is consolidated in the Group's financial results, the proportion of the Group's voting rights in the subsidiaries held by the Group do not differ from the proportion of ordinary shares held or the Group's effective equity interest in the subsidiaries.

Yayasan is a company limited by guarantee. The Group has de facto control over Yayasan due to control over the source of funding. During the year, subsidiaries of the Company have made donations of RM3,500,000 (2019: RM Nil) to Yayasan for activities advancing and benefitting the community. The subsidiaries intend to continue providing such support to Yayasan.

During the year, the Company subscribed for the following:

- (a)    Additional 39,000,000 ordinary share in ARV for a total consideration of RM39,000,000 effected by way of full settlement of outstanding advances of RM38,987,725.29 owing from ARV and cash of RM12,274.71. The subscription of the new share did not result in any change in the Company's equity interest in ARV.
- (b)    Additional 1,000,000 ordinary share in GTS for a total cash consideration of RM1,000,000 effected by way of full settlement of outstanding advances of RM1,000,000 owing from GTS. The subscription of the new share did not result in any change in the Company's equity interest in GTS.

In the prior financial year, the Company subscribed for the following:

- (a)    Additional 6,650,000 ordinary share in ASSB for a total cash consideration of RM6,650,000. The subscription of the new share did not result in any change of the Company's equity interest in ASSB.
- (b)    Additional 50,000,104 ordinary share in ADSB for a total cash consideration of RM50,000,104. Correspondingly, ADSB subscribed for 104 Class A ordinary shares in NISB which carry one vote for each share and 50,000,000 Class B ordinary shares in NISB which carry two votes for each share, representing 51% voting rights. Details on the acquisition are disclosed in Note 41 to the financial statements.
- (c)    Additional 95,000,000 ordinary share in AESB for RM95,000,000.

In the prior financial year, a wholly-owned subsidiary of the Company, MBNS, redeemed 10,000 RPS by paying in cash RM10,000 to the Company.

The Company performed an impairment assessment on its investment in subsidiaries from the television and radio segments. The impairment assessment involved comparison of its carrying amount against its recoverable amount which was determined based on VIU calculation. No impairment charge was recognised as its recoverable amount exceeded its carrying amount.

Sensitivity analysis has been performed around the base case assumptions with the conclusion that no reasonably possible changes in key assumptions would cause the recoverable amount to be less than the carrying amount. Based on the sensitivity analysis performed, if compound revenue growth rates for television and radio segments are nil respectively, its recoverable amount will continue to be higher than its carrying amount.

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15 Investment in Subsidiaries (Cont'd.)

Non-controlling interests (“NCI”) in subsidiaries

	NISB RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
<b>Group – 2020</b>			
NCI percentage of ownership interest	66%		
NCI percentage of voting interest	49%		
Carrying amount of NCI	95,849	(12,892)	82,957
Loss allocated to NCI	(434)	(10,249)	(10,683)
<b>Group – 2019</b>			
NCI percentage of ownership interest	66%		
NCI percentage of voting interest	49%		
Carrying amount of NCI	96,283	(2,643)	93,640
Profit/(loss) allocated to NCI	283	(2,380)	(2,097)

Set out below is the summarised financial information for a subsidiary with NCI that is material to the Group:

	NISB	
	2020 RM'000	2019 RM'000
<b>Summarised balance sheet</b>		
Non-current assets	106,968	106,828
Current assets	56,909	58,369
Non-current liabilities	(10,275)	(9,793)
Current liabilities	(7,804)	(9,022)
<b>Summarised income statement</b>		
Revenue	27,121	18,032
Expenses	(27,703)	(17,653)
(Loss)/profit/total comprehensive (loss)/profit for the financial year	(582)	379
<b>Summarised cash flow</b>		
Cash flow from operating activities	2,663	2,526
Net cash used in investing activities	(2,288)	(50,450)
Net cash flow from financing activity	-	50,000
Net increase in cash and cash equivalents	375	2,076

The information above is the amount before inter-company eliminations.

16 Investment in Associates

	Group	
	2020 RM'000	2019 RM'000
Share of net assets and reserves	-	-

The associates are not material to the Group.

	Group	
	2020 RM'000	2019 RM'000
<b>Income statements</b>		
Revenue	34,233	81,082
Expenses	(58,705)	(99,979)
Loss/total comprehensive loss for the financial year	(24,472)	(18,897)
Share of profit for the financial year	-	713

The Group has not recognised losses related to Kristal-Astro Sdn. Bhd. amounting RM11,967,000 (2019: RM10,984,000) in respect of the current financial year (total unrecognised accumulated losses of RM41,340,000) (2019: RM29,373,000), since the Group has no obligation in respect of these losses and the carrying value of the investment is Nil (2019: Nil).

Details of the associates are as follows:

Name of associates	Country of incorporation and place of business	Group's effective interest		Principal activities
		2020 %	2019 %	
<b>Associate held by ABSB</b>				
Kristal-Astro Sdn. Bhd.	Brunei	48.9	48.9	Provision of television services
<b>Associate held by AESB</b>				
Turner Astro Limited ("TAL") (Note (a))	Hong Kong	-	20	Provision of television services

(a) As at 31 January 2019, the Group intends to dispose the stake held in TAL for a nominal consideration of HKD 2.00 and to terminate the Joint Venture Agreement dated 14 October 2016. Pursuant to this, an impairment charge of RM2,142,000 was recognised in the Group’s FY19 income statement.

On 10 May 2019, AESB disposed of its entire 20% equity stake held in TAL for a nominal consideration of HKD2.00 and terminated the joint venture arrangement pursuant to the Sale and Purchase Agreement and the Letter Agreement for Termination of the Joint Venture Agreement, both of which were dated 10 May 2019, entered into between AESB and Turner Asia Pacific Ventures, Inc.

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17 Investment in Joint Venture

	Group	
	2020 RM'000	2019 RM'000
Share of net assets and reserves	2,214	2,127

The joint venture is not material to the Group.

Income statements		
Revenue	8,189	5,326
Expenses	(7,889)	(5,038)
Profit/total comprehensive profit for the financial year	300	288
Share of profit for the financial year	87	83

Commitment and contingent liabilities in respect of joint venture

There are no commitments and contingent liabilities relating to the Group's interest in joint venture.

Details of the joint venture are as follows:

Name of joint venture	Country of incorporation and place of business	Group's effective interest		Principal activities
		2020 %	2019 %	
<b>Joint Venture held by AESB</b> Red Communications Sdn. Bhd.	Malaysia	28.9	28.9	Provision of services in communication and organising media related events

18 Other investments

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Non-current</b>				
Financial assets at FVOCI:				
- Preference shares in an unquoted company (Note (a))	10,657	4,085	-	-
	10,657	4,085	-	-
<b>Current</b>				
Financial assets at FVTPL:				
- Investment in unit trusts (Note (b))	647,167	348,680	111,826	-
	647,167	348,680	111,826	-
	657,824	352,765	111,826	-

(a) Preference shares

On 15 December 2017, ADSB subscribed to 186,219 Series A-3 Preferred Stock of Catalyst IT Services, Inc., a Delaware corporation. The Series A-3 Preferred Stock are convertible to ordinary shares on a 1:1 ratio.

(b) Investment in unit trusts

Investment in unit trusts made by the Group and the Company can be purchased or liquidated with one day's notice.

19 Advances to Subsidiaries

Non-current

Advances to subsidiaries are unsecured, with no fixed terms of repayment. The effective interest rate during the financial year ranges from 4.8% to 5.1% (2019: 4.9% to 5.5%) per annum.

Included in advances to subsidiaries is an impairment of RM49,557,000 (2019: RM50,037,000). During the current financial year, there was a write back of impairment amounting RM480,000 (2019: impairment of RM1,254,000). The impairment amount was recognised pursuant to MFRS 9 impairment assessment.

Current

Advances to subsidiaries are unsecured, with no fixed terms of repayment and are subject to interest ranging from 4.8% to 5.1% (2019: 4.9% to 5.5%) per annum.



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20 Intangible Assets

Group	Goodwill RM'000	Intellectual properties RM'000	Brands and spectrums RM'000	Event licence rights RM'000	Film library and programme rights RM'000	Computer software RM'000	Software development RM'000	Total RM'000
<b>Net book value</b>								
At 1 February 2019	1,140,117	40,805	368,263	1,647	239,844	212,554	88,680	2,091,910
Effect arising from adoption of MFRS 16 (Note 42)	-	-	-	-	-	(1,040)	-	(1,040)
Additions	-	-	-	-	315,020	68,881	83,423	467,324
Reclassification from/ (to) property, plant and equipment (Note 13)	-	-	-	-	-	4,030	(1,006)	3,024
Transfer between classes	-	-	-	-	-	59,261	(59,261)	-
Impairment	-	-	-	-	(1,923)	(5,467)	-	(7,390)
Written off	-	-	-	-	-	(181)	-	(181)
Amortisation charge	-	-	-	(115)	(373,150)	(156,655)	-	(529,920)
At 31 January 2020	1,140,117	40,805	368,263	1,532	179,791	181,383	111,836	2,023,727
<b>At 31 January 2020</b>								
Cost	1,140,117	40,805	368,263	8,452	3,146,187	1,453,440	111,836	6,269,100
Accumulated amortisation and impairment	-	-	-	(6,920)	(2,966,396)	(1,272,057)	-	(4,245,373)
<b>Net book value</b>	1,140,117	40,805	368,263	1,532	179,791	181,383	111,836	2,023,727

20 Intangible Assets (Cont'd.)

Group (Cont'd.)	Goodwill RM'000	Intellectual properties RM'000	Brands and spectrums RM'000	Event licence rights RM'000	Film library and programme rights RM'000	Computer software RM'000	Software development RM'000	Total RM'000
<b>Net book value</b>								
At 31 January 2018, as reported	1,075,129	-	368,263	10,722	245,668	272,281	67,240	2,039,303
Effect arising from adoption of MFRS 15	-	-	-	-	(2,543)	-	-	(2,543)
At 1 February 2018, as adjusted	1,075,129	-	368,263	10,722	243,125	272,281	67,240	2,036,760
Additions	-	-	-	-	386,706	41,528	75,631	503,865
Acquisition of a subsidiary (Note 41)	64,988	40,805	-	-	-	-	-	105,793
Reclassification from/ (to) property, plant and equipment (Note 13)	-	-	-	-	-	845	(377)	468
Transfer between classes	-	-	-	-	-	53,820	(53,820)	-
Impairment	-	-	-	-	(7,448)	(16,725)	-	(24,173)
Exchange differences	-	-	-	57	(7)	(26)	6	30
Amortisation charge	-	-	-	(9,132)	(382,532)	(139,169)	-	(530,833)
At 31 January 2019	1,140,117	40,805	368,263	1,647	239,844	212,554	88,680	2,091,910
<b>At 31 January 2019</b>								
Cost	1,140,117	40,805	368,263	20,597	2,994,203	1,353,850	88,680	6,006,515
Accumulated amortisation and impairment	-	-	-	(18,950)	(2,754,359)	(1,141,296)	-	(3,914,605)
<b>Net book value</b>	1,140,117	40,805	368,263	1,647	239,844	212,554	88,680	2,091,910

Notes to the Financial Statements

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20 Intangible Assets (Cont'd.)

Company	Computer software	
	2020 RM'000	2019 RM'000
<b>Net book value</b>		
At 1 February	-	-
Amortisation charge	-	-
At 31 January	-	-
<b>At 31 January</b>		
Cost	12	12
Accumulated amortisation	(12)	(12)
<b>Net book value</b>	-	-

The remaining amortisation period of film library and programme rights at the end of the financial year ranged from 1 month to 2 years (2019: 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 (2019: 1 month to 4 years).

The remaining amortisation period of event licence rights at the end of the financial year is 8 years (2019: 9 years).

Intellectual properties

Intellectual properties relate to thirty eight (38) titles and trademarks acquired in the business combination exercise as disclosed in Note 41 to the financial statements. As explained in Note 3E(h), the useful life of these intellectual properties is estimated to be indefinite.

Brands

Brands relate to the nine FM terrestrial radio stations and additional themed music channels that are broadcasted on the ASTRO satellite television platform. As explained in Note 3E(d), the useful life of these brands is estimated to be indefinite.

Spectrums

Spectrums relate to two FM terrestrial radio stations. As explained in Note 3E(g), the useful life of these spectrums is estimated to be indefinite.

20 Intangible Assets (Cont'd.)

Impairment testing of goodwill, intellectual properties, brands and spectrums

Goodwill arising from business combinations, intellectual properties, brands and spectrums have been allocated to three individual cash-generating units (“CGU”) for impairment testing as follows:

- Television
- Radio
- Others

The carrying amounts of goodwill, intellectual properties, brands and spectrums allocated to each CGU are as follows:

	Television RM'000	Radio RM'000	Others RM'000	Total RM'000
<b>As at 31 January 2020/31 January 2019</b>				
Goodwill	539,605	600,512	-	1,140,117
Intellectual properties	-	-	40,805	40,805
Brands	-	328,000	-	328,000
Spectrums	-	40,263	-	40,263

The recoverable amounts of the CGUs have been determined based on value in use (“VIU”) calculations using approved financial budget for 2021 and cash flow projections for the next 4 years with terminal values at the end of year 5 (2019: approved financial budget for 2020 and cash flow projections for the next 2 years with terminal values at the end of year 3). The pre-tax discount rate applied to the approved financial budget for 2021 and cash flow projections for the next 4 years (2019: approved financial budget for 2020 and cash flow projection for the next 2 years) are as follows:

	Television %	Radio %	Others %
<b>As at 31 January 2020</b>			
Pre-tax discount rates	10.0	9.4	16.3
Terminal growth assumption	0.0	0.0	0.0
Compound revenue growth rate in the projection year	0.01	4.62	26.76

	Television %	Radio %	Others %
<b>As at 31 January 2019</b>			
Pre-tax discount rates	11.0	10.0	15.8-23.5
Terminal growth assumption	1.0	1.0	1.0
Compound revenue growth rate in the projection year	0.7	2.3	8.5-12.3

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20 Intangible Assets (Cont'd.)

Impairment testing of goodwill, intellectual properties, brands and spectrums (Cont'd.)

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

Pre-tax discount rates reflect the current market assessment of the risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for each CGU, regard has been given to the Malaysian 20-year risk free rate and Malaysia's long term consumer price index ("CPI").

Terminal growth and compound revenue growth rate assumptions represent management's assessment of future trends in the regional media and entertainment industry, expectation of growth of new businesses and business segments and are based on both external and internal sources.

Sensitivity analysis has been performed around the base case assumptions with the conclusion that no reasonably possible changes in key assumptions would cause the recoverable amount to be less than the carrying amount. Based on the sensitivity analysis performed, if the compound revenue growth rates for television and radio segments are nil respectively, the recoverable amount will continue to be higher than the carrying amount of the respective CGU. If the compound revenue growth rate for others segment decreases by 4.4%, then the recoverable amount will be equal to the carrying amount.

21 Inventories

	Group	
	2020 RM'000	2019 RM'000
<b>At cost</b>		
Set-top boxes	7,518	8,790
Merchandise	1,895	3,868
Other materials	3,677	3,621
	13,090	16,279
<b>At net realisable value</b>		
Set-top boxes	5	5
	13,095	16,284

Included in cost of sales is cost of inventories charged to the income statement amounting to RM300,290,000 (2019: RM309,395,000).

22 Receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Non-current</b>				
Deposits	80,361	56,344	-	-
Downpayments and prepayments	136,312	121,804	-	-
Contract cost assets	2,207	1,906	-	-
	218,880	180,054	-	-
<b>Current</b>				
Trade receivables	397,745	530,239	-	-
Impairment of trade receivables (Note 37(a))	(39,311)	(44,248)	-	-
	358,434	485,991	-	-
Other receivables, net of impairment	25,583	33,993	828	857
Contract cost assets	22,926	29,206	-	-
Deposits	15,840	10,976	81	36
Amounts due from related parties, net of impairment	4,891	9,137	68	7
Amount due from associate, net of impairment	-	-	-	-
Amounts due from subsidiaries	-	-	282,877	75,614
Downpayments and prepayments	241,239	239,127	17	26
	668,913	808,430	283,871	76,540

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 amounts due from subsidiaries and related parties are unsecured, non-interest bearing, have no fixed terms of repayment and includes dividend receivable of RM256,002,000 (2019: RM25,950,000).

Included in deposits of the Group are deposits paid to related parties of RM85,692,000 (2019: RM56,343,000) which are neither past due nor impaired.

Credit terms of trade receivables range from payment in advance to 60 days (2019: payment in advance to 60 days).

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group's historical experience in the collection of account receivables falls within the recorded allowances.

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22 Receivables (Cont'd.)

Movements in impairment of trade receivables, other receivables, amounts due from related parties and amount due from associate are as disclosed in Note 37(a).

Contract cost assets

	Group	
	2020 RM'000	2019 RM'000
Sales commission included in selling and distribution expenses	9,389	8,651
Non-subscription based set-top boxes costs	15,744	22,461
	25,133	31,112

The amortisation of contract cost assets is as disclosed in Note 6.

23 Deposits, Cash and Bank Balances

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits with licensed banks	55,223	147,373	6,000	65,589
Cash with Astro GTS Sdn. Bhd.	-	-	121	-
Cash and bank balances	282,872	136,113	22	163
Deposits, cash and bank balances	338,095	283,486	6,143	65,752
Less: Deposits with maturity more than 3 months	(42,500)	(43,000)	-	-
Cash and cash equivalents	295,595	240,486	6,143	65,752

Deposits of the Group and Company have an average maturity of 258 days and 183 days respectively (2019: 116 days and 24 days) for RM deposits and average maturity of Nil days (2019: 4 days) for USD deposits. Please refer to Note 37(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 1.90% to 3.72% (2019: 2.50% to 4.20%) per annum, and on USD deposits for the Group is Nil% (2019: 0.4%) per annum.

A portion of the Company’s cash and bank balances are held in an In-House Bank (“IHB”) managed by Astro GTS Sdn. Bhd. (“GTS”) to enable more efficient cash management for the Group and for the Company.

24 Payables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Current</b>				
Trade payables and accruals	557,905	516,355	-	-
Other payables and accruals	497,999	670,886	2,843	4,026
Amounts due to related parties	47,899	70,600	134	173
Amounts due to subsidiaries	-	-	5,232	8,006
	1,103,803	1,257,841	8,209	12,205
<b>Non-current</b>				
Trade payables and accruals	319,392	411,619	-	-
	319,392	411,619	-	-

Credit terms granted by vendors generally range from 0 to 90 days (2019: 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 Ringgit Cost of Fund + margin of between 0.5% and 1.25% (2019: USD LIBOR or Ringgit Cost of Fund + margin of between 0.5% 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 Nil (2019: USD LIBOR or Ringgit Cost of Fund + margin of between 0.85% and 1.0%) per annum calculated at 360 or 365 days respectively from issuance date.

As at 31 January 2020, the Group had a total of RM383,800,000 (2019: RM326,688,000) in undrawn multi-trade facilities to facilitate ULCP issuance.

The effective interest rates at the end of the financial year ranged between 3.7% and 4.9% (2019: 4.5% and 4.9%) per annum.

Included in trade payables is vendor financing of RM568,246,000 (2019: RM552,285,000) comprising current amounts of RM248,854,000 (2019: RM140,666,000) and non-current amounts of RM319,392,000 (2019: RM411,619,000).

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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25 Derivative Financial Instruments

	Group		Company	
	2020 Assets RM'000	2019 Assets RM'000	2020 Assets RM'000	2019 Assets RM'000
<b>Current</b>				
Forward foreign currency exchange contracts – cash flow hedges	224	8,712	-	-
Cross-currency interest rate swaps – cash flow hedges	52,868	54,618	52,868	54,618
Interest rate swaps – cash flow hedges	-	133	-	-
Foreign currency options – cash flow hedges	5,235	1,406	-	-
	58,327	64,869	52,868	54,618
<b>Non-current</b>				
Forward foreign currency exchange contracts – cash flow hedges	3,964	2,117	-	-
Cross-currency interest rate swaps – cash flow hedges	26,472	80,989	26,472	80,989
Interest rate swaps – cash flow hedges	-	20	-	-
Foreign currency options – cash flow hedges	3,203	45	-	-
	33,639	83,171	26,472	80,989

	Group		Company	
	2020 Liabilities RM'000	2019 Liabilities RM'000	2020 Liabilities RM'000	2019 Liabilities RM'000
<b>Current</b>				
Interest rate swaps – cash flow hedges	680	21	-	-
Forward foreign currency exchange contracts – cash flow hedges	14,154	11,536	-	-
	14,834	11,557	-	-
<b>Non-current</b>				
Interest rate swaps – cash flow hedges	1,647	452	-	-
Forward foreign currency exchange contracts – cash flow hedges	1,775	3,593	-	-
	3,422	4,045	-	-

25 Derivative Financial Instruments (Cont'd.)

Derivatives designated in hedging relationship

Forward foreign currency exchange contracts and foreign currency options

Forward foreign currency exchange contracts and foreign currency options are used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of the Group. The forward foreign currency exchange contracts were entered into a period of up to 5 years, while foreign currency options were entered into for a period of up to 3 years. As at 31 January 2020, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM1,480,000,000 (2019: RM1,551,000,000) and foreign currency options were USD53,328,000 (2019: USD35,486,000).

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 USD74,250,000 (2019: USD123,750,000) for bank loan.

The cross-currency interest rate swap for the term loans was entered into for entire term of the term loans and had an average fixed swap rate and exchange rate of 4.19% p.a. (inclusive of margin of 1%) (2019: 4.19% p.a.(inclusive of margin of 1%)) and USD/ RM3.0189 (2019: USD/RM3.0189) respectively.

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 vendor financing, as disclosed in Note 24 with notional principal amounts of RM407,674,000 (2019: RM496,586,000).

The interest rate swaps for the vendor financing were for a period of up to 3 years with average fixed swap rates of 3.66% p.a. (2019: 3.67% p.a.).

The maturity profiles of the derivative financial instruments are disclosed in Note 37(b) to the financial statements.

Notes to the Financial Statements

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26 Borrowings

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Current</b>				
Lease liabilities (Note (a))	185,252	180,074	-	-
Synthetic foreign currency loan (Note (b))	2,579	2,498	-	-
Unrated Medium Term Note (Note (c))	7,449	7,536	-	-
Term loans (Note (d)):				
- RM Term Loan	76,087	76,913	76,087	76,913
- USD Term Loan	203,746	205,541	203,746	205,541
- MBNS Term Loan	5,005	3,721	-	-
	284,838	286,175	279,833	282,454
Less: Debt issuance costs	(1,433)	(1,334)	(327)	(560)
Term loans, net of debt issuance costs	283,405	284,841	279,506	281,894
	478,685	474,949	279,506	281,894
<b>Non-current</b>				
Lease liabilities (Note (a))	1,314,472	1,389,609	-	-
Synthetic foreign currency loan (Note (b))	612,750	612,750	-	-
Unrated Medium Term Note (Note (c))	300,000	300,000	-	-
Term loans (Note (d)):				
- RM Term Loan	37,500	112,500	37,500	112,500
- USD Term Loan	101,215	303,961	101,215	303,961
- MBNS Term Loan	680,000	380,000	-	-
	818,715	796,461	138,715	416,461
Less: Debt issuance costs	(3,063)	(3,099)	(26)	(325)
Term loans, net of debt issuance costs	815,652	793,362	138,689	416,136
	3,042,874	3,095,721	138,689	416,136
	3,521,559	3,570,670	418,195	698,030

26 Borrowings (Cont'd.)

(a) Lease liabilities

Lease liabilities include the lease of transponders on the MEASAT 3 (“M3”), MEASAT 3 T11 (“M3-T11”) and MEASAT 3a (“M3a”) satellites from MEASAT Satellite Systems Sdn. Bhd. and MEASAT 3b (“M3b”) from MEASAT International (South Asia) Ltd (“MISAL”), both related parties of the Group. The liabilities for M3, M3-T11 and M3a are denominated in RM, while M3b is denominated in USD.

The effective interest rate of the lease at the end of the financial year is 6.2% (2019: 6.2%), 4.6% (2019: 4.6%), 12.5% (2019: 12.5%) and 5.56% (2019: 5.56%) per annum for M3, M3-T11, M3a and M3b respectively.

Lease liabilities also include hire purchase lease for servers’ hardware, software and testing environment hardware and leases upon adoption of MFRS 16. The effective interest rate ranges from 4.9% to 6.7% per annum.

The following is a summary of the minimum lease payments:

	Group	
	2020 RM'000	2019 RM'000
<b>Lease rental obligation</b>		
Minimum lease payments:		
- Not later than 1 year	267,388	271,537
- Later than 1 year and not later than 2 years	263,592	247,228
- Later than 2 years and not later than 5 years	581,314	612,947
- Later than 5 years	818,974	932,372
	1,931,268	2,064,084
Future finance charges	(431,544)	(494,401)
Present value of lease obligations	1,499,724	1,569,683

(b) Synthetic foreign currency loan (“SFCL”) (unsecured and interest bearing)

On 13 December 2017, MBNS had accepted the SFCL amounting to USD150 million (equivalent to RM613 million). On 29 December 2017 and 28 February 2018, MBNS had drawn down the first tranche amounting to RM306.4 million and the second tranche amounting to RM306.4 million in nominal value respectively, maturing on 29 November 2022 at an interest rate of 4.8% per annum. The interest is payable quarterly.

The following is a summary of the repayment terms:

	Group	
	2020 RM'000	2019 RM'000
<b>SFCL repayments</b> (including finance charges):		
- Not later than 1 year	29,493	29,412
- Later than 1 year and not later than 2 years	29,412	29,493
- Later than 2 years and not later than 5 years	639,745	669,157
	698,650	728,062
Future finance charges	(83,321)	(112,814)
Present value of SFCL	615,329	615,248



Notes to the Financial Statements

31 January 2020

26 Borrowings (Cont'd.)

(c) Unrated Medium Term Note (“MTN”) (unsecured and interest bearing)

The Group had established an Unrated Medium Term Note (“MTN”) Programme of up to RM3.0 billion in nominal value (“MTN Programme”) on 9 June 2017. The MTN Programme has a tenure of 15 years from the date of the first issuance of the MTN.

On 10 August 2017, the Group issued the first series of the MTN amounting to RM300 million in nominal value for a tenure of 5 years at coupon rate of 5.3% per annum. The coupon is payable semi-annually.

The following is a summary of the repayment terms:

	Group	
	2020 RM'000	2019 RM'000
<b>MTN repayments</b> (including finance charges):		
- Not later than 1 year	15,813	16,031
- Later than 1 year and not later than 2 years	15,944	15,813
- Later than 2 years and not later than 5 years	315,856	331,800
	347,613	363,644
Future finance charges	(40,164)	(56,108)
Present value of MTN	307,449	307,536

(d) Term Loans (unsecured and interest bearing)

The Group and the Company had on 12 May 2011 obtained financing to facilitate completion of the reorganisation as disclosed in Note 29. The financing comprises the following tranches:

- (i) Ringgit term loan of RM2,010 million (“2B”) and RM1,000 million (“1B”) (collectively “RM Term Loan Facilities”); and
- (ii) US Dollar (“USD”) term loan of USD330 million (“USD Term Loan Facilities”)

The 2B tranche and the USD Term Loan Facilities, both of 10-year tenure that mature on 19 May 2021 and 8 June 2021 respectively, were fully drawn down on 10 June 2011.

On 18 May 2012, RM500,000,000 was drawn down from the 1B tranche. The remaining undrawn amount of RM500,000,000 was voluntarily left to lapse on the last extended availability period. The 1B tranche is maturing on 19 May 2021.

On 20 August 2018 and 19 November 2018, the Company prepaid RM400 million and RM229.2 million respectively of its Ringgit term loan under 2B tranche.

On 9 August 2018, MBNS accepted a term loan facility of RM380 million (“MBNS Term Loan”). On 23 August 2018, MBNS had drawn down RM380 million with RM50 million maturing on 23 February 2023 and RM330 million maturing on 23 August 2023, at an interest rate of 5.18% per annum. The interest is payable quarterly.

26 Borrowings (Cont'd.)

(d) Term Loans (unsecured and interest bearing) (Cont'd.)

On 28 December 2018, MBNS accepted a term loan facility of RM300 million (“MBNS Term Loan”). MBNS had drawn down RM50 million and RM250 million on 28 March 2019 and 28 June 2019 respectively maturing on 28 March 2024. The interest rates ranging from 4.84% to 5.30%, and is payable quarterly.

The 2B RM and USD Term Loan Facilities had been fully hedged upon drawdown. The hedges for the 2B tranche had been fully unwound following the prepayment on 20 August 2018 and 19 November 2018. The USD Term Loan Facilities had been swapped into RM at an average exchange and fixed interest rate of USD/RM3.0189 (2019: USD/RM3.0189) and 4.19% (inclusive of margin of 1%) (2019: 4.19% (inclusive of margin of 1%)). The 1B RM Term Loan Facilities with notional amount of RM112.5 million remains unhedged, with interest rates ranging from 4.83% to 5.10% (inclusive of margin of 1%) (2019: 4.89% to 5.13% (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% (2019: 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 (2019: less than 2.0 times to greater than 4.0 times).

The following is a summary of the repayment terms:

	Group	
	2020 RM'000	2019 RM'000
<b>Term loans repayments</b> (including finance charges):		
- Not later than 1 year	325,611	324,750
- Later than 1 year and not later than 2 years	177,374	313,184
- Later than 2 years and not later than 5 years	733,522	574,742
	1,236,507	1,212,676
Future finance charges	(132,954)	(130,040)
Present value of term loans	1,103,553	1,082,636

	Company	
	2020 RM'000	2019 RM'000
<b>Term loans repayments</b> (including finance charges):		
- Not later than 1 year	289,935	305,066
- Later than 1 year and not later than 2 years	141,341	293,446
- Later than 2 years and not later than 5 years	-	141,936
	431,276	740,448
Future finance charges	(12,728)	(41,533)
Present value of term loans	418,548	698,915

Notes to the Financial Statements

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26 Borrowings (Cont'd.)

Changes in liabilities arising from financing activities

	Lease liabilities RM'000	MTN RM'000	SFCL RM'000	Term loan RM'000	Vendor financing** RM'000	Total RM'000
<b>Group</b>						
<b>At 1 February 2019</b>	1,569,683	307,536	615,248	1,078,203	552,285	4,122,955
<u>Cash flow:</u>						
Payment for set-top boxes	-	-	-	-	(140,666)	(140,666)
Repayment of lease liabilities	(170,086)	-	-	-	-	(170,086)
Net drawdown	-	-	-	75,564	-	75,564
Interest paid <sup>#</sup>	(94,061)	(16,031)	(29,331)	(48,687)	-	(188,110)
	(264,147)	(16,031)	(29,331)	26,877	(140,666)	(423,298)
<u>Non-cash changes:</u>						
Effect arising from adoption of MFRS 16 (Note 42)	95,813	-	-	-	-	95,813
Addition of new lease (Note 14)	2,718	-	-	-	-	2,718
Remeasurement of lease	164	-	-	-	-	164
Termination of lease	(349)	-	-	-	-	(349)
Drawn facilities	-	-	-	-	156,627 <sup>^</sup>	156,627
Foreign exchange movement	(1,778)	-	-	(53,767)	19	(55,526)
Others*	97,620	15,944	29,412	47,744	(19)	190,701
	194,188	15,944	29,412	(6,023)	156,627	390,148
<b>At 31 January 2020</b>	1,499,724	307,449	615,329	1,099,057	568,246	4,089,805

26 Borrowings (Cont'd.)

Changes in liabilities arising from financing activities (Cont'd.)

	Lease liabilities RM'000	MTN RM'000	SFCL RM'000	Term loan RM'000	Vendor financing** RM'000	Total RM'000
<b>Group (Cont'd.)</b>						
<b>At 1 February 2018</b>	1,618,700	307,580	307,704	1,731,198	710,143	4,675,325
<u>Cash flow:</u>						
Payment for set-top boxes	-	-	-	-	(325,982)	(325,982)
Repayment of lease liabilities	(187,945)	-	-	-	-	(187,945)
Net drawdown/(repayment)	-	-	306,375	(631,936)	-	(325,561)
Interest paid <sup>#</sup>	(104,652)	(15,900)	(27,115)	(63,336)	-	(211,003)
	(292,597)	(15,900)	279,260	(695,272)	(325,982)	(1,050,491)
<u>Non-cash changes:</u>						
Acquisition of property, plant and equipment	76,594	-	-	-	-	76,594
Drawn facilities	-	-	-	-	162,766 <sup>^</sup>	162,766
Foreign exchange movement	59,340	-	-	(19,625)	1,033	40,748
Others*	107,646	15,856	28,284	61,902	4,325	218,013
	243,580	15,856	28,284	42,277	168,124	498,121
<b>At 31 January 2019</b>	1,569,683	307,536	615,248	1,078,203	552,285	4,122,955

	Term loan	
	2020 RM'000	2019 RM'000
<b>Company</b>		
<b>At 1 February</b>	698,030	1,731,198
<u>Cash Flow:</u>		
Repayment	(224,436)	(1,011,936)
Interest paid <sup>#</sup>	(20,878)	(58,374)
<u>Non-cash changes:</u>		
Foreign exchange movement	(53,767)	(19,625)
Others*	19,246	56,767
<b>At 31 January</b>	418,195	698,030

\* Others comprise unamortised transaction costs, realised foreign exchange and interest expense.

\*\* Vendor financing balance is reflected in Note 24 to the financial statements.

^ Included in the amount is vendor financing that was drawn during the financial year for acquisition of set-top boxes and inventories in previous financial year.

# Interest paid does not include interest in relation to vendor financing and hedging instruments in connection with the financial liabilities.

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27 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subject to income tax:				
Deferred tax assets:				
- Deferred tax assets to be recovered after more than 12 months	109,228	113,333	-	-
- Deferred tax assets to be recovered within 12 months	19,461	10,177	221	258
	128,689	123,510	221	258
Deferred tax liabilities:				
- Deferred tax liability to be settled after more than 12 months	(79,921)	(86,239)	-	-
- Deferred tax liability to be settled within 12 months	(9,356)	(3,202)	-	-
	(89,277)	(89,441)	-	-
Net deferred tax assets	39,412	34,069	221	258
At beginning of financial year	34,069	27,694	258	245
Effects arising from adoption of MFRS 9 and MFRS 15	-	485	-	-
At beginning of financial year, as adjusted	34,069	28,179	258	245
(Charged)/credited to income statement (Note 10):				
Provisions and accruals	(10,052)	419	(37)	13
Tax losses	(6,109)	(3,128)	-	-
Property, plant and equipment	(47,166)	(3,841)	-	-
Right-of-use assets	45,252	-	-	-
Intangible assets	23,055	33,181	-	-
Receivables	(8,024)	905	-	-
Contract liabilities	(2,864)	(1,321)	-	-
Others	11,285	6,898	-	-
	5,377	33,113	(37)	13
Charged to other comprehensive income:				
Cash flow hedge	(34)	(17,430)	-	-
Acquisition of a subsidiary (Note 41):				
Intangible assets	-	(9,793)	-	-
At end of financial year	39,412	34,069	221	258

27 Deferred Tax Assets/(Liabilities) (Cont'd.)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting):				
Provisions and accruals	520	10,572	221	258
Tax losses	18,036	24,145	-	-
Property, plant and equipment	2,201	49,963	-	-
Right-of-use assets	45,252	-	-	-
Intangible assets	1,787	-	-	-
Receivables	3,572	11,596	-	-
Contract liabilities	45,792	48,656	-	-
Others	15,493	4,233	-	-
	132,653	149,165	221	258
Offsetting	(3,964)	(25,655)	-	-
Deferred tax assets (after offsetting)	128,689	123,510	221	258
Deferred tax liabilities (before offsetting):				
Property, plant and equipment	(4,450)	(5,046)	-	-
Intangible assets	(88,440)	(109,708)	-	-
Cash flow hedge	(294)	(260)	-	-
Others	(57)	(82)	-	-
	(93,241)	(115,096)	-	-
Offsetting	3,964	25,655	-	-
Deferred tax liabilities (after offsetting)	(89,277)	(89,441)	-	-

Deferred tax assets have not been recognised in respect of the following items (stated at gross amounts):

	Group	
	2020 RM'000	2019 RM'000
Tax losses carried forward	341,602	324,972
Capital allowances carried forward	20,554	17,802
Other temporary differences carried forward	5,239	4,754
Unabsorbed investment tax allowances	25	25
	367,420	347,553

The availability of unutilised tax losses for offsetting against future taxable profits of a subsidiary in Malaysia is subject to there being no substantial changes in the shareholding of the subsidiary under the Income Tax Act 1967 and guidelines issued by the tax authority. With effect from the year of assessment (“YA”) 2019, unutilised business losses arising from a YA are allowed to only be carried forward from YA 2018 for utilisation up to 7 consecutive YAs from that YA. In addition, any accumulated unabsorbed business losses brought forward from YA 2018 can only be utilised for 7 consecutive YAs (i.e. until YA 2025). The deductible temporary difference in relation to unabsorbed capital allowances does not have any expiry date.

## Notes to the Financial Statements

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### 28 Share Capital

	Group			
	Number of shares 2020 '000	Amount 2020 RM'000	Number of shares 2019 '000	Amount 2019 RM'000
<b>Issued and fully paid up:</b>				
<i>Ordinary shares</i>				
At beginning of financial year	5,214,315	6,727,937	5,213,884	6,726,845
Issued during the financial year:				
- Share grant exercised (Note (a))	192	468	431	1,092
At end of financial year	5,214,507	6,728,405	5,214,315	6,727,937
<i>Others</i>				
At beginning of financial year	-	10	-	-
Increase during the financial year:				
- Redemption of RPS	-	-	-	10
At end of financial year	-	10	-	10
<b>Total</b>	<b>5,214,507</b>	<b>6,728,415</b>	<b>5,214,315</b>	<b>6,727,947</b>

	Company			
	Number of shares 2020 '000	Amount 2020 RM'000	Number of shares 2019 '000	Amount 2019 RM'000
<b>Issued and fully paid up:</b>				
<i>Ordinary shares</i>				
At beginning of financial year	5,214,315	6,727,937	5,213,884	6,726,845
Issued during the financial year:				
- Share grant exercised (Note (a))	192	468	431	1,092
At end of financial year	5,214,507	6,728,405	5,214,315	6,727,937

- (a) On 21 October 2019, the Company issued and allotted 192,200 ordinary shares in the Company to eligible executives or eligible employees, pursuant to the letters of offer dated 19 October 2016 ("Offer Letter") and in accordance with the By-laws of the Share Scheme of the Company. Subsequent to the above, the total number of issued shares of the Company increased to 5,214,506,700 ordinary shares.

### 29 Capital Reorganisation Reserve

The Company acquired the entire issued and paid up share capital of MBNS comprising 260,217,142 ordinary shares of RM1.00 each and 10,000 Class A RPS of RM1.00 each for a total consideration of RM6,795,540,152 on 5 April 2011. The acquisition was accounted for as a capital reorganisation of MBNS.

The difference between the total consideration paid by the Company and the acquired net assets of MBNS was accounted for as capital reorganisation reserve.

### 30 Hedging Reserve

This represents changes in the fair value of the hedging instruments, represented by the interest rate swap, cross-currency interest rate swap ("CCIRS"), forward foreign currency exchange contracts and foreign currency options which the Group entered into during the financial year, which is deferred in the hedging reserve until the hedged items affect the income statements. The hedging reserves relate to the following hedging instruments:

	Cost of hedging reserve RM'000	Cash flow hedge reserve				Total hedging reserves RM'000
		Intrinsic value of options RM'000	Spot component of currency forwards RM'000	Interest rate swaps RM'000	Spot component of CCIRS RM'000	
<b>Group</b>						
<b>At 1 February 2018</b>	-	1,235	(61,601)	(2,628)	13,812	(49,182)
Effect of adoption of MFRS 9	(12,388)	-	4,962	-	7,426	-
<b>At 1 February 2018, as restated</b>	(12,388)	1,235	(56,639)	(2,628)	21,238	(49,182)
Change in fair value of hedging instrument recognised in OCI	-	(175)	36,866	(3,744)	(43,134)	(10,187)
Costs of hedging deferred and recognised in OCI	13,631	-	-	-	-	13,631
Reclassified from OCI to profit or loss	-	-	33,730	6,052	25,243	65,025
Deferred tax	-	42	(17,472)	-	-	(17,430)
<b>At 31 January 2019</b>	1,243	1,102	(3,515)	(320)	3,347	1,857
<b>At 1 February 2019</b>	1,243	1,102	(3,515)	(320)	3,347	1,857
Change in fair value of hedging instrument recognised in OCI	-	6,988	(2,811)	(2,505)	(60,915)	(59,243)
Costs of hedging deferred and recognised in OCI	4,680	-	-	-	-	4,680
Reclassified from OCI to profit or loss	-	-	(3,321)	661	56,079	53,419
Deferred tax	(1,172)	(1,677)	2,815	-	-	(34)
<b>At 31 January 2020</b>	4,751	6,413	(6,832)	(2,164)	(1,489)	679

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30 Hedging Reserve (Cont'd.)

Company	Cost of hedging reserve RM'000	Cash flow hedge reserve		Total hedging reserves RM'000
		Interest rate swaps RM'000	Spot component of CCIRS RM'000	
At 1 February 2018	-	(3,831)	6,790	2,959
Effect of adoption of MFRS 9	(7,426)	-	7,426	-
At 1 February 2018, as restated	(7,426)	(3,831)	14,216	2,959
Change in fair value of hedging instrument recognised in OCI	-	(2,347)	(34,623)	(36,970)
Costs of hedging deferred and recognised in OCI	5,429	-	-	5,429
Reclassified from OCI to profit or loss	-	6,178	23,754	29,932
At 31 January 2019	(1,997)	-	3,347	1,350
At 1 February 2019	(1,997)	-	3,347	1,350
Change in fair value of hedging instrument recognised in OCI	-	-	(60,915)	(60,915)
Costs of hedging deferred and recognised in OCI	3,038	-	-	3,038
Reclassified from OCI to profit or loss	-	-	56,079	56,079
At 31 January 2020	1,041	-	(1,489)	(448)

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk or the derivative counterparty.

The group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur if:

- there is a reduction in the total amount of the hedged items (loans), and
- differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during financial year 2020 in relation to the interest rate swaps.

31 Fair Value Reserve

This represents the cumulative net change in the fair value of FVOCI financial assets until the investments are derecognised or impaired in the income statement.

32 Share Scheme Reserve

This represents the cumulative value of employee services rendered for the grant of share awards. When the grant is exercised, for any period prior to the Act's effective date, the amount from the share scheme reserve is transferred to share premium and share capital. For any period on and after the Act's effective date, the amount from the share scheme reserve is transferred to share capital. When the share grants expire, the amount from the share scheme reserve is transferred to retained earnings. Details of the share grant are disclosed in Note 7(a).

33 Non-Cash Transactions

The principal non-cash transactions during the financial year for the Group and the Company are as follows:

- (a) Advertising airtime sales in exchange for consumable items of RM11,643,000 (2019: RM21,896,000) and subsequent settlement of liabilities using these consumable items.
- (b) Acquisition of property, plant and equipment by means of lease of RM Nil (2019: RM76,594,000).
- (c) Acquisition of set-top boxes not settled in cash as at year end of RM172,329,000 (2019: RM165,514,000).
- (d) The Company subscribed for 39,000,000 new ordinary shares of ARV for a total subscription amount of RM39,000,000. The subscription amount was fully settled by offsetting the advances owed to the Company amounting to RM RM38,987,725 and cash consideration of RM12,275.
- (e) The Company subscribed for 1,000,000 new ordinary shares of GTS for a total subscription amount of RM1,000,000. The subscription amount was fully settled by offsetting the advances owed to the Company.

34 Capital Commitments

- (a) Capital commitments for property, plant and equipment not provided for in the financial statements are as follows:

	Group	
	2020 RM'000	2019 RM'000
Approved and contracted for	1,475,646	51,272
Approved but not contracted for	64,314	43,043
	1,539,960	94,315

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34 Capital Commitments (Cont'd.)

- (a) Capital commitments for property, plant and equipment not provided for in the financial statements are as follows (Cont'd.):

Included in approved and contracted for is the supply of transponder capacity to MBNS by MEASAT Communication Systems Sdn Bhd ("MCSSB") (formerly known as MEASAT Management Sdn Bhd) on MEASAT 3d satellite of RM1,435,415,000 (31 January 2019: Nil). MCSSB is an indirect subsidiary of a company in which, a substantial shareholder, Ananda Krishnan Tatparanandam ("TAK") has a 100% direct equity interest.

- (b) Programming commitments for programme rights not provided for in the financial statements are as follows:

	Group	
	2020 RM'000	2019 RM'000
Approved and contracted for	744,893	395,583
Approved but not contracted for	705,379	850,973
	1,450,272	1,246,556

- (c) Commitments for software not provided for in the financial statements are as follows:

	Group	
	2020 RM'000	2019 RM'000
Approved and contracted for	51,699	99,514
Approved but not contracted for	109,901	93,840
	161,600	193,354

35 Non-Cancellable Operating Lease Commitments

	Group
	2019 RM'000
Payable within 1 year	5,516
Payable between 1 and 5 years	6,435
Payable after 5 years	109,389
	121,340

In the previous financial year, the Group had a 99-year agreement to lease the land underlying the All Asia Broadcast Centre which commenced in 1996. Upon adoption of MFRS 16, these operating lease commitments are shown on the balance sheet of the Group as current and non-current lease liabilities. The reconciliation of operating lease commitments as at 31 January 2019 to the lease liabilities recognised as at 1 February 2019 is disclosed in Note 42.

36 Significant Related Party Disclosures

The Group has a number of related party transactions with companies directly or indirectly controlled by or associated with Usaha Tegas Sdn. Bhd. ("UTSB") as well as companies or entities directly or indirectly controlled by or associated with Ananda Krishnan Tatparanandam ("TAK") or in which he is deemed to have an interest, both of whom are deemed substantial shareholders of the Company.

UTSB has a 23.95% indirect interest in the Company through its wholly-owned subsidiaries, All Asia Media Equities Limited and Usaha Tegas Entertainment Systems Sdn Bhd. The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company, they do not have any economic or beneficial interest over such shares as such interest is held subject to the terms of the discretionary trust.

TAK also has a deemed interest in the shares of the Company via entities which are the direct shareholders of the Company and held by companies ultimately controlled by TAK.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant transactions and balances. The related party transactions described below were carried out on agreed terms with the related parties.

The significant related parties, with whom the Group and Company transact with, include the following companies:

Related Companies	Relationship
AESB	Subsidiary of the Company
AGS	Subsidiary of the Company
APSB	Subsidiary of the Company
ASSB	Subsidiary of the Company
ARV	Subsidiary of the Company
ADSB	Subsidiary of the Company
GTS	Subsidiary of the Company
AASB	Subsidiary of AESB
ASM	Subsidiary of AESB
ASV	Subsidiary of ASM
MBNS	Subsidiary of the Company
MTAM	Subsidiary of AESB
Tribe	Subsidiary of the Company
Kristal-Astro Sdn. Bhd.	Associate of ABSB



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36 Significant Related Party Disclosures (Cont'd.)

The significant related parties, with whom the Group and Company transact with, include the following companies (Cont'd.):

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
Tiger Gate Entertainment Limited	Associate of AOL
Sun TV Network Limited	Joint venture partner of AOL
Maxis Broadband Sdn. Bhd.	Subsidiary of a joint venture of UTSB
Maxis Mobile Sdn. Bhd.	Subsidiary of a joint venture of UTSB
UTSB Management Sdn. Bhd.	Subsidiary of UTSB
MEASAT Satellite Systems Sdn. Bhd. ("MSS")	Indirect subsidiary of a company in which TAK has a 100% direct equity interest
MEASAT International (South Asia) Ltd. ("MISAL")	Indirect subsidiary of a company in which TAK has a 100% direct equity interest

(a) Sales of goods and services

	Group	
	2020 RM'000	2019 RM'000
<u>Sales of goods and services to related parties:</u>		
Maxis Mobile Sdn. Bhd.		
- Airtime sales	7,934	7,475
<u>Sales of goods and services to an associate:</u>		
Kristal-Astro Sdn. Bhd.		
- Programme services and right sales, technical support, smartcard rental and sales of set-top boxes	4,258	27,075

	Company	
	2020 RM'000	2019 RM'000
<u>Interest income on advances to subsidiaries:</u>		
MBNS	981	22,873
APSB	1,201	6,479
<u>Interest income from IHB</u>		
GTS	1,295	-
<u>Share-based payments charged to subsidiary:</u>		
MBNS	126	1,370
<u>Corporate management fees charged to subsidiary:</u>		
MBNS	2,710	2,371

36 Significant Related Party Disclosures (Cont'd.)

(b) Purchases of goods and services

	Group	
	2020 RM'000	2019 RM'000
<u>Purchases of goods and services from related parties:</u>		
UTSB Management Sdn. Bhd.		
- Personnel, strategic and other consultancy and support services	15,706	14,423
Maxis Broadband Sdn. Bhd.		
- Telecommunication services	47,023	81,930
MSS		
- Expenses related to leases	36,260	41,499
MISAL		
- Expenses related to leases	82,678	84,645
Celestial Movie Channel Limited		
- Programme broadcast rights	17,360	21,922
Sun TV Network Limited		
- Programme broadcast rights	42,597	41,119
Tiger Gate Entertainment Limited		
- Programme broadcast rights	8,047	10,967

	Company	
	2020 RM'000	2019 RM'000
<u>Corporate management fees charged by subsidiary:</u>		
AGS	4,011	6,618

(c) Advances to subsidiaries:

	Company	
	2020 RM'000	2019 RM'000
ASV	-	6,500
Tribe	-	21,907
ASM	-	21,448
ASSB	-	760
GTS	1,000	-

Notes to the Financial Statements

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36 Significant Related Party Disclosures (Cont'd.)

(d) Repayment of advances by subsidiaries:

	Company	
	2020 RM'000	2019 RM'000
MBNS	82,800	804,315
APSB	19,706	34,203
AASB	-	40,882
ASV	-	6,500
ADSB	-	4,085
MTAM	-	1,000

(e) Year end balances arising from significant sales/purchases of goods and services (stated at gross)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Receivable from related parties</b>				
Maxis Broadband Sdn. Bhd.	2,619	-	-	-
MSS	39	58	-	-
<b>Receivable from an associate</b>				
Kristal-Astro Sdn. Bhd.	39,183	39,117	-	-
<b>Receivable from a subsidiary</b>				
MBNS	-	-	263,585	27,430
AESB	-	-	893	26,120
<b>Payable to related parties</b>				
UTSB Management Sdn. Bhd.	1,255	3,700	-	-
Maxis Broadband Sdn. Bhd.	11,385	21,754	-	-
MSS	225	3,560	-	-
Celestial Movie Channel Limited	2,371	5,476	-	-
Sun TV Network Limited	19,479	18,762	-	-
Tiger Gate Entertainment Limited	-	2,232	-	-

36 Significant Related Party Disclosures (Cont'd.)

(f) Year end balances arising from advances to subsidiaries

	Company	
	2020 RM'000	2019 RM'000
<b>Advances to subsidiaries</b>		
APSB	-	104,691
ASSB	17,542	16,797
ARV	-	38,988

(g) Key management personnel's remuneration and emoluments

The remuneration of key management personnel during the year was as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors' fees and meeting allowances	3,039	2,409	3,029	2,399
Salaries and bonus	23,331	40,805	2,496	3,961
Defined contribution plans	3,766	6,112	464	601
Estimated money value of benefits-in-kind	53	137	37	46
Share-based payments (Note 7(a))	-	171	-	-
Staff welfare and allowances	2,028	1,490	621	127
Separation scheme	694	6,252	-	1,093
	32,911	57,376	6,647	8,227

Key management personnel comprise Directors and members of the Senior Leadership Team who are directly responsible for the financial and operating policies, and decisions of the Group and the Company. The key management personnel information includes remunerations for Directors of the Company and its subsidiaries, consistent with Note 8 to the financial statements.

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36 Significant Related Party Disclosures (Cont’d.)

(h) Government-related entities

Khazanah Nasional Berhad (“KNB”) is deemed interested in 20.67% of the Company’s shares held by its wholly-owned subsidiary, Pantai Cahaya Bulan Ventures Sdn Bhd (“PCBV”). KNB is the sovereign wealth fund of the Government of Malaysia and is structured as a public company limited by shares incorporated under the Companies Act 2016 (“CA 2016”). KNB has issued two classes of shares to its shareholders i.e. Ordinary Shares (“OS”) and Redeemable Cumulative Convertible Preference Shares (“RCCPS”). Save for 1 OS owned by the Federal Lands Commissioner, Incorporated, a body corporate incorporated pursuant to the Federal Lands Commissioner (Incorporation) Act, 1957, all of KNB’s OS are owned by the Minister of Finance, Incorporated (“MoF Inc.”), a body corporate incorporated pursuant to the Minister of Finance, (Incorporation) Act, 1957. Khazanah’s RCCPS are owned 100% by GovCo Holdings Berhad, a public company limited by shares incorporated under CA 2016.

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 the 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 2020, management estimates that the aggregate amount of the Group’s significant transactions with other government-related entities are at 3.16% (2019: 2.74%) of its total administrative expenses.

37 Financial Instruments

(a) Credit risk

The Group and Company are exposed to credit risk arising from the financial assets of the Group and Company, which comprise receivables, contract assets, cash and cash equivalents and derivative financial instruments.

Trade receivables and contract assets

(i) Measurement of expected credit losses (“ECL”)

The Group applies the MFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 January 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are not adjusted with forward-looking information as no close correlation was being observed.

37 Financial Instruments (Cont’d.)

(a) Credit risk (Cont’d.)

Trade receivables and contract assets (Cont’d.)

(ii) Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group’s maximum exposure to credit risk on these assets:

	Current RM'000	Past Due			Total RM'000
		Between 1 and 60 days RM'000	Between 61 and 90 days RM'000	Over 90 days RM'000	
<b>Group</b>					
<b>At 31 January 2020</b>					
Expected loss rate	0.2%	0.4-7.6%	1.0-34.7%	1.9-100%	
Gross carrying amount –Trade receivables	281,830	64,812	6,349	44,754	397,745
Gross carrying amount – Contract assets	8,557	-	-	-	8,557
Loss allowance	(3,465)	(4,323)	(2,383)	(29,140)	(39,311)
Carrying amount (net of loss allowance)	286,922	60,489	3,966	15,614	366,991
<b>At 31 January 2019</b>					
Expected loss rate	0.1-0.4%	0.4-6.9%	2.1-25.7%	3.3-100%	
Gross carrying amount – Trade receivables	331,466	104,333	20,778	73,662	530,239
Gross carrying amount – Contract assets	9,625	-	-	-	9,625
Loss allowance	(3,196)	(5,006)	(3,026)	(33,020)	(44,248)
Carrying amount (net of loss allowance)	337,895	99,327	17,752	40,642	495,616

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.

Notes to the Financial Statements

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37 Financial Instruments (Cont'd.)

(a) Credit risk (Cont'd.)

Trade receivables and contract assets (Cont'd.)

(iii) Reconciliation of loss allowance

The loss allowance for trade receivables and contract assets of the Group as at 31 January 2020 reconciles to the opening loss allowance as follows:

	Trade receivables	
	2020 RM'000	2019 RM'000
At beginning of financial year	(44,248)	(57,415)
Effect arising from adoption of MFRS 9	-	(5,497)
At beginning of financial year, as adjusted	(44,248)	(62,912)
Charged for the year	(51,448)	(32,245)
Written off	56,385	50,909
At end of financial year	(39,311)	(44,248)

Other financial asset at amortised costs

Other financial assets at amortised costs include other receivables, amount due from associate and amounts due from related parties. The loss allowance for other receivables and amounts due from related parties of the Group as at 31 January 2020 reconciles to the opening loss allowance as follows:

	Other receivables		Amount due from associate		Amounts due from related parties	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At beginning of financial year	(50)	(3,520)	(39,533)	(31,006)	(5,859)	(7,922)
Effect arising from adoption of MFRS 9	-	(1,126)	-	-	-	(1,563)
At beginning of financial year, as adjusted	(50)	(4,646)	(39,533)	(31,006)	(5,859)	(9,485)
(Charged)/reversal for the year	(129)	4,596	335	(8,527)	(225)	3,626
Written off	7	-	-	-	4,963	-
At end of financial year	(172)	(50)	(39,198)	(39,533)	(1,121)	(5,859)

37 Financial Instruments (Cont'd.)

(a) Credit risk (Cont'd.)

Advances to subsidiaries and amount due from subsidiaries

For inter-company balances that are repayable on demand, the Company's ECL is based on the following assumptions:

- If the borrower has sufficient accessible highly liquid assets in order to repay the advances if demanded at the reporting date, the ECL is likely to be immaterial.
- If the borrower could not repay the advances if demanded at the reporting date, the Company considers the expected manner of recovery to measure the ECL. The recovery manner could be either through 'repayment over time' or a fire sale of less liquid assets by the borrower.
- If the recovery strategies indicate that the Company would fully recover the outstanding balance of the advances, the ECL would be limited to the effect of the discounting of the amount due on the advances, at the advances' effective interest rates, over the period until the amount is fully recovered.

As at the end of the financial year, there was no indication that the advances to subsidiaries are not recoverable other than those which have already been impaired. The Company does not specifically monitor the aging of amount due from subsidiaries.

Other financial assets

With respect to credit risk arising from other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

In addition, a majority of the Group's deposits are placed with financial institutions with strong credit ratings in Malaysia. Investment in unit trusts are made in cash/money market i.e. very liquid funds.

(b) Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group and Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure that, as far as possible, it will have sufficient liquidity to meet its liabilities when they fall due.

Notes to the Financial Statements

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37 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 contract liabilities) at 31 January 2020 and 31 January 2019 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
<b>Group</b>				
<b>At 31 January 2020</b>				
Borrowings	638,305	2,756,759	818,974	4,214,038
Payables	1,042,496	333,257	-	1,375,753
Derivative financial instruments – financial liabilities	14,388	(1,307)	-	13,081
	1,695,189	3,088,709	818,974	5,602,872
<b>At 31 January 2019</b>				
Borrowings	641,730	2,794,364	932,372	4,368,466
Payables	1,187,927	428,073	-	1,616,000
Derivative financial instruments – financial liabilities	2,687	3,421	(1,625)	4,483
	1,832,344	3,225,858	930,747	5,988,949
<b>Company</b>				
<b>At 31 January 2020</b>				
Borrowings	289,935	141,341	-	431,276
Payables	8,010	-	-	8,010
	297,945	141,341	-	439,286
<b>At 31 January 2019</b>				
Borrowings	305,066	435,382	-	740,448
Payables	11,991	-	-	11,991
	317,057	435,382	-	752,439

37 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 exchange risk

Exposure

The Group and Company's exposure to foreign currency risk at the end of the reporting period, expressed in RM, was as follows:

	Denominated in USD	
	2020 RM'000	2019 RM'000
<b>Group</b>		
Deposits with licensed banks	-	15,966
Receivables	9,824	11,025
Payables	(255,539)	(328,392)
Borrowings	(1,456,435)	(1,728,111)
<b>Company</b>		
Payables	(72)	(79)
Borrowings	(304,961)	(509,502)

Instruments used by the Group

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. The currency giving rise to this risk is primarily USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that are not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable USD expenditures. The risk is hedged with the objective of minimising the volatility of the RM currency cost of highly probable forecast content purchases.

The Group treasury's risk management policy is to hedge between 75% and 100% of forecasted USD payables and commitments falling due (on a rolling basis) within twelve months. For payables and commitments above the 12-months rolling period, the hedging is subject to a review of the cost of implementing of each hedge and approval from the Treasury Committee and then, from the Board.

In addition to foreign currency forward as abovementioned, the Group also uses foreign currency options to hedge content purchases on specific contract and period. Under the Group's policy, the critical terms of the forwards and options must align with the hedged items.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

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31 January 2020

37 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Foreign exchange risk (Cont'd.)

Instruments used by the Group (Cont'd.)

The intrinsic value of foreign currency options is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material.

The changes in the forward element of the foreign currency forwards and the time value of the options that relate to hedged items are deferred in the costs of hedging reserve.

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency related hedging instruments on the Group and Company's financial position and performance are as follows:

	2020 RM'000	2019 RM'000
(i) Foreign currency options		
Carrying amount (asset)	8,438	1,451
Notional amount USD	218,085	145,270
Maturity date	Current up to 3 years	Current up to 3 years
Hedge ratio	1:1	1:1
Change in intrinsic value of outstanding hedging instruments for the year	6,988	(175)
Change in fair value of hedged item used to determine hedge effectiveness	(6,988)	175
Weighted average strike rate for the year	USD1:RM3.768	USD1:RM3.729
(ii) Foreign currency forwards		
Carrying amount (net liability)	(11,741)	(4,300)
Notional amount USD	1,480,000	1,551,000
Maturity date	Current up to 5 years	Current up to 6 years
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instrument for the year	(6,132)	70,596
Change in fair value of hedged item used to determine hedge effectiveness	6,132	(70,596)
Weighted average hedged rate for the year (including forward points)	USD1:RM4.177	USD1:RM4.143

37 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Foreign exchange risk (Cont'd.)

Effects of hedge accounting on the financial position and performance (Cont'd.)

	2020 RM'000	2019 RM'000
(iii) Cross-currency interest rate swaps		
Carrying amount (asset)	79,340	135,607
Notional amount USD	224,153	373,584
Maturity date	Current up to 3 years	Current up to 3 years
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments for the year	(4,836)	(17,891)
Change in value of hedged item used to determine hedge effectiveness	4,836	17,891
Weighted average hedged rate for the year	USD1:RM3.0189	USD1:RM3.0189

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 after 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 after tax RM'000	Effect on equity RM'000
Group			
31 January 2020	+10%	(63,109)	3,498
	-10%	63,109	(3,498)
31 January 2019	+10%	(65,938)	(488)
	-10%	65,938	488
Company			
31 January 2020	+10%	(5)	99
	-10%	5	(99)
31 January 2019	+10%	(8)	790
	-10%	8	(790)



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31 January 2020

37 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Interest rate risk

The Group and Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group and Company adopt a baseline policy to hedge between 50% and 100% of its borrowing and vendor financing interest rate exposure from floating to fixed rate basis.

Hedging instrument	Hedged item	2020 Weighted average fixed rate %	2019 Weighted average fixed rate %
<b>Group</b>			
CCIRS	USD term loan	4.19	4.19
RM IRS	RM vendor financing	3.66	3.67
<b>Company</b>			
CCIRS	USD term loan	4.19	4.19

The CCIRS for borrowings will mature on 8 June 2021, while the IRS for vendor financing have an average 3 years maturity date.

The notional principal amount and maturity profiles of both IRS and CCIRS are disclosed in Note 25 to the financial statements.

The profile of the Group and Company's floating rate interest-bearing financial instruments, based on the carrying amounts are set out below:

	2020 RM'000	2019 RM'000
<b>Group</b>		
Payables	(568,246)	(552,285)
Borrowings	(416,145)	(694,102)
<b>Company</b>		
Advances to subsidiaries	15,270	150,776
Borrowings	(416,145)	(694,102)

37 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Interest rate risk (Cont'd.)

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	2020 RM'000	2019 RM'000
(i) Interest rate swaps		
Carrying amount (liability)	(2,327)	(320)
Notional amount	407,674	496,586
Maturity date	Current up to 3 years	Current up to 3 years
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments for the year	(1,844)	2,308
Change in fair value of hedged item used to determine hedge effectiveness	1,844	(2,308)
Weighted average hedged rate for the year	3.66%	3.69%

The following table provides the sensitivity to a reasonably possible change in interest rates, taking into account the impact of hedging, with all other variables held constant, of the Group and Company's profit or loss after 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 after tax RM'000	Effect on equity RM'000
<b>Group</b>			
31 January 2020	+100	(2,410)	4,156
	-100	2,410	(4,156)
31 January 2019	+100	(2,319)	11,361
	-100	2,319	(11,361)
<b>Company</b>			
31 January 2020	+100	(972)	1,889
	-100	972	(1,889)
31 January 2019	+100	(367)	7,174
	-100	367	(7,174)

Notes to the Financial Statements

31 January 2020

37 Financial Instruments (Cont'd.)

(c) Market risk (Cont'd.)

Price risk

The Group's investment in unit trusts is exposed to price risk as the investment is carried at fair value in the balance sheet, with fair value changes impacting income statement. To manage its price risk arising from the investment in unit trusts, the Group diversifies its portfolio in various financial institutions.

The table below summarises the impact of increases/decreases of the unit price on the Group's equity. The analysis is based on the assumption that the unit price had increased/decreased by 0.5% with all other variables held constant.

	Increase/ (decrease) in unit price	Effect on profit after tax RM'000	Effect on equity RM'000
<b>Group</b>			
31 January 2020	+0.5%	2,317	2,317
	-0.5%	(2,317)	(2,317)
31 January 2019	+0.5%	1,738	1,738
	-0.5%	(1,738)	(1,738)
<b>Company</b>			
31 January 2020	+0.5%	559	559
	-0.5%	(559)	(559)

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 2020.

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.

37 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Total borrowings	3,521,559	3,570,670	418,195	698,030
Less:				
Deposits, cash and bank balances	(338,095)	(283,486)	(6,143)	(65,752)
Investment in unit trusts	(647,167)	(348,680)	(111,826)	-
	2,536,297	2,938,504	300,226	632,278
Total equity	938,760	678,908	7,282,071	6,898,214
Total capital	3,475,057	3,617,412	7,582,297	7,530,492

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.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- 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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37 Financial Instruments (Cont'd.)

(d) Fair values (Cont'd.)

Assets/(Liabilities) measured at amortised cost:

The carrying amounts of financial assets and liabilities of the Group at the balance sheet date approximated their fair values except as set out below:

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>Group</b>				
<b>At 31 January 2020</b>				
Borrowings: Lease liabilities	(1,499,724)	-	(1,605,172)	-
<b>At 31 January 2019</b>				
Borrowings: Lease liabilities	(1,569,683)	-	(1,625,493)	-

The fair value of financial instruments categorised at Level 2 is determined based on a discounted cash flow analysis, using contractual cash flows and market interest rates.

Assets/(Liabilities) measured at fair value:

The Group and Company held the following financial instruments measured at fair value.

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>Group</b>				
<b>At 31 January 2020</b>				
Other investments:				
- Investment in unit trusts	647,167	647,167	-	-
- Preference shares in an unquoted company	10,657	-	10,657	-
Forward foreign currency exchange contracts – cash flow hedges	(11,741)	-	(11,741)	-
Interest rate swaps – cash flow hedges	(2,327)	-	(2,327)	-
Cross-currency interest rate swaps – cash flow hedges	79,340	-	79,340	-
Foreign currency options – cash flow hedges	8,438	-	8,438	-

37 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
<b>Group (Cont'd.)</b>				
<b>At 31 January 2019</b>				
Other investments:				
- Investment in unit trusts	348,680	348,680	-	-
- Preference shares in an unquoted company	4,085	-	4,085	-
Forward foreign currency exchange contracts – cash flow hedges	(4,300)	-	(4,300)	-
Interest rate swaps – cash flow hedges	(320)	-	(320)	-
Cross-currency interest rate swaps – cash flow hedges	135,607	-	135,607	-
Foreign currency options – cash flow hedges	1,451	-	1,451	-
<b>Company</b>				
<b>At 31 January 2020</b>				
Other investments:				
- Investment in unit trusts	111,826	111,826	-	-
Cross-currency interest rate swap – cash flow hedges	79,340	-	79,340	-
<b>At 31 January 2019</b>				
Cross-currency interest rate swap – cash flow hedges	135,607	-	135,607	-

The fair value of derivative financial instruments in Level 2 are determined using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available, and rely as little as possible on entity-specific estimate. The forward foreign currency exchange contracts and foreign currency options are valued using forward exchange rate at the balance sheet date, with the resulting value discounted back to present value.

The fair values of CCIRS and IRS are calculated using observable market interest rates and yield curves with estimated future cash flows being discounted to present value.

The fair value of preference shares in an unquoted company in Level 2 is determined by reference to recent sales price of a comparable transaction with a third party.

During the financial year ended 31 January 2020, 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.

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37 Financial Instruments (Cont'd.)

e) Financial Instruments by Category

	Group RM'000	Company RM'000
31 January 2020		
Financial assets at FVTPL		
Financial assets as per balance sheets		
Other investments	647,167	111,826
Financial assets at FVOCI		
Financial assets as per balance sheets		
Other investments	10,657	-
Financial assets at amortised cost		
Financial assets as per balance sheets		
Deposits, cash and bank balances	338,095	6,143
Receivables excluding downpayment, prepayments and contract cost assets	480,218	909
Amounts due from related parties	4,891	68
Amounts due from subsidiaries	-	282,877
Advances to subsidiaries	-	17,542
	823,204	307,539
Derivatives used for hedging		
Financial assets as per balance sheets		
Derivative financial instruments	91,966	79,340
Financial liabilities as per balance sheets		
Derivative financial instruments	18,256	-
Financial liabilities at amortised cost		
Financial liabilities as per balance sheets		
Trade and other payables exclude statutory liabilities	1,295,248	2,644
Amounts due to related parties	47,899	134
Amounts due to subsidiaries	-	5,232
Borrowings	3,521,559	418,195
	4,864,706	426,205

37 Financial Instruments (Cont'd.)

e) Financial Instruments by Category (Cont'd.)

	Group RM'000	Company RM'000
31 January 2019		
Financial assets at FVTPL		
Financial assets as per balance sheets		
Other investments	348,680	-
Financial assets at FVOCI		
Financial assets as per balance sheets		
Other investments	4,085	-
Financial assets at amortised cost		
Financial assets as per balance sheets		
Deposits, cash and bank balances	283,486	65,752
Receivables excluding downpayment, prepayments and contract cost assets	587,304	893
Amounts due from related parties	9,137	7
Amounts due from subsidiaries	-	75,614
Advances to subsidiaries	-	160,476
	879,927	302,742
Derivatives used for hedging		
Financial assets as per balance sheets		
Derivative financial instruments	148,040	135,607
Financial liabilities as per balance sheets		
Derivative financial instruments	15,602	-
Financial liabilities at amortised cost		
Financial liabilities as per balance sheets		
Trade and other payables exclude statutory liabilities	1,505,927	3,812
Amounts due to related parties	70,600	173
Amounts due to subsidiaries	-	8,006
Borrowings	3,570,670	698,030
	5,147,197	710,021

38 Significant Events During the Financial Year

The significant events during the financial year are disclosed in Note 26.

Notes to the Financial Statements

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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	
	2020 RM'000	2019 RM'000
Indemnity given to financial institutions in respect of bank guarantees issued – unsecured		
- Programme rights vendors <sup>1</sup>	27,144	37,138
- Others <sup>2</sup>	3,067	7,347
Other indemnities:		
- Parental guarantee to programme rights vendor <sup>1</sup>	718,774	741,325
	748,985	785,810

Note:

<sup>1</sup> Included as part of the programming commitments for programme rights as set out in Note 34(b).

<sup>2</sup> Consists of bank guarantees issued mainly to Royal Malaysian Customs, utility companies and other statutory bodies.

(b) Contingent assets

There were no significant contingent assets as at 31 January 2020 and 31 January 2019.

(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 14 November 2012, MEASAT Broadcast Network Systems Sdn Bhd (“MBNS”) received a letter from the Indonesian Embassy in Kuala Lumpur enclosing a purported court summons with respect to a claim made by PT Direct Vision (“PT DV”) in the South Jakarta District Court (“SJDC”) against Astro All Asia Networks Limited (“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 (as defined below) are summoned to attend before the SJDC on 10 January 2013.

The hearing on 10 January 2013 was adjourned to 10 April 2013 to allow for various legal formalities to be dealt with. On 10 April 2013, the court being satisfied that all Defendants were properly summoned adjourned the matter for a further week to 17 April 2013 for parties to go through the mandated mediation process. On 24 April 2013, MBNS was officially served with the statement of claim and the mediation process was said to have formally commenced.

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.)

The suit is brought by PT DV for damages for an unlawful act (i.e. a tort) alleged to have been committed by AAAN, Astro Overseas Limited (“AOL”), All Asia Multimedia Networks FZ LLC (“AAMN”), 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. For clarity, following a group restructuring, MBNS became part of the AMH Group of Companies whereas AAAN, AOL and AAMN are not part of the AMH Group of Companies.

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 PT DV’s claim is in relation to and stems from the dispute in relation to the Proposed Indonesian Joint Venture which had been the subject of arbitration proceedings under the auspices of the Singapore International Arbitration Centre (“SIAC”). The dispute was heard before the Arbitration Tribunal and was concluded by the arbitration awards made by the Arbitration Tribunal in favour of the Astro entities in 2009 and 2010.

On the advice of counsels, MBNS along with other defendants had filed an application challenging the jurisdiction of the SJDC to hear the case.

The challenge was made on the legal basis that the subject matter of this civil suit must be determined by way of arbitration under the SIAC rules as prescribed under the conditional Subscription and Shareholders Agreement (“SSA”). This had already been heard and determined by way of the SIAC arbitration and awards made in favour of the Astro entities on this very issue.

SJDC has on 28 August 2013 rejected MBNS’ challenge and decided that it has jurisdiction over the dispute.

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.

PT DV subsequently appealed to the Jakarta High Court (“JHC”) on the decision of the SJDC. The JHC upheld the decision of the SJDC in MBNS’ favour. PT DV has appealed to the Supreme Court against the JHC’s decision.

Notes to the Financial Statements

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40 Segment Information

For management purposes, the Group is organised into business units based on their services, and has three separate segments based on operating segments as follows:

- I. The television segment is a provider of television services including content, creation, aggregation and distribution, magazine publication and distribution and multimedia interactive services;
- II. The radio segment is a provider of radio broadcasting services;
- III. Home-shopping business; and
- IV. Others.

The corporate function relates to treasury and management services and is not an operating segment. The corporate function is presented as part of the reconciliation to the consolidation total. The corporate function's assets and liabilities mainly comprise of deposits, cash and bank balances, other investments and borrowings.

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Performance is measured based on segment profit, which is profit before tax, as included in the internal management reports that are reviewed by the chief operating decision maker comprising the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results. Income taxes are managed on a group basis and are not allocated to operating segments. The Group's business units primarily operate in Malaysia.

Transfer prices between operating segments are on mutually agreed basis in a manner similar to transactions with third parties.

Segment assets

The total of segment assets is measured based on all assets (including goodwill and excluding deferred tax asset) of a segment, as included in the internal management reports that are reviewed by the Board of Directors.

Segment liabilities

The total of segment liabilities is measured based on all liabilities (excluding tax liabilities) of a segment, as included in the internal management reports that are reviewed by the Board of Directors.

Unallocated assets and liabilities

Unallocated assets and liabilities consist of deferred tax assets, tax liabilities and deferred tax liabilities.

Elimination

Elimination items mainly comprise of inter-company receivables and payables.

40 Segment Information (Cont'd.)

	Television RM'000	Radio RM'000	Home- shopping RM'000	Others RM'000	Corporate function RM'000	Elimination RM'000	Total RM'000
<b>At 31 January 2020</b>							
<b>Revenue</b>							
Total revenue	4,325,790	277,699	368,016	4,957	73,062	-	5,049,524
Inter-segment revenue <sup>(1)</sup>	(55,339)	(3,905)	(505)	(4,910)	(73,062)	-	(137,721)
External revenue	4,270,451	273,794	367,511	47	-	-	4,911,803
<b>Results</b>							
Interest income	29,358	4,691	910	135	10,056	(15,745)	29,405
Interest expense	(227,241)	(864)	(544)	(331)	(19,549)	15,767	(232,762)
Depreciation and amortisation	(1,045,888)	(8,435)	(5,256)	(707)	(2,068)	44,468	(1,017,886)
Share of results of associates/joint ventures	87	-	-	-	-	-	87
Segment profit/(loss) – Profit/(loss) before tax	744,289	153,151	(15,827)	(1,580)	(27,179)	9,826	862,680
<b>Assets/Liabilities</b>							
Investment in associates/joint ventures	2,214	-	-	-	-	-	2,214
Additions to non-current assets <sup>(2)</sup>	660,452	3,961	3,532	-	525	-	668,470
Segment assets	5,191,121	1,200,172	41,431	62,430	278,348	(703,773)	6,069,729
Unallocated assets							128,689
Total assets							6,198,418
Segment liabilities	4,982,243	185,045	99,279	13,373	457,240	(599,922)	5,137,258
Unallocated liabilities							122,400
Total liabilities							5,259,658



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40 Segment Information (Cont’d.)

	Television RM’000	Radio RM’000	Home- shopping RM’000	Others RM’000	Corporate function RM’000	Elimination RM’000	Total RM’000
<b>At 31 January 2019</b>							
<b>Revenue</b>							
Total revenue	4,855,621	298,573	377,763	2,899	82,818	-	5,617,674
Inter-segment revenue <sup>(1)</sup>	(44,111)	(5,708)	(3,798)	(2,898)	(82,111)	-	(138,626)
External revenue	4,811,510	292,865	373,965	1	707	-	5,479,048
<b>Results</b>							
Interest income	25,755	5,858	1,094	353	44,230	(39,847)	37,443
Interest expense	(220,286)	(44)	(221)	(1,844)	(57,061)	39,847	(239,609)
Depreciation and amortisation	(1,070,546)	(4,699)	(3,614)	(44)	(2,997)	44,157	(1,037,743)
Share of results of associates/joint ventures	796	-	-	-	-	-	796
Impairment of investments accounted for using the equity method	(2,142)	-	-	-	-	-	(2,142)
Segment profit/(loss) – Profit/(loss) before tax	539,380	157,508	(7,417)	(10,674)	(49,045)	21,393	651,145
<b>Assets/Liabilities</b>							
Investment in associates/joint ventures	2,127	-	-	-	-	-	2,127
Additions to non-current assets <sup>(2)</sup>	931,922	12,660	1,476	-	5,087	-	951,145
Segment assets	5,231,622	1,302,139	48,215	53,273	312,311	(811,512)	6,136,048
Unallocated assets							123,510
Total assets							6,259,558
Segment liabilities	5,051,509	215,633	84,740	10,273	748,267	(645,970)	5,464,452
Unallocated liabilities							116,198
Total liabilities							5,580,650

Note:  
<sup>(1)</sup> Inter-segment revenues are eliminated on consolidation.  
<sup>(2)</sup> Additions to non-current assets consist of additions to property, plant and equipment and intangible assets (including acquisition of subsidiaries).

41 Business Combinations

On 8 February 2018, a wholly-owned subsidiary of the Company, ADSB entered into a conditional joint venture agreement (“JVA”) with Grup Majalah Karangkraf Sdn. Bhd. (“GMK”) and GMK’s wholly-owned subsidiary Nu Ideaktiv Sdn. Bhd. (formerly known as Karangkraf Digital 360 Sdn. Bhd.) (“NISB”), in respect of a joint venture for the creation and monetisation of content verticals in Malaysia and the Nusantara region. Based on the terms of the JVA, ADSB’s total subscription consideration for its 51% interest in NISB is RM100,000,104 (“Investment Amount”) to be paid in tranches.

The Investment Amount of RM100,000,104 will be satisfied in full by cash in the manner set out below:

- Upon completion date of the JVA, ADSB will invest RM50,000,104 out of the Investment Amount in the following manner:
  - ADSB will subscribe for 104 Class A ordinary shares in NISB for cash consideration of RM104, while GMK’s existing 100 shares in NISB will be reclassified as Class A ordinary shares. As such, the equity interest of ADSB and GMK in Class A ordinary shares and total voting rights in NISB is 51:49 respectively. Each Class A ordinary share shall carry one vote for each share; and
  - ADSB will subscribe for 50,000,000 Class B ordinary shares in NISB, representing 100% of the total Class B ordinary shares, for a cash consideration of RM50,000,000 paid to NISB. Each Class B ordinary share shall (i) carry two votes for each share (ii) have one time liquidation rights (subject to (ii) below) and (iii) one time dividend entitlement (subject to (ii) below).
- The JVA was completed on 2 May 2018 (“JVA Closing”), resulting in NISB being a 51% owned subsidiary of ADSB.
- Following the completion of the above, ADSB will invest the remaining RM50,000,000 within a span of five years in five equal tranches of RM10,000,000 each on the anniversary of the JVA Closing through the subscription of fully paid Class D non-voting ordinary shares in NISB. Each Class D non-voting ordinary shares shall (i) not carry any voting rights (ii) have one time dividend entitlement (subject to (ii) below) and (iii) have one time liquidation right (subject to (ii) below).
  - If any of the fifteen active IPs are not able to be registered in NISB’s favour at the Intellectual Property Corporation of Malaysia (“MyIPO”) in certain mutually agreed identified classes, or if there is an infringement claim in any one of the IPs, ADSB has the right to reduce its Investment Amount in any one of the above tranches in accordance with a mechanism to be agreed mutually by the Parties in JVA. ADSB, in its sole discretion, may accelerate its investment in one or more tranches.
  - ADSB is entitled to (a) 51% of cash surplus if NISB is wound-up or (b) 51% dividend entitlement, at any time after 5th JVA Closing anniversary in the event there is no reduction of investment. ADSB’s cash surplus entitlement or dividend entitlement is lower than 51% if NISB is wound-up or the dividend is distributed prior to 5th JVA Closing anniversary (regardless whether there is a reduction of investment or otherwise), as ADSB has not invested the total Investment Amount. In the event of a reduction of investment, ADBS’s entitlement in relation (i) surplus cash distribution on winding-up and (ii) dividend entitlement, shall be mutually agreed between GMK and ADSB in the JVA.

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41 Business Combinations (Cont'd.)

In conjunction with the JVA, on 1 March 2018, NISB entered into a Sale of Business Agreement (“SBA”) with Grup Majalah Karangraf Sdn Bhd (“GMK”) to purchase the business of publishing and printing of magazines and periodicals in relation to general entertainments (including lifestyle, fashion, food travel), education, sports and Islamic related contents, in the form of print or digital content, in Malay language. In addition, via SBA, NISB had also purchase business assets in form of past and present rights, title and interest in and in relation to the titles and trademarks along with goodwill associated therewith and interest in all the past and present materials, contents and all copy rights and other intellectual properties in relations to the titles and trademarks, including domain names, mobile applications and social media accounts as defined under the SBA at the consideration of RM96 million. The RM96 million was satisfied through the issuance of Class C ordinary shares to GMK by NISB. The Class C ordinary share shall (i) carry one vote for each share (ii) have one time liquidation rights (subject to (ii) above) and (iii) one time dividend entitlement (subject to (ii) above).

Upon completion of the SBA on 2 May 2018, the acquisition of the business and business assets was accounted for in accordance with MFRS 3 “Business Combination” by NISB. In accordance with the requirements of MFRS 3, the Group has finalised the purchase price allocation in respect of the business combination as follows:

Final purchase price allocation

	RM'000
Intangible assets (Note 20)	40,805
Deferred tax liabilities (Note 27)	(9,793)
Total identifiable net assets	31,012
Add: Goodwill (Note 20)	64,988
Less: Non-controlling interest	(96,000)
Cash outflow on acquisition	-

The results of the subsidiary for the whole reporting period as though the acquisition date for the business combination had occurred on 1 February 2018 is not materially different from the amount consolidated from the date of acquisition.

42 Effects Arising from Adoption of MFRS 16 Leases

As disclosed in Note 3A(a), the Group changed its accounting policies on leases upon adoption of MFRS 16. The Group has elected to use the simplified retrospective transition method and to apply several practical expedients as provided in MFRS 16.

Under the simplified retrospective transition method, the 2019 comparative information was not restated and the cumulative effects of initial application of MFRS 16 where the Group is a lessee were recognised as an adjustment to the opening balance of retained earnings as at 1 February 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 Leases and IC Int. 4 Determining whether an Arrangement Contains a Lease.

42 Effects Arising from Adoption of MFRS 16 Leases (Cont'd.)

In addition, the Group has elected not to reassess whether a contract is, or contains a lease at the DIA. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying MFRS 117 and IC Int. 4.

(a) Leases classified as operating leases under MFRS 117

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 February 2019.

The associated right-of-use (“ROU”) assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 January 2019.

In applying MFRS 16 for the first time, the Group has applied the following practical expedients permitted by the standard to leases previously classified as operating leases under MFRS 117:

- (i) the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (ii) reliance on previous assessments on whether leases are onerous;
- (iii) the accounting for operating leases with a remaining lease term of less than 12 months as at 1 February 2019 as short-term leases;
- (iv) the exclusion of initial direct costs for the measurement of the ROU asset at the DIA; and
- (v) the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(b) Leases classified as finance leases under MFRS 117

For leases previously classified as finance leases and presented as a part of ‘property, plant and equipment’, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition which were measured applying MFRS 117 as the carrying amount of the ROU asset and the lease liability at the DIA.

(c) Adjustment as at 1 February 2019

As at 1 February 2019, the change in accounting policies has affected the following items:

- Property, plant and equipment – decrease by RM1,409.7 million
- Right-of-use assets – increase by RM1,502.2 million
- Intangible assets – decrease by RM1.0 million
- Prepayments – decrease by RM2.8 million
- Lease liabilities – increase by RM95.8 million
- Trade and other payables – decrease by RM7.1 million

There is no impact to the accumulated losses of the Group as at 1 February 2019.

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42 Effects Arising from Adoption of MFRS 16 Leases (Cont'd.)

(d) Measurement of lease liabilities on 1 February 2019

The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 February 2019 was 4.867% per annum.

The reconciliation between the operating lease commitments disclosed applying MFRS 117 at 31 January 2019 to the lease liabilities recognised at 1 February 2019 is as follows:

	RM'000
Operating lease commitments disclosed as at 31 January 2019	121,340
Discounted using the lessee’s incremental borrowing rate at DIA	(25,926)
Add:	
Finance lease liabilities recognised as at 31 January 2019	1,569,683
Operating lease recognised as at 1 February 2019	63,137
Less:	
Adjustment as a result of a different treatment of extension options	(62,738)
Lease liabilities recognised as at 1 February 2019	1,665,496
Of which are:	
Current lease liabilities	196,888
Non-current lease liabilities	1,468,608
	1,665,496

43 Significant Post Balance Sheet Events

The recent COVID-19 pandemic is disrupting business environments, dampening consumer and business sentiments, and dismantling global supply chains and financial markets. The Group and the Company have performed a preliminary assessment of the overall impact of the situation on the Group’s and the Company’s operations and cash flows. There is no adjustment arising from this assessment as at the date of the financial statements to the financial position and results of the Group and the Company as at 31 January 2020. The Group and the Company will continue to monitor the situation, as well as take appropriate and timely actions to minimise the impact.

44 Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 April 2020.

Analysis of Shareholdings

As at 1 June 2020

SHARE CAPITAL

Issued shares : 5,214,506,700 ordinary shares  
Voting Right : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

(Based on the Record of Depositors of the Company)

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued shares
1 to 99	718	3.92	6,649	0.00
100 to 1,000	4,345	23.71	2,976,381	0.06
1,001 to 10,000	10,160	55.44	43,631,957	0.84
10,001 to 100,000	2,546	13.90	77,057,456	1.48
100,001 to 260,725,334*	552	3.01	2,248,152,533	43.11
260,725,335 and above**	4	0.02	2,842,681,724	54.51
TOTAL	18,325	100.00	5,214,506,700	100.00

Notes:  
\* less than 5% of the issued shares  
\*\* 5% and above of the issued shares

Category of shareholders	No. of shareholders	% of shareholders	No. of shares	% of issued shares
Individuals	15,095	82.37	143,431,735	2.75
Banks/Finance Companies	17	0.09	397,746,600	7.63
Investment Trusts/Foundations/Charities	3	0.02	2,050,800	0.04
Other Types of Companies	142	0.77	3,702,899,001	71.01
Government Agencies/Institutions	3	0.02	1,330,000	0.03
Nominees	3,064	16.72	967,045,564	18.54
Others	1	0.01	3,000	0.00
TOTAL	18,325	100.00	5,214,506,700	100.00

Analysis of Shareholdings

As at 1 June 2020

LIST OF 30 LARGEST SHAREHOLDERS

(Based on the Record of Depositors of the Company)

No.	Name	No. of shares held	% of issued shares
1.	Pantai Cahaya Bulan Ventures Sdn Bhd	1,077,735,927	20.67
2.	All Asia Media Equities Ltd	1,013,297,290	19.43
3.	East Asia Broadcast Network Systems N. V.	421,939,707	8.09
4.	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	329,708,800	6.32
5.	Usaha Tegas Entertainment Systems Sdn Bhd	235,778,182	4.52
6.	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	172,737,400	3.31
7.	Pacific Broadcast Systems N. V.	140,646,620	2.70
8.	Berkat Nusantara Sdn Bhd	140,646,568	2.70
9.	Home View Limited N. V.	140,646,568	2.70
10.	Nusantara Cempaka Sdn Bhd	140,646,568	2.70
11.	Nusantara Delima Sdn Bhd	140,646,568	2.70
12.	Southpac Investments Limited N. V.	140,646,568	2.70
13.	Amanahraya Trustees Berhad – Amanah Saham Malaysia	65,582,400	1.26
14.	Amanahraya Trustees Berhad – Amanah Saham Malaysia 2 – Wawasan	50,703,900	0.97
15.	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (Affin-Hwg)	42,149,000	0.81
16.	Kumpulan Wang Persaraan (Diperbadankan)	40,640,800	0.78
17.	CIMB Group Nominees (Tempatan) Sdn Bhd – CIMB Bank Berhad (Edp 2)	38,050,500	0.73
18.	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 2	27,726,900	0.53
19.	Citigroup Nominees (Asing) Sdn Bhd – Exempt AN For Citibank New York (Norges Bank 14)	24,155,817	0.46
20.	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA For Vanguard Total International Stock Index Fund	23,520,464	0.45
21.	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA For Vanguard Emerging Markets Stock Index Fund	23,464,873	0.45
22.	Mujur Sanjung Sdn Bhd	20,931,848	0.40
23.	RHB Nominees (Tempatan) Sdn Bhd – OSK Capital Sdn Bhd For Yayasan Islam Terengganu	16,130,000	0.31
24.	Mujur Nusantara Sdn Bhd	16,073,887	0.31
25.	Sanjung Nusantara Sdn Bhd	14,734,417	0.28
26.	Cimsec Nominees (Tempatan) Sdn Bhd – CIMB For Tiara Gateway Sdn Bhd (PB)	14,638,800	0.28
27.	Ujud Cergas Sdn Bhd	13,394,899	0.26
28.	Permodalan Nasional Berhad	12,478,600	0.24
29.	HSBC Nominees (Asing) Sdn Bhd – JPMBL SA For Schroder International Selection Fund	12,333,500	0.24
30.	Cimsec Nominees (Tempatan) Sdn Bhd – CIMB For Koo Kow Kiang@ Ko Keck Ting (PB)	11,185,000	0.21
TOTAL		4,562,972,371	87.51

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders of the Company)

Name	Notes	Direct		Indirect	
		No. of shares held	% of issued shares	No. of shares held	% of issued shares
Pantai Cahaya Bulan Ventures Sdn Bhd (“PCBV”)		1,077,735,927	20.67	-	-
Khazanah Nasional Berhad (“Khazanah”)	(1)	-	-	1,077,735,927	20.67
All Asia Media Equities Ltd (“AAME”)		1,013,297,290	19.43	-	-
Usaha Tegas Entertainment Systems Sdn Bhd (“UTES”)	(2)	235,778,182	4.52	1,013,297,290	19.43
Usaha Tegas Sdn Bhd (“UTSB”)	(3)	-	-	1,249,075,472	23.95
Pacific States Investment Limited (“PSIL”)	(4)	-	-	1,249,075,472	23.95
Excorp Holdings N. V. (“Excorp”)	(5)	-	-	1,249,075,472	23.95
PanOcean Management Limited (“PanOcean”)	(5)	-	-	1,249,075,472	23.95
East Asia Broadcast Network Systems N. V. (“EABNS”)		421,939,707	8.09	-	-
East Asia Broadcast Systems Holdings N. V. (“EABSH”)	(6)	-	-	421,939,707	8.09
Tucson N. V. (“Tucson”)	(7)	-	-	421,939,707	8.09
Ananda Krishnan Tatparanandam (“TAK”)	(8)	-	-	2,152,868,226	41.29
Harapan Terus Sdn Bhd (“HTSB”)	(9)	-	-	462,124,447	8.86
Dato’ Haji Badri bin Haji Masri	(10)	-	-	462,124,447	8.86
Tun Haji Mohammed Hanif bin Omar	(10)	-	-	462,124,447	8.86
Mohamad Shahrin bin Merican	(10)	200,000	0.00*	462,124,447	8.86
Employees Provident Fund Board	(11)	382,114,100	7.33	-	-

\*       negligible

Notes:

- (1)       Khazanah is deemed to have an interest in the AMH Shares by virtue of PCBV being a wholly-owned subsidiary of Khazanah.
- (2)       UTES is deemed to have an interest in all of the AMH Shares in which AAME has an interest, by virtue of UTES holding 100% equity interest in AAME. In addition to the deemed interest held via AAME in AMH, UTES holds directly 235,778,182 AMH Shares representing 4.52% equity interest in AMH.
- (3)       UTSB is deemed to have an interest in the AMH Shares by virtue of UTSB holding 100% equity interest in UTES. Please refer to note (2) above for UTES’ direct and deemed interests in the AMH Shares.
- (4)       PSIL is deemed to have an interest in the AMH Shares by virtue of PSIL holding 99.999% equity interest in UTSB. Please refer to note (3) above for UTSB’s deemed interest in the AMH Shares.
- (5)       PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. Please refer to note (4) above for PSIL’s deemed interest in the AMH Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the AMH Shares, it does not have any economic or beneficial interest in such AMH Shares, as such interest is held subject to the terms of such discretionary trust.
- (6)       EABSH is deemed to have an interest in the AMH Shares by virtue of its direct equity in EABNS.
- (7)       Tucson is deemed to have an interest in the AMH Shares by virtue of its interest in EABSH. Please refer to note (6) above for EABSH’s deemed interest in the AMH Shares.
- (8)       TAK is deemed to have an interest in the AMH Shares by virtue of the following:

<sup>(i)</sup>       PanOcean’s deemed interest of 1,249,075,472 AMH Shares representing 23.95% equity interest in AMH are held directly by UTES and AAME.

Although TAK is deemed to have an interest in the AMH Shares, he does not have any economic or beneficial interest in such AMH Shares, as such interest is held subject to the terms of a discretionary trust referred to in note (5) above; and

Analysis of Shareholdings

As at 1 June 2020

- <sup>(6)</sup> the interests of East Asia Broadcast Network Systems N. V. (“EABNS”), Pacific Broadcast Systems N. V. (“PBS”), Home View Limited N. V. (“HVL”), Southpac Investments Limited N. V. (“SIL”), Ujud Cergas Sdn Bhd (“UCSB”), Metro Ujud Sdn Bhd (“MUSB”), Mujur Sanjung Sdn Bhd (“MSSB”), Prisma Gergasi Sdn Bhd (“PGSB”) and Ujud Murni Sdn Bhd (“UMSB”) which collectively hold directly 903,792,754 AMH Shares representing 17.33% equity interest in AMH. TAK is deemed to have an interest in the 903,792,754 AMH Shares collectively held by EABNS, PBS, HVL, SIL, UCSB, MUSB, MSSB, PGSB and UMSB by virtue of him holding 100% equity interest in their respective ultimate holding companies viz. Tucson, Orient Systems Limited N. V. (“OSL”), Home View Holdings N. V. (“HVB”), Southpac Holdings N. V. (“SHNV”), All Asia Radio Broadcast N. V. (“AARB”), Global Radio Systems N. V. (“GRS”), Maestra International Broadcast N. V. (“MIB”), Maestra Global Radio N. V. (“MGR”) and Global Broadcast Systems N. V. (“GBS”).
- <sup>(9)</sup> HTSB is deemed to have an interest in all of the AMH Shares arising 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.
- <sup>(10)</sup> His deemed interest in the AMH Shares arises 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.
- <sup>(11)</sup> Held through nominee companies managed by portfolio managers.

DIRECTORS’ INTEREST IN SHARES

(Based on the Register of Directors’ Shareholdings of the Company)

The interests of the Directors in the shares of the Company are as follows:

Name	No. of shares held		% of issued shares	
	Direct	Indirect	Direct	Indirect
Tun Dato’ Seri Zaki bin Tun Azmi	1,050,000	-	0.02	-
Datuk Yvonne Chia	300,000	-	0.01	-
Renzo Christopher Viegas	100,000	-	0.00*	-
Lim Ghee Keong	1,000,000	-	0.02	-
Simon Cathcart	-	-	-	-
Nik Rizal Kamil bin Nik Ibrahim Kamil	-	-	-	-
Tunku Alizakri bin Raja Muhammad Alias	5,000	-	0.00*	-
Mazita binti Mokty	-	-	-	-
Nurhisham bin Hussein (Alternate Director to Tunku Alizakri bin Raja Muhammad Alias)	-	-	-	-

\* negligible

GCEO’S INTEREST IN SHARES

The interest of the GCEO in the shares of the Company are as follows:

Name	No. of shares held		% of issued shares	
	Direct	Indirect	Direct	Indirect
Henry Tan Poh Hock	1,863,500	-	0.04	-

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 2020 RM’000
1.	HSD 34194 (previously held under HSD 7038), PT 12002, Mukim Dengkil, District of Sepang, State of Selangor	Land and building	5 years	Freehold  31 March 2004	Not applicable	Television, data media centre and office	18,267	8,105	61,429
2.	Unit Nos. 165-1-1, 165-1-2, 165-1-3 and 165-2-1, Wisma Mutiara (Block B) No. 165, Jalan Sungai Besi, 57100 Kuala Lumpur	Shops/Office lots	19 years	Freehold  31 March 2005	Not applicable	Vacant	Not applicable	753.8	870
3.	HSD 116030 PT13820 (formerly identified as Lot Nos. 11301, 17778, 5800 and part of Lots 7966, 8093 and 14985) in Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan	Land and buildings	23 years	Sublease land and building 60 years (with optional extension of 39 years)  1 September 1996	36 years (31 August 2056)	Television, radio and data media centre and office	128,100	39,622	124,761
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 (with optional extension of 30 years)  1 April 1997	7 years (31 March 2027)	Vacant	412,780	Not applicable	5,602



## Disclosure of Recurrent Related Party Transactions

At the Sixth and Seventh Annual General Meeting held on 7 June 2018 (“2018 Mandate”) and 27 June 2019 (“2019 Mandate”) respectively, the Company obtained its shareholders’ mandate to allow the Group to enter into recurrent related party transactions (“RRPTs”) of a revenue or trading nature (“Shareholders’ Mandate”).

In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Securities, the details of RRPTs conducted during the financial year ended 31 January 2020 pursuant to the Shareholders’ Mandate where the aggregate value of such RRPTs are equal to or has 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	2018 Mandate	2019 Mandate	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Actual value incurred from 1 February 2019 up to 26 June 2019 (RM'000)	Actual value incurred from 27 June 2019 up to 31 January 2020 (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	98	40	138	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK  Directors LGK and MM	Refer to Note 1
2.	AMH and/or its subsidiaries	UTSBM and/or its affiliates	Provision of consultancy and support services to AMH and/or its subsidiaries	5,707	8,775	14,482	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK  Directors LGK and MM	Refer to Note 1
3.	AMH and/or its subsidiaries	Tanjong plc and/or its subsidiaries	Usage of resource centres and data centre at Menara Maxis as part of AMH Group's business continuity plans	84	129	213	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK  Directors LGK and MM	Refer to Note 1
4.	Tayangan Unggul and/or its affiliates	TGV and/or its affiliates	Rental of cinema hall by Tayangan Unggul and/or its affiliates	-	34	34	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK  Directors LGK and MM	Refer to Note 1
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	140	107	247	Major Shareholders UTSB, PSIL, Excorp, PanOcean and TAK  Directors LGK and MM	Refer to Note 1

No	Company within our Group involved	Transacting Related Party	Nature of transaction	2018 Mandate	2019 Mandate	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Actual value incurred from 1 February 2019 up to 26 June 2019 (RM'000)	Actual value incurred from 27 June 2019 up to 31 January 2020 (RM'000)		Name	Nature and extent of interest
6.	MBNS and/or its affiliates	TGVP and/or its affiliates	Provision of rights and license for films and content to MBNS and/or its affiliates	2	2	4	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and MM	Refer to Note 1
7.	Astro Shaw and/or its affiliates	TGV and/or its affiliates	Distribution and licensing of films to/by Astro Shaw and/or its affiliates	139	160	299	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and MM	Refer to Note 1
8.	MBNS and/or its affiliates	TGV and/or its affiliates	Provision of sponsorship, marketing and professional event management services and related activities (including the making of available of premises and facilities) by/to MBNS and/or its affiliates	-	368	368	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and MM	Refer to Note 1
9.	Astro Shaw and/or its affiliates	TGV and/or its affiliates	Distribution and licensing of content rights to/by Astro Shaw and/or its affiliates	50	9	59	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and MM	Refer to Note 1
10.	Astro Shaw and/or its affiliates	TGV and/or its affiliates	Share of ticket collections proceeds from movies screened at TGV cinemas and any costs relating thereto	-	5,082	5,082	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and MM	Refer to Note 1
<b>Aggregate Value of Transactions with UTSB Group</b>				<b>6,220</b>	<b>14,706</b>	<b>20,926</b>		



Disclosure of Recurrent Related Party Transactions

No	Company within our Group involved	Transacting Related Party	Nature of transaction	2018 Mandate	2019 Mandate	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Actual value incurred from 1 February 2019 up to 26 June 2019 (RM'000)	Actual value incurred from 27 June 2019 up to 31 January 2020 (RM'000)		Name	Nature and extent of interest
(B) Maxis Group								
11.	MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of managed communications services to MBNS and/or its affiliates	5,435	7,549	12,984	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and DHB	Refer to Note 2
12.	Astro Radio and/or its affiliates	Maxis Broadband and/or its affiliates	Sale of airtime, sponsorship and online web branding by Astro Radio and/or its affiliates	8,690	17,724	26,414	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and DHB	Refer to Note 2
13.	MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of content by MBNS and/or its affiliates, including among others, the caller ringtones and viewing rights	65	12	77	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and DHB	Refer to Note 2
14.	MBNS and/or its affiliates	Maxis Broadband and/or its affiliates	Collaboration in respect of IPTV, content, broadband, voice and ancillary services	30,587	33,503	64,090	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and DHB	Refer to Note 2
15.	AMH and/or its subsidiaries	Maxis and/or its affiliates	Provision of short code rental, Short Messaging Services (SMS), Multimedia Messaging Services (MMS), Wireless Application Protocol (WAP) service revenue share	59	62	121	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and DHB	Refer to Note 2

No	Company within our Group involved	Transacting Related Party	Nature of transaction	2018 Mandate	2019 Mandate	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Actual value incurred from 1 February 2019 up to 26 June 2019 (RM'000)	Actual value incurred from 27 June 2019 up to 31 January 2020 (RM'000)		Name	Nature and extent of interest
16.	Astro Radio and/or its affiliates	Maxis Broadband and/or its affiliates	Provision of leased line services to Astro Radio and/or its affiliates	112	164	276	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and DHB	Refer to Note 2
17.	Astro Radio and/or its affiliates	Maxis Broadband and/or its affiliates	Collaboration in respect of data sharing and cross selling of content and advertising inventory and ancillary activities	*NA	55	55	<b>Major Shareholders</b> UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK and DHB	Refer to Note 2
Aggregate Value of Transactions with Maxis Group				44,948	59,069	104,017		
(C) MGB Group								
18.	MBNS and/or its affiliates	MSS and/or its affiliates	Provision of broadcast, transponder capacity, uplink services and ancillary services to MBNS and/or its affiliates	1,128	1,651	2,779	<b>Major Shareholder</b> TAK  <b>Directors</b> LGK, MM and SC	Refer to Note 3
19.	Astro Productions and/or its affiliates	MSS and/or its affiliates	Provision of office/ storage space by Astro Productions and/or its affiliates payable on a monthly basis	94	138	232	<b>Major Shareholder</b> TAK  <b>Directors</b> LGK, MM and SC	Refer to Note 3
Aggregate Value of Transactions with MGB Group				1,222	1,789	3,011		

Disclosure of Recurrent Related Party Transactions

No	Company within our Group involved	Transacting Related Party	Nature of transaction	2018 Mandate	2019 Mandate	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Actual value incurred from 1 February 2019 up to 26 June 2019 (RM'000)	Actual value incurred from 27 June 2019 up to 31 January 2020 (RM'000)		Name	Nature and extent of interest
(D) AHSB Group								
20.	MBNS and/or its affiliates	CTE and/or its affiliates	Provision of exclusive rights for carriage of Kix HD and Celestial (SD and HD) channels to MBNS and/or its affiliates	13,722	10,891	24,613	<b>Major Shareholders</b> PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK, MM, NRK and DHB	Refer to Note 4
21.	Astro Shaw and/or its affiliates	CMCL and/or its affiliates	Provision of rights and license for films by Astro Shaw and/or its affiliates	300	-	300	<b>Major Shareholders</b> PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK, MM, NRK and DHB	Refer to Note 4
22.	MBNS and/or its affiliates	Fetch TV and/or its affiliates	Distribution, licensing and/or provision of channel and content rights by MBNS and/or its affiliates	173	171	344	<b>Major Shareholders</b> PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK, SC, MM, NRK, DHB and HT	Refer to Note 4
23.	MBNS and/or its affiliates	CMCL and/or its affiliates	Distribution, licensing and provision of rights for films and content by/to MBNS and/or its affiliates	-	123	123	<b>Major Shareholders</b> PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK, MM, NRK and DHB	Refer to Note 4

No	Company within our Group involved	Transacting Related Party	Nature of transaction	2018 Mandate	2019 Mandate	Aggregate value of transactions during the financial year (RM'000)	Interested Related Party	
				Actual value incurred from 1 February 2019 up to 26 June 2019 (RM'000)	Actual value incurred from 27 June 2019 up to 31 January 2020 (RM'000)		Name	Nature and extent of interest
24.	AMH and/or its subsidiaries	AHSB and/or its subsidiaries	Provision of corporate management services and other services by AMH and/or its subsidiaries	14	#NA	14	<b>Major Shareholders</b> PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK, MM, NRK and DHB	Refer to Note 4
Aggregate Value of Transactions with AHSB Group				14,209	11,185	25,394		
(G) Sun TV Group								
25.	AMH and/or its subsidiaries	Sun TV and/or its affiliates	Provision of channel and content rights to AMH and/or its subsidiaries	16,708	#NA	16,708	<b>Major Shareholders</b> PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK, MM, NRK and DHB	Refer to Note 5
26.	AMH and/or its subsidiaries	Sun TV and/or its affiliates	Distribution, licensing and provision of channel and content rights by/to AMH and/or its subsidiaries	43	25,463	25,506	<b>Major Shareholders</b> PCBV, Khazanah, AAME, UTES, UTSB, PSIL, Excorp, PanOcean and TAK  <b>Directors</b> LGK, MM, NRK and DHB	Refer to Note 5
Aggregate Value of Transactions with Sun TV Group				16,751	25,463	42,214		

\*NA Transactions approved under 2019 Mandate only.  
#NA Transactions approved under 2018 Mandate but was not renewed under 2019 Mandate.

Disclosure of Recurrent Related Party Transactions

NOTES (as at 1 June 2020):

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 23.95% equity interest in AMH through the wholly-owned subsidiaries of UTSB namely, UTES and AAME with each holding 235,778,182 AMH Shares and 1,013,297,290 AMH Shares directly representing 4.52% and 19.43% equity interest in AMH respectively.

TAK has a deemed interest in the AMH Shares in which UTSB has an interest by virtue of the deemed interest of PanOcean in the AMH Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations, including those for charitable purposes. PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity interest in UTSB. TAK is also a director of PanOcean, Excorp, PSIL and UTSB.

Although TAK and PanOcean are deemed to have an interest in the AMH Shares as described in the foregoing, they do not have any economic or beneficial interest over such shares as such interest is held subject to the terms of such discretionary trust referred to in the paragraph above.

TAK is also deemed to have an interest in the AMH Shares by virtue of the interests of East Asia Broadcast Network Systems N. V. (“**EABNS**”), Pacific Broadcast Systems N. V. (“**PBS**”), Home View Limited N. V. (“**HVL**”), Southpac Investments Limited N. V. (“**SIL**”), Ujud Cergas Sdn Bhd (“**UCSB**”), Metro Ujud Sdn Bhd (“**MUSB**”), Mujur Sanjung Sdn Bhd (“**MSSB**”), Prisma Gergasi Sdn Bhd (“**PGSB**”) and Ujud Murni Sdn Bhd (“**UMSB**”) which collectively hold directly 903,792,754 AMH Shares representing 17.33% equity interest in AMH. TAK is deemed to have an interest in the 903,792,754 AMH Shares collectively held by EABNS, PBS, HVL, SIL, UCSB, MUSB, MSSB, PGSB and UMSB by virtue of him holding 100% equity interest in their respective ultimate holding companies viz. Tucson N. V. (“**Tucson**”), Orient Systems Limited N. V. (“**OSL**”), Home View Holdings N. V. (“**HVH**”), Southpac Holdings N. V. (“**SHNV**”), All Asia Radio Broadcast N. V. (“**AARB**”), Global Radio Systems N. V. (“**GRS**”), Maestra International Broadcast N. V. (“**MIB**”), Maestra Global Radio N. V. (“**MGR**”) and Global Broadcast Systems N. V. (“**GBS**”).

Each of PSIL, Excorp, PanOcean and TAK has a deemed interest over 124,688,000 ordinary shares in TCSB (“**TCSB Shares**”) representing 65.84% equity interest in TCSB through UTSB. UTSB holds an aggregate of 124,688,000 TCSB Shares representing 65.84% equity interest in TCSB, of which 71,000,000 TCSB Shares representing 37.49% equity interest in TCSB is held directly by UTSB, while 53,688,000 TCSB Shares representing 28.35% equity interest in TCSB is held indirectly via its wholly-owned subsidiary, Usaha Tegas Resources Sdn Bhd.

Although TAK and PanOcean are deemed to have an interest in the TCSB Shares as described in the foregoing, they do not have any economic or beneficial interest over such TCSB Shares, as such interest is held subject to the terms of such discretionary trust referred to above.

In addition, TAK is deemed to have an interest over 47,792,803 TCSB Shares representing 25.23% equity interest in TCSB through the wholly-owned subsidiaries of MAI Sdn Berhad (“**MAI**”), by virtue of his 100% direct equity interest in MAI.

LGK, who is a Director of AMH and MBNS, is also a director of UTSB, PSIL, Excorp, PanOcean, UTSBM and TCSB. He has a direct equity interest over 1,000,000 AMH Shares representing 0.02% equity interest in AMH. He does not have any equity interest in Tanjong plc, TGV, TGVP, UTSB Group and AMH subsidiaries.

MM, who is a Director of AMH, is also a director of TCSB, Tanjong plc and an alternate director on the Board of UTSB. She does not have any equity interest in AMH Group, UTSB Group and TCSB Group.

2. Maxis Group

Maxis Broadband is a wholly-owned subsidiary of Maxis which is in turn a 62.34%-owned indirect subsidiary of Binariang GSM Sdn Bhd (“**BGSM**”).

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 (“**Maxis Shares**”) representing 62.34% equity interest in Maxis, by virtue of its/his deemed interest in BGSM which holds 100% equity interest in BGSM Management Sdn Bhd (“**BGSM Management**”). BGSM Management holds 100% equity interest in BGSM Equity Holdings Sdn Bhd (“**BGSM Equity**”) which in turn holds 62.34% equity interest in Maxis. UTSB’s deemed interest in the Maxis Shares arises through its wholly-owned subsidiaries, namely, Wilayah Resources Sdn Bhd, Tegas Puri Sdn Bhd, Besitang Barat Sdn Bhd and Besitang Selatan Sdn Bhd, which hold in aggregate 37% equity interest in BGSM.

PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity interest in 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 the discretionary trust. Please refer to Note 1 above for interests of UTSB, PSIL, Excorp, PanOcean and TAK in AMH.

LGK, who is a Director of AMH and MBNS, is also a director of UTSB, PSIL, Excorp, PanOcean, Maxis and several subsidiaries of Maxis (including Maxis Broadband). LGK does not have any equity interest in Maxis Group and AMH subsidiaries. Please refer to Note 1 above for LGK’s interest in AMH.

DHB is a former Director of MBNS within the preceding 6 months from the LPD and he is deemed to have an interest over 462,124,447 AMH Shares representing 8.86% equity interest in AMH in which Harapan Terus Sdn Bhd (“**HTSB**”) has an interest, by virtue of his 25% direct equity interest in HTSB. HTSB’s deemed interest in such AMH Shares arises through its wholly-owned subsidiaries namely, Berkat Nusantara Sdn Bhd (“**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.

DHB is a major shareholder of Maxis with a deemed interest over 4,875,000,000 Maxis Shares representing 62.37% equity interest in Maxis in which Harapan Nusantra Sdn Bhd (“**HNSB**”) has an interest by virtue of his 25% direct equity interest in HNSB. HNSB’s deemed interest in such Maxis Shares arises through its wholly-owned subsidiaries namely, Mujur Anggun Sdn Bhd, Cabaran Mujur Sdn Bhd, Anak Samudra Sdn Bhd, Dumai Maju Sdn Bhd, Nusantara Makmur Sdn Bhd, Usaha Kenanga Sdn Bhd and Tegas Sari Sdn Bhd (collectively, “**HNSB Subsidiaries**”), which hold in aggregate 30% equity interest in BGSM. The HNSB Subsidiaries hold their deemed interest in such Maxis Shares under discretionary trusts for Bumiputera objects. As such, DHB does not have any economic interest over such Maxis Shares as such interest is held subject to the terms of such discretionary trusts.

Disclosure of Recurrent Related Party Transactions

3. MGB Group

Astro Productions is a wholly-owned subsidiary of AMH. MSS is a wholly-owned subsidiary of MGB.

TAK is a major shareholder of MGB with a deemed interest over 272,953,208 ordinary shares (“**MGB Shares**”) representing 70% equity interest in MGB held via MEASAT Global Network Systems Sdn Bhd (“**MGNS**”), a wholly-owned subsidiary of MAIH in which he has a 100% direct equity interest. Hence, TAK also has deemed interest over MSS. Please refer to Note 1 above for TAK’s deemed interest in AMH.

LGK, who is a Director of AMH and MBNS, is also a director of MGNS. He does not have any equity interest in the shares of MGB Group. Please refer to Note 1 above for LGK’s interests in AMH.

SC, who is a Director of AMH, is also a director of MGB and MSS. He does not have any equity interest in AMH Group and MGB Group.

MM, who is a Director of AMH, is also a major shareholder of MGB with a deemed interest over 116,979,947 MGB Shares representing 30% equity interest in MGB in which Harapan Kota Sdn Bhd (“**HKS**”) has an interest, by virtue of her 50% direct equity interest in HKS, the holding company of Tujuan Bidari Sdn Bhd (“**TBS**”), which in turn holds shares in Tujuan Wira Suria Sdn Bhd (“**TWSS**”). TBS holds such MGB Shares through TWSS, under a discretionary trust for Bumiputera objects. As such, MM does not have any economic interest in such MGB Shares as such interest is held subject to the terms of such discretionary trust. She does not have any equity interest in AMH Group.

4. AHSB Group

FetchTV is a wholly-owned subsidiary of Media Innovations Holdings Pty Ltd (“**MIHPL**”), a 83.84%-owned indirect subsidiary of AOL which in turn is wholly-owned by AHSB via Astro All Asia Networks Limited. CTE and its subsidiary, CMCL are associate companies of AOL.

Khazanah is a Major Shareholder with a deemed interest over 1,077,735,927 AMH Shares representing 20.67% equity interest in AMH through its wholly-owned subsidiary, PCBV. PCBV and Khazanah are also major shareholders of AHSB by virtue of PCBV’s 29.34% direct equity interest in AHSB.

Each of UTSB, PSIL, Excorp and PanOcean is a major shareholder of AHSB, with a deemed interest over 479,619,973 ordinary shares (“**AHSB Shares**”) representing 34.01% equity interest in AHSB held through the wholly-owned subsidiaries of UTSB, namely, UTES and AAME. Please refer to Note 1 above for the interests of AAME, UTES, UTSB, PSIL, Excorp, and PanOcean in AMH.

TAK who is a Major Shareholder, is also a major shareholder of AHSB with a deemed interest over 819,082,908 AHSB Shares representing 58.08% equity interest in AHSB. Please refer to Note 1 above for TAK’s deemed interest in AMH.

DHB, who is a former Director of MBNS, is also a former director of AHSB and AOL within the preceding 6 months from the LPD. DHB is deemed to have an interest over 177,446,535 AHSB Shares representing 12.58% equity interest in AHSB in which HTSB has an interest, by virtue of his 25% direct equity interest in HTSB. HTSB’s deemed interest in such AHSB Shares arises through the HTSB Subsidiaries. The HTSB Subsidiaries hold such AHSB Shares under discretionary trusts for Bumiputera objects. As such, he does not have any economic interests over such AHSB Shares as such interest is held subject to the terms of such discretionary trusts. Please refer to Note 2 above for DHB’s interest in AMH.

LGK, who is a Director of AMH and MBNS, is also a director of AHSB and AOL. He does not have any equity interest in AHSB Group. Please refer to Note 1 above for LGK’s interests in AMH.

SC, who is a Director of AMH, is also a director of MIHPL and FetchTV. SC is deemed to have an interest over 13.83% equity interest in MIPL in which Media Capital Pty Ltd has an interest, by virtue of him and his spouse controlling 100% equity interest in Media Capital Pty Ltd. He does not have any equity interest in AMH Group.

MM, who is a Director of AMH, is also a director of AHSB. She does not have any equity interest in AMH Group and AHSB Group.

NRK, who is a Director of AMH, is also a director of AHSB. He does not have any equity interest in AMH Group and AHSB Group.

HT, who is the GCEO of AMH and a Director of several subsidiaries of AMH, is also a director of MIHPL and FetchTV Pty Ltd, which are the holding companies of FetchTV. He has a direct equity interest over 1,863,500 AMH Shares representing 0.036% equity interest in AMH. He does not have any equity interest in AHSB Group.

5. Sun TV Group

Sun TV is regarded as a Person Connected to AOL through a joint venture arrangement between a wholly-owned subsidiary of AOL and Sun TV. AOL is in turn a wholly-owned subsidiary of AHSB.

Each of PCBV, 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.

DHB, who is a former Director of MBNS, is also a former director of AHSB and AOL within the preceding 6 months from the LPD. He does not have any equity interest in Sun TV Group. Please refer to Notes 2 and 4 above for DHB’s interests in AMH.

LGK, who is a Director of AMH and MBNS, is also a director of AHSB and AOL. He does not have any equity interest in AHSB Group and Sun TV Group. Please refer to Note 1 above for LGK’s interest in AMH.

MM, who is a Director of AMH, is also a director of AHSB. She does not have any equity interest in AMH Group, AHSB Group and Sun TV Group.

NRK, who is a Director of AMH, is also a director of AHSB. He does not have any equity interest in AMH Group, AHSB Group and Sun TV Group.

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 2020 or if not then subsisting, entered into since the end of FY19 are as follows<sup>(1)</sup>:

	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 12 transponders on the MEASAT-3 satellite	Fee payable by MBNS to MSS	18 June 2007  Letter of Variation: 30 April 2009  Letter of Agreement: 21 May 2013  Letter of Agreement: 27 October 2017	Cash	Refer to Note 1 on page 299
2.	MBNS	MSS	Supply of capacity on six transponders on the MEASAT-3a satellite	Fee payable by MBNS to MSS	18 May 2009  Letter of Agreement: 21 May 2013	Cash	Refer to Note 1 on page 299
3.	MBNS	MEASAT International (South Asia) Ltd (“MISAL”)	Supply of capacity on 18 transponders on the MEASAT-3b satellite	Fee payable by MBNS to MISAL	11 May 2012  Letter of Amendment: 9 April 2014  Direct Agreement: 15 May 2014  Letter of Amendment: 6 July 2015  Letters of Agreement: 18 April 2019	Cash	Refer to Note 1 on page 299
4.	MBNS	MISAL	Supply of capacity on six transponders on the MEASAT-3b satellite	Fee payable by MBNS to MISAL	12 April 2018  Letter of Termination: 18 April 2019	Cash	Refer to Note 1 on page 299
5.	MBNS	MEASAT Communication Systems Sdn Bhd (“MCSSB”)	Supply of capacity on 12 transponders on the MEASAT-3d satellite	Fee payable by MBNS to MCSSB	18 April 2019  Letter of Amendment: 19 September 2019	Cash	Refer to Note 1 on page 299

NOTE (as at 1 June 2020):

1. MGB Group

MSS, MISAL and MCSSB are wholly-owned subsidiaries of MGB. MBNS is a wholly-owned subsidiary of AMH.

TAK, who is a Major Shareholder is also a major shareholder of MGB. Please refer to Notes 1 and 3 on pages 294 and 296 for TAK’s interests in AMH and MGB Group.

LGK, who is a Director of AMH and MBNS, is also a director of MEASAT Global Network Systems Sdn Bhd (the holding company of MGB). Please refer to Note 1 and 3 on pages 294 and 296 for LGK’s interests in AMH and MGB Group.

SC, who is a Director of AMH, is also a director of MGB, MSS and MCSSB. He does not have any equity interest in the shares of AMH and MGB Group.

MM, who is a Director of AMH, is also a major shareholder of MGB. Please refer to Note 3 on page 296 for MM’s interests in AMH and MGB Group.

Management Share Scheme 2012

In accordance with Appendix 9C Part A Section 27(a) of the MMLR, the total number of shares granted, vested and outstanding pursuant to our Company’s Share Scheme since its commencement until FY20 are as follows:

Total number of AMH Shares granted	:	48,674,800
Total number of AMH Shares vested	:	17,206,700
Total number of AMH Shares outstanding	:	Nil

Detailed information on the Share Scheme of our Company is set out in Note 7(a) of the audited financial statements for FY20 on pages 210 to 214 of this IAR2020.

Shares granted to Directors and GCEO of our Company

- a) NEDs of our Company do not participate in our Share Scheme.
- b) Share awards in respect 10,017,800 AMH Shares have been granted to a former Executive Director (who resigned on 31 January 2019) and our GCEO, of which 4,361,500 have vested and none are outstanding.
- c) The actual percentage of AMH Shares granted to them and other SLT members under the Share Scheme since the commencement of the Share Scheme and during FY20 are 38% and Nil, respectively.
- d) There is no maximum allocation applicable to our Directors and SLT. 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.

<sup>(1)</sup> Please note that transactions of a recurrent nature entered into by the AMH Group between 1 February 2019 and 31 January 2020 involving the interests of our Directors or Major Shareholders have been disclosed on pages 288 to 297 of this IAR2020.



Glossary

AAAN	Astro All Asia Networks Limited
AABC	All Asia Broadcast Centre, Bukit Jalil
AAME	All Asia Media Equities Limited
AAPG	Audit and Assurance Practice Guide
AARB	All Asia Radio Broadcast N. V.
ACBC	Astro Cyberjaya Broadcast Centre, Cyberjaya
Act	Companies Act 2016
Adex	Advertising revenue. Generally used to refer to the total advertising revenue in the market as a whole
ADSB	Astro Digital Sdn Bhd
AD5SB	Astro Digital 5 Sdn Bhd
AESB	Astro Entertainment Sdn Bhd
AGM	Annual General Meeting
AGS	Astro Group Services Sdn Bhd
AHSB	Astro Holdings Sdn Bhd
AI	Artificial Intelligence
AMH Shares	Astro Malaysia Holdings Berhad’s ordinary shares
AOL	ASTRO Overseas Limited
App	Applications, used in reference to digital applications on PCs and smart devices
Astro Productions/ APSB	Astro Productions Sdn Bhd
APSSB	Astro Production Services Sdn Bhd
ARC	Audit and Risk Committee
ARPU	Average Revenue Per User. ARPU is the monthly average revenue per residential Pay-TV subscriber (excluding NJOI, our non-subscription satellite TV subscribers). ARPU is calculated by dividing the monthly average revenue derived from active Pay-TV residential subscribers over the financial year/period with the monthly average number of active Pay-TV residential subscribers during the financial year/period
ARV	Astro Retail Ventures Sdn Bhd
ASEAN	Association of Southeast Asian Nations
Astro/AMH/ Company	Astro Malaysia Holdings Berhad
Astro Arena/ AASB	Astro Arena Sdn Bhd

Astro Awani/ AANSB	Astro Awani Network Sdn Bhd
Astro GS Shop/ Go Shop	Astro GS Shop Sdn Bhd
Astro Radio/ ARSB	Astro Radio Sdn Bhd
Astro Shaw/ ASSB	Astro Shaw Sdn Bhd
ASM	Astro Sports Marketing Sdn Bhd
ASO	Analogue switch off
ASV	Asia Sports Ventures Pte Ltd
b	Billion(s)
BCP	Business Continuity Plan
BEE	Board Effectiveness Evaluation
BGSM	Binariang GSM Sdn Bhd
BGSM Equity	BGSM Equity Holdings Sdn Bhd
BGSM Management	BGSM Management Sdn Bhd
Board	Board of Directors of AMH
Boardroom	Boardroom Share Registrars Sdn Bhd
BSCC	Bangsar South Contact Centre
Bursa Malaysia/ Bursa Securities	Bursa Malaysia Securities Berhad
B2C	Business-to-consumer
CA	Corporate Assurance
Capex	Capital expenditure
Capitals	Capitals as referred to in the International Integrated Reporting Council are stocks of value on which an organisation’s business model depends as inputs, and which are increased, decreased or transformed through its business activities as outputs
CCIRS	Cross-currency interest rate swap
CEO	Chief Executive Officer
CG	Corporate governance
CMCL	Celestial Movie Channel Limited
COBE	Code of Business Ethics
Company Scorecard	KPIs underpinning Senior Leadership Team’s performance evaluation
Connected STB	Internet-ready set-top boxes with access to Astro’s On Demand library of content
COSO	Committee of Sponsoring Organisation

CTE	Celestial Tiger Entertainment Limited
DHB	Dato’ Haji Badri bin Haji Masri
Digidex	Digital adex
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
DTAM	Dynamic Television Audience Measurement
DYC	Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)
EABNS	East Asia Broadcast Network Systems N. V.
EABSH	East Asia Broadcast Systems Holdings N. V..
EBIT	Earnings before interest and taxation
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
ECL	Expected credit losses
e-COD	Electronic cash on delivery
E-commerce	Electronic commerce is a term describing a business or commercial transaction involving the transfer of information across the Internet
e-voting	Poll by way of electronic voting
EES	Economic, Environmental and Social
eGG Network	Astro’s eSport channel – every Good Game
EMEA	Europe, Middle East and Africa
EPF	Employees Provident Fund
EPS	Earnings per share
eSports	A multiplayer video game played competitively for spectators, typically by professional gamers
ESS	Employee separation scheme
Excorp	Excorp Holdings N. V.
FBMKLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index
FCF	Free cash flow
FetchTV	FetchTV Content Pty Ltd

FIFA	Fédération Internationale de Football Association/International Federation of Association Football
FM	Frequency modulation, commonly refers to the delivery of music and speech via terrestrial radio broadcast
FTA	Free-to-air
FTSE4Good Bursa Malaysia Index	Designed to highlight companies that demonstrate a leading approach to addressing environmental, social and governance (ESG) risks. It comprises eligible companies from the universe of the Top 200 companies in the FTSE Bursa Malaysia EMAS Index
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FY16	Financial year ended 31st January 2016
FY17	Financial year ended 31st January 2017
FY18	Financial year ended 31st January 2018
FY19	Financial year ended 31st January 2019
FY20	Financial year ended 31st January 2020
FY21	Financial year ended 31st January 2021
GBO	Gross box office
GBS	Global Broadcast Systems N. V.
GCEO	Group Chief Executive Officer
GCFO	Group Chief Financial Officer
GCOO	Group Chief Operating Officer
GDP	Gross domestic product
GHG	Greenhouse gas
GMK	Grup Majalah Karangkraf Sdn Bhd
Go Shop Singapore	Astro GS Shop Singapore Pte Ltd
GRI	Global Reporting Initiative
GRM	Group Risk Management
GRMF	Group Risk Management Framework
GRMP	Group Risk Management Policy
Group	Astro Malaysia Holdings Berhad and its subsidiaries
GRS	Global Radio Systems N. V.
GSHS	GS Home Shopping Inc
HD	High-definition, commonly refers to TV or video at a resolution of either 720p, 1080i or 1080p



Glossary

HKD	Hong Kong Dollar
HKSB	Harapan Kota Sdn Bhd
HNSB	Harapan Nusantra Sdn Bhd
HT	Henry Tan Poh Hock
HTSB	Harapan Terus Sdn Bhd
HVH	Home View Holdings N. V.
HVL	Home View Limited N. V.
IAR2020	Integrated Annual Report 2020
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
INED	Independent Non-Executive Director
IP	Intellectual property
IPO	Initial public offering of up to 1,518,300,000 ordinary shares in AMH, comprising a public issue and offer for sale
IPTV	Internet Protocol Television, generally referring to multichannel digital TV distributed over a managed IP network with a managed quality of service and dedicated bandwidth
IR	Investor Relations
IRS	Interest Rate Swaps
ISMS	Information Security Management System
ISO	The International Organization for Standardization, a non-governmental organization that is the world’s largest developer of voluntary international standards and facilitates world trade by providing common standards between nations
ISP	Internet service provider
IT	Information technology
IVP	Infinite Video Platform
IVR	Interactive Voice Response
JV	Joint venture
k	Thousand(s)
KASB	Karya Anggun Sdn Bhd
KBS	Kementerian Belia dan Sukan Malaysia
KCC	Key Control Checklists
KPDNHEP	Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna
Khazanah/KNB	Khazanah Nasional Berhad
KKMM	Kementerian Komunikasi dan Multimedia Malaysia

KPI	Key performance indicator
KPM	Kementerian Pendidikan Malaysia
KSM	Kementerian Sumber Manusia Malaysia
kWh	kilowatt-hour
LGK	Lim Ghee Keong
LOA	Limits of authority
LPD	Latest Practicable Date
LR/Listing Requirements	Main Market Listing Requirements of the Bursa Securities
m	Million(s)
m³	Cubic meter
MAI	MAI Sdn Berhad
Major Shareholder	A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares is: (i) 10% or more of the voting share in our Company; or (ii) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company
MAU	Monthly active users
Maxis	Maxis Berhad
Maxis Broadband	Maxis Broadband Sdn Bhd
MBNS	MEASAT Broadcast Network Systems Sdn Bhd
Mbps	Megabits per second
MCCG	Malaysian Code on Corporate Governance 2017
MCMC	Kementerian Komunikasi dan Multimedia Malaysia
MCSSB	MEASAT Communication Systems Sdn Bhd
MDEC	Malaysia Digital Economic Corporation
MDIG	MEASAT Digicast Sdn Bhd
MFRS	Malaysian Financial Reporting Standards
MGB	MEASAT Global Berhad
MGNS	MEASAT Global Network Systems Sdn Bhd
MGR	Maestra Global Radio N. V.
MGTC	Malaysian Green Technology and Climate Change Centre (previously known as GreenTech Malaysia)
MIB	Maestra International Broadcast N. V.
MIPL	Media Innovations Pte Ltd

MIRA	Malaysian Investor Relations Association
MISAL	MEASAT International (South Asia) Ltd
MM	Mazita binti Mokty
MMLR	Bursa Malaysia Securities Berhad’s Main Market Listing Requirements
MRC	MEASAT Radio Communications Sdn Bhd
MSS	MEASAT Satellite Systems Sdn Bhd
MSSB	Mujur Sanjung Sdn Bhd
MSWG	Minority Shareholder Watchdog Group
MTAM	Maestro Talent and Management Sdn Bhd
MTBC	MEASAT Broadcast Centre, Cyberjaya
MTN	Medium Term Note
MUSB	Metro Ujud Sdn Bhd
MUV	Monthly unique visitors
MyAstro	Astro’s TV companion app
NCGC	Nomination and Corporate Governance Committee
NED	Non-Executive Director
NFCP	National Fiberisation and Connectivity Plan
NHH	Nurhisham bin Hussein
NISB	Nu Ideaktiv Sdn Bhd
NINED	Non-Independent Non-Executive Director
NIOSH	National Institute of Occupational Safety and Health
NJOI	Astro’s subscription-free DTH satellite TV service
NRK	Nik Rizal Kamil bin Nik Ibrahim Kamil
OCI	Other comprehensive income
On Demand	A personalised TV viewing service allowing users access to a library of movies, complete box sets of TV series and a selection of aired programmes based on subscribed packages or on a Pay-Per-View basis
OSH	Occupational Safety and Health
OSL	Orient Systems Limited N. V.
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
PanOcean	PanOcean Management Limited
PAT	Profit after taxation
PATAMI	Profit after taxation and minority interests

PBS	Pacific Broadcast Systems N. V.
PBT	Profit before taxation
PCBV	Pantai Cahaya Bulan Ventures Sdn Bhd
PDPA	Personal Data Protection Act 2010
Person(s) Connected	This shall have the same meaning as in Paragraph 1.01, Chapter 1 of the MMLR
PEW	Perfect Excellence Waves Sdn Bhd
PGSB	Prisma Gergasi Sdn Bhd
PSIL	Pacific States Investment Limited
PSU	Performance Share Units
PwC	PricewaterhouseCoopers PLT, Astro’s external auditors
RA	Revenue Assurance
Radex	Radio advertising expenditure. Generally used to refer to the total advertising expenditure in the radio market as a whole
RC	Remuneration Committee
RCV	Renzo Christopher Viegas
RJF	Richard John Freudenstein
RLSB	Radio Lebuhraya Sdn Bhd
RM	Ringgit Malaysia
RPA	Robotic Process Automation
RPS	Redeemable Preference Shares
RPT	Related Party Transaction
RRPT	Recurrent Related Party Transaction
RSU	Restricted Share Units
SBTC	Strategy and Business Transformation Committee
SC	Simon Cathcart
Schools in Hospitals	A specialised and structured learning centre in selected hospitals, focused on the readiness and capabilities of students undergoing medical care
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 Colour with Memory systems and 525 interlaced lines based on the American National Television System Committee system. PAL 625 lines has been adopted as the SD standard in Malaysia

Glossary

SDGs	Sustainable Development Goals by the United Nations
SFCL	Synthetic Foreign Currency Loan facility
SFJ	Shahin Farouque bin Jammal Ahmad
Share Scheme	Management Share Scheme established in 2012
SHNV	Southpac Holdings N. V.
SIL	Southpac Investments Limited N. V.
SME	Small and medium-sized enterprise
SMS	Short messaging service; a service whereby mobile telephone users may send and receive text messages
SORMIC	Statement on Risk Management and Internal Control
STB	Set-top box
Sun TV	Sun TV Network Limited
TAK	Ananda Krishnan Tatparanandam
TAZ	Tunku Alizakri bin Raja Muhammad Alias
Tanjong plc	Tanjong Public Limited Company
Tayangan Unggul/TUSB	Tayangan Unggul Sdn Bhd
TBSB	Tujuan Bidari Sdn Bhd
tCO <sub>2</sub> e	Tonnes of carbon dioxide equivalent, a unit to measure GHG emissions relative to one unit of CO <sub>2</sub>
TCSB	Tanjong Capital Sdn Bhd
TGV	TGV Cinemas Sdn Bhd
TIME	Time dotCom Berhad
Total Borrowings	Term loans and finance leases, excluding vendor financing
Transponder(s)	A device mounted on a satellite that receives, converts and retransmits radio frequency signals

Tucson	Tucson N. V.
TV	Television
TV Households	Households with at least one TV set
TWSSB	Tujuan Wira Suria Sdn Bhd
TZ	Tun Dato’ Seri Zaki bin Tun Azmi
UCSB	Ujud Cergas Sdn Bhd
UHD	Ultra High Definition; refers to the display resolution of 3,840 x 2,160
UI	User interface
UMSB	Ujud Murni Sdn Bhd
UN	United Nations
UPSR	Ujian Penilaian Sekolah Rendah, Malaysia’s primary school national exam
USD	United States Dollar
UTES	Usaha Tegas Entertainment Systems Sdn Bhd
UTP	UT Projects Sdn Bhd
UTSB	Usaha Tegas Sdn Bhd
UTSBM	UTSB Management Sdn Bhd
UX	User experience
VD	Vernon Das
VIU	Value in use
WAB	Wisma Ali Bawal, Petaling Jaya
Yayasan	Yayasan Astro Kasih
24/7	24 hours a day, seven days a week
4K	Refers to a horizontal display resolution of approximately 4,000 pixels
4K UHD	Refers to a horizontal display resolution of approximately 4,000 pixels in Ultra High Definition with display resolution of 3,840 x 2,160
5G	Fifth generation wireless technology for digital cellular networks

Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of ASTRO MALAYSIA HOLDINGS BERHAD (“the Company”) will be conducted on a fully virtual basis on Wednesday, 29 July 2020 at 2.00 p.m. from the broadcast venue at Studio 1, Ground Floor, All Asia Broadcast Centre, Technology Park Malaysia, Lebuhraya Puchong-Sungai Besi, Bukit Jalil 57000 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 2020 and the Reports of the Directors and Auditors thereon.  
*(Please refer to Explanatory Note 1)*

(2)

To re-elect the following Directors who retire by rotation pursuant to Rule 126 of the Company’s Constitution and who being eligible, have offered themselves for re-election:  
(i)     Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)  
(ii)    Renzo Christopher Viegas  
*(Please refer to Explanatory Note 2)*

(3)

To re-elect Nik Rizal Kamil bin Nik Ibrahim Kamil who retires pursuant to Rule 115 of the Company’s Constitution and being eligible, has offered himself for re-election.  
*(Please refer to Explanatory Note 2)*

(4)

To approve the payment of Directors’ fees and benefits for the period from 30 July 2020 until the next Annual General Meeting of the Company to be held in 2021.  
*(Please refer to Explanatory Note 3)*

(5)

To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors of the Company to fix their remuneration.  
*(Please refer to Explanatory Note 4)*
- Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

- (6)

Authority for Directors of the Company to Issue Ordinary Shares pursuant to Sections 75 and 76 of the Companies Act 2016
- Resolution 6

“THAT, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”), to issue and allot shares in the Company, at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit including in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options in respect of shares in the Company including those which would or might require shares in the Company to be issued after the expiration of the approval hereof, provided that the aggregate number of shares to be issued pursuant to this approval does not exceed ten (10) percent of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”);

AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant regulatory bodies being obtained (if required).”  
*(Please refer to Explanatory Note 5)*

Notice of Annual General Meeting

- (7) Renewal of Authority for the Directors of the Company to Issue Ordinary Shares in relation to the Dividend Reinvestment Plan

“THAT pursuant to the Dividend Reinvestment Plan (“DRP”) approved by the shareholders of the Company at the Annual General Meeting held on 27 June 2019, approval be and is hereby given to the Company to allot and issue such number of ordinary shares in the Company (“Shares”) from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting of the Company, upon such terms and conditions and to such persons as the Directors of the Company may, in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the Shares shall be determined and fixed by the Directors at not more than ten (10) percent discount to the adjusted five (5)-day weighted average market price (“WAMP”) of the Shares immediately prior to the price-fixing date, of which the WAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into, execute, sign and deliver, all such documents, agreements, transactions and arrangements as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company.”  
*(Please refer to Explanatory Note 6)*

- (8) Proposed Establishment of a Long Term Incentive Plan

“THAT, subject to the approvals being obtained from all relevant regulatory authorities, including but not limited to Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing and quotation of new ordinary shares in the Company (“Shares”) to be issued pursuant to the proposed establishment of a long term incentive plan for eligible employees of the Company and its subsidiaries (excluding dormant subsidiaries) (“Proposed Share Scheme”) on the Main Market of Bursa Securities, approval be and is hereby given to the Directors of the Company to:

- (a) establish, implement and administer the Proposed Share Scheme for the benefit of the eligible employees (including any executive director and/or chief executive officer) of the Company and its subsidiaries (excluding subsidiaries which are dormant), who fulfil the criteria of eligibility for participation in the Proposed Share Scheme in accordance with the by-laws governing the Proposed Share Scheme set out in Appendix I of the Circular to Shareholders dated 30 June 2020 (“By-Laws”);
- (b) offer, issue, allot and/or procure the transfer of such number of Shares (as may be adjusted or modified from time to time pursuant to the By-Laws) from time to time as may be required for the purpose of or in connection with the Proposed Share Scheme,
- (i) provided that the maximum number of Shares that may be issued and/or transferred under the Proposed Share Scheme shall not, when aggregated with the total number of new Shares issued under the Company’s existing Management Share Scheme 2012, exceed ten (10) percent of the total number of issued Shares (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed Share Scheme; and
- (ii) that the new Shares shall, upon issuance and allotment, rank equally in all respects with the existing issued Shares, save and except that they shall not be entitled to any dividends, rights, allotments, entitlements and/or any other distributions: (aa) attached to the Shares prior to the date on which the Shares are credited into the respective central depository system accounts (“CDS Accounts”) of the eligible employees who have duly accepted an offer pursuant to the By-Laws (“Scheme Participants”); and/or (bb) that may be declared, made or paid to the shareholders of the Company, for which the book closure date is prior to the date on which the Shares are credited into the CDS Accounts of the Scheme Participants;

Resolution 7

and such Shares will be subject to all the provisions of the Constitution of the Company as amended from time to time relating to voting, dividends, entitlements, liquidation, and their allotment, issuance, transfers, transmission or otherwise;

- (c) do all such acts and things, and to execute all such documents and to enter into all such transactions, arrangements, agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as the Directors of the Company may deem fit and expedient in the best interest of the Company in order to give full effect to the Proposed Share Scheme and the terms of the By-Laws, including making the necessary applications at the appropriate time or times to Bursa Securities for permission to deal in and for the listing and quotation of new Shares which may from time to time be issued and allotted pursuant to the Proposed Share Scheme or for any other approval as may be required to give full effect to the Proposed Share Scheme and the terms of the By-laws; and
- (d) add, delete, modify and/or amend the terms of the By-Laws from time to time as may be required, permitted or deemed necessary by the relevant authorities, Remuneration Committee or any other committee established by the Board of Directors of the Company to implement and administer the Proposed Share Scheme, provided that such modifications and/or amendments are effected in accordance with the provisions of the By-Laws relating to amendments, variations and/or modifications;

THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed Share Scheme with full power to consent to and adopt any conditions, variations, modifications and/or amendments as may be required by any relevant authorities and to deal with all matters relating thereto, and to take such steps and to do all acts and things and execute all such documents in any manner as they deem necessary or expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Scheme;

AND THAT the By-Laws be and is hereby approved and adopted.”  
*(Please refer to Explanatory Note 7)*

- (9) Proposed Offer, Issuance, Allotment and/or Transfer of Ordinary Shares in the Company to the Group Chief Executive Officer of the Company pursuant to the Proposed Long Term Incentive Plan

Resolution 9

“THAT, subject to the passing of Resolution 8 and the approvals being obtained from all the relevant authorities for the proposed establishment of a long term incentive plan for eligible employees of the Company and its subsidiaries (excluding dormant subsidiaries) (“Proposed Share Scheme”), the Directors of the Company be and are hereby authorised at any time and from time to time throughout the duration of the Proposed Share Scheme:

- (a) to offer, issue, allot and/or procure the transfer to Henry Tan Poh Hock (“Henry Tan”), the Group Chief Executive Officer of the Company (“GCEO”), such number of ordinary shares in the Company (“Shares”) equivalent to an amount of up to RM9.72 million based on the five (5)-day weighted average market price of the Shares immediately preceding the date of such letter containing an offer to Henry Tan or such other basis as the relevant authorities may permit, in accordance with the by-laws governing the Proposed Share Scheme, the Employment Agreement between the Company and Henry Tan dated 1 February 2019 and any amendments thereto, and subject always to meeting the performance targets set by the Remuneration Committee or any other scheme committee to be established by the Board of Directors of the Company to implement and administer the Proposed Share Scheme; and
- (b) to take all such actions that may be necessary and/or desirable to implement, finalise or 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 conditions, modifications, variations and/or amendments thereto as the Directors of the Company may deem fit and expedient in the best interest of the Company.”

*(Please refer to Explanatory Note 8)*

Notice of Annual General Meeting

(10) Proposed Shareholders' Mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with the following related parties:

Usaha Tegas Sdn Bhd and/or its affiliates  
Maxis Berhad and/or its affiliates  
MEASAT Global Berhad and/or its affiliates  
Astro Holdings Sdn Bhd and/or its affiliates  
Sun TV Network Limited and/or its affiliates  
GS Home Shopping Inc. and/or its affiliates  
SRG Asia Pacific Sdn Bhd and/or its affiliates  
Ultimate Capital Sdn Bhd, Ultimate Technologies Sdn Bhd, Kotamar Holdings Sdn Bhd and/or Dato' Hussamuddin bin Haji Yaacub and/or their respective affiliates

"THAT approval be and is hereby given pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with each of the abovementioned parties, respectively pursuant to Resolutions 10 to 17, the details of which are set out in Part B of the Company's Circular to Shareholders dated 30 June 2020 ("Proposed RRPT Mandate");

PROVIDED THAT such transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries, and are carried out in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the parties with which such recurrent transactions are to be entered into than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT the Proposed RRPT Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless such authority is renewed by a resolution passed at such general meeting;
- (b) the expiration of the period within which such Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) the resolution is revoked or varied by a resolution passed by the shareholders in a general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be authorised to take such steps and to do all acts and things and execute all such documents as they may consider necessary or expedient to give effect to the Proposed RRPT Mandate."

(Please refer to Explanatory Note 9)

Resolution 10  
Resolution 11  
Resolution 12  
Resolution 13  
Resolution 14  
Resolution 15  
Resolution 16  
Resolution 17

EXPLANATORY NOTES:

(1) Audited Financial Statements and the Reports of the Directors and Auditors thereon

The audited financial statements are laid at the annual general meeting ("AGM") in accordance with Section 340(1)(a) of the Companies Act 2016 ("Act"). There is no requirement for the shareholders to approve such documents and hence, this agenda item is meant for discussion only and will not be put forward for voting.

(2) Re-election and Re-appointment of Directors

- (a) Resolutions 1 and 2 – Rule 126 of the Constitution provides that at each AGM, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office, provided that all Directors shall retire from office once at least on each three (3) years, but shall be eligible for re-election.

Based on the number of Directors who are subject to retirement by rotation, two (2) out of seven (7) Directors (excluding a Director who is retiring under Rule 115) shall retire at this AGM. Datuk Yvonne Chia ("DYC") and Renzo Christopher Viegas ("RCV") retire by rotation at this AGM and being eligible, have offered themselves for re-election as Directors of the Company.

- (b) Resolution 3 – Rule 115 of the Constitution provides that any Director appointed, either to fill a casual vacancy or as an addition to the existing Board of Directors ("Board"), shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. A Director retiring under this Rule shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

Accordingly, Nik Rizal Kamil bin Nik Ibrahim Kamil ("NRK") who was appointed to the Board on 1 September 2019 is standing for re-election at this AGM and being eligible, has offered himself for re-election as a Director of the Company.

Based on the annual Board Effectiveness Evaluation, the Board is of the collective view that the said Directors who are retiring at this AGM have satisfactorily discharged their roles and responsibilities to act in the best interest of the Company. The Board is satisfied that, considering the wealth of expertise and experience which the retiring Directors possess, they will continue to bring sound judgement and contribute to the Board deliberations through active participation in discussions and decision-making. The Board has thereby recommended that DYC, RCV and NRK be re-elected as Directors of the Company.

(3) Directors' Fees and Benefits

Pursuant to Section 230 of the Act, any fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

At the Seventh AGM held on 27 June 2019, the fees and benefits to the Non-Executive Directors ("NEDs") for the period commencing 28 June 2019 until the Eighth AGM in July 2020 were approved based on the remuneration rates set out in Explanatory Note 3, Resolution 5 of the Notice of Seventh AGM at an estimated amount of up to RM3.54 million. The utilisation as at 31 January 2020 (approximately seven (7) months) is RM1.74 million. Based on the current Board size and estimated number of additional meetings to be held until the forthcoming AGM, the total utilisation is expected to be approximately 90% of the approved amount.

The Company is seeking its shareholders' approval for the payment of the NEDs' fees and benefits for the period commencing 30 July 2020 until the next AGM to be held in 2021 in accordance with the remuneration rates set out in page 310, payable on a monthly basis and/or as and when incurred.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON  
Company Secretary (LS0007908)  
Practising Certificate No. 201908003488

30 June 2020  
Kuala Lumpur



Notice of Annual General Meeting

The Remuneration Committee (“RC”) and Board had reviewed and concluded that the existing remuneration rates remain competitive and appropriate based on the responsibilities of the NEDs, the current market landscape that the Company operates in and within market benchmarks. The Board has therefore proposed to retain the same rates for the past two years, subject to a maximum amount of RM3.54 million. This has taken into consideration the need to appoint an additional director to further reinforce the Board’s strengths and capabilities, the frequency of meetings as well as to remunerate the Strategy and Business Transformation Committee which the Board established last year at the same rate as the RC and Nomination and Corporate Governance Committee:

Type of Fees/Benefits	Amount (RM)
Board Chairman	520,000 per annum
Non-Executive Director	280,000 per annum
Audit and Risk Committee <ul style="list-style-type: none"><li>Chairman</li><li>Member</li></ul>	50,000 per annum 25,000 per annum
Remuneration Committee <ul style="list-style-type: none"><li>Chairman</li><li>Member</li></ul>	40,000 per annum 20,000 per annum
Nomination and Corporate Governance Committee <ul style="list-style-type: none"><li>Chairman</li><li>Member</li></ul>	40,000 per annum 20,000 per annum
Strategy and Business Transformation Committee <ul style="list-style-type: none"><li>Chairman</li><li>Member</li></ul>	40,000 per annum 20,000 per annum
Meeting Allowances	1,000 per day
Benefits	Company car, petrol and driver for the Board Chairman

If Resolution 4 is passed, Directors’ fees and benefits will be paid by the Company on a monthly basis and/or as and when incurred.

(4) Re-appointment of Auditors

The Board, through the Audit and Risk Committee, had reviewed and was satisfied with the performance and independence of PricewaterhouseCoopers PLT (“PwC”) during the financial year ended 31 January 2020. The Board has thereby recommended the re-appointment of PwC as Auditors of the Company to hold office until the conclusion of the next AGM in 2021 in accordance with Section 271 of the Act, under Resolution 5.

(5) Authority for the Directors of the Company to Issue Ordinary Shares

Resolution 6, if passed, will provide the authority and empower the Directors, pursuant to Sections 75 and 76 of Act, to issue and allot ordinary shares in the Company up to ten (10) percent of the total number of issued shares of the Company (“Proposed General Mandate”). This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM in 2021.

Please refer to the Statement Accompanying Notice of AGM for further details of the Proposed General Mandate.

(6) Renewal of Authority for the Directors of the Company to Issue Ordinary Shares in relation to the Dividend Reinvestment Plan

Resolution 7, if passed, will renew the authority granted by the shareholders at the AGM held on 27 June 2019 to continue to empower the Directors to issue and allot ordinary shares in the Company in respect of any dividends to be declared, if any, under the Dividend Reinvestment Plan that provides the shareholders of the Company an option to elect to reinvest their cash dividend entitlements in ordinary shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM in 2021.

(7) Proposed Establishment of a Proposed Long Term Incentive Plan

Detailed information regarding the proposed establishment of a long term incentive plan for eligible employees of the Company and its subsidiaries (excluding dormant subsidiaries) (“Proposed Share Scheme”) is set out in Part A of the Circular to Shareholders dated 30 June 2020 and the by-laws for the Proposed Share Scheme (“By-Laws”) is set out in Appendix I of the said Circular. Resolution 8, if passed, will enable the Company to, amongst others, establish, implement and administer the Proposed Share Scheme for the benefit of the eligible employees (including any executive director and/or chief executive officer) of the Company and its subsidiaries (excluding subsidiaries which are dormant), who fulfil the conditions of eligibility for participation in the Proposed Share Scheme, in accordance with the By-Laws.

(8) Proposed Offer, Issuance, Allotment and/or Transfer of Ordinary Shares in the Company to the Group Chief Executive Officer of the Company pursuant to the Proposed Long Term Incentive Plan

Resolution 9, if passed, will enable the Company to offer to Henry Tan Poh Hock (“Henry Tan”), the Group Chief Executive Officer of the Company (“GCEO”), such number of ordinary shares in the Company (“Shares”) equivalent to an amount of up to: (a) RM4.86 million at any time during the financial year ending 31 January 2021; and (b) RM4.86 million at any time during the financial year ending 31 January 2022, based on the five (5)-day weighted average market price of the Shares preceding the date of such letter containing an offer made to the GCEO or such other basis as the relevant authorities may permit (“Proposed Grant”) in accordance with the by-laws governing the Proposed Share Scheme and the Employment Agreement between the Company and Henry Tan dated 1 February 2019 and any amendments thereto.

Any subsequent issuance, allotment and/or transfer of Shares to the GCEO pursuant to the Proposed Grant, at any point in time throughout the duration of the Proposed Share Scheme, is subject to, among others, satisfaction of the performance targets set by the Remuneration Committee or any other scheme committee established by the Board of Directors of the Company to implement and administer the Proposed Share Scheme.

(9) Proposed Shareholders’ Mandate for Recurrent Related Party Transactions

Detailed information regarding recurrent related party transactions is set out in Part B of the Circular to Shareholders dated 30 June 2020. Resolutions 10 to 17, if passed, will enable the Company and/or subsidiaries to enter into recurrent related party transactions in the ordinary course of business of a revenue or trading nature, which are necessary for the Group’s day-to-day operations, based on terms not more favourable to the related parties than those generally available to the public. Such mandate shall lapse at the conclusion of the next AGM in 2021 unless authority for its renewal is obtained from the shareholders at such general meeting.

Notice of Annual General Meeting

Notes on Abstention from Voting

The Directors who are referred to in Resolutions 1 to 3 are interested in the relevant resolutions and will therefore abstain from voting on the said resolutions in respect of his/her direct shareholdings in the Company at the forthcoming AGM. The said Directors will also ensure that persons connected to him/her will also abstain from voting on the relevant resolutions at the forthcoming AGM.

Notes on Voting Rights and Procedures

- (1) The Eighth AGM of the Company will be held on a **fully virtual basis via online meeting facilities**. Please refer to the Administrative Guide for the detailed steps on remote participation and electronic voting.
- (2) In accordance with Rule 106 of the Constitution, each member of the Company (“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. Members may exercise their rights to participate (including pose questions via the virtual meeting facilities) in the AGM.
- (3) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions as set out in this Notice of Eighth AGM will be conducted by way of a poll. Every Member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for every share held by him. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way.
- (4) The Company has appointed its share registrar, Boardroom Share Registrars Sdn Bhd (“Boardroom”) as poll administrator to conduct the poll by way of electronic voting (“e-voting”) and Boardroom Corporate Services Sdn Bhd as independent scrutineers to verify the poll results. E-voting for each of the resolutions as set out in this Notice of Eighth AGM will take place only upon conclusion of deliberations of all business to be transacted at the AGM or in such manner as directed by the Chairman.

Notes on Proxy

- (1) In accordance with Rule 106.5 of the Constitution, a Member entitled to attend and vote at a meeting of the Company is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, participate, speak and vote for him/her subject to the following provisions:

(i) save as provided for Note (2) below, the Act and any applicable law, each Member shall not be permitted to appoint more than two proxies to attend the same meeting; and

(ii) where a Member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- (2) For the avoidance of doubt and subject always to Note (1)(ii) above, the Act and any applicable law:

(i) where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus account it holds; and

- (ii) where a Member is an authorised nominee, he/she may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one instrument of proxy and should specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
- (3) There shall be no restriction as to the qualification of the proxy. Hence, a proxy may but need not be a Member.
- (4) The instrument appointing a proxy (“Proxy Form”) may be deposited with Boardroom in the following manner:

(i) by electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> by logging in and selecting “E-PROXY LODGEMENT”; or

(ii) by hand or post to 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, to the extent that it is permissible to do so under any relevant movement control orders issued under the Prevention and Control of Infectious Diseases Act 1988.

**The Proxy Form must be received by Boardroom, no later than Tuesday, 28 July 2020 at 2.00 p.m.** The Company reserves the right to reject incomplete forms.

- (5) If you choose to deposit the Proxy Form by hand or post, the Proxy Form shall:

(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 affixed with its Common Seal or signed by its attorney or an officer on behalf of the corporation.
- (6) If the Proxy Form is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.
- (7) A proxy appointed to attend and vote at the meeting shall have the same rights as the Member to attend, participate, speak and vote at the meeting.
- (8) The lodging of a completed Proxy Form does not preclude a Member from attending and voting should the Member subsequently decide to do so. Should you subsequently decide to attend the AGM, you are requested to revoke your earlier appointment of proxy by notifying Boardroom in writing, no later than Tuesday, 28 July 2020 at 2.00 p.m

MEMBERS ENTITLED TO ATTEND THE VIRTUAL AGM

**For the purpose of determining a Member who is entitled to attend the virtual AGM, the Company will request Bursa Malaysia Depository Sdn Bhd, in accordance with Rule 89.1(b) of the Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a Record of Depositors (“ROD”) as at 22 July 2020. Only a depositor whose name appears on the ROD as at 22 July 2020 shall be entitled to attend the meeting or appoint a proxy(ies) to attend and/or vote on his/her behalf.**

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

RESOLUTION 6

AUTHORITY FOR DIRECTORS OF THE COMPANY TO ISSUE ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Company’s shareholders had approved a resolution to authorise the Directors to issue ordinary shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) at the Seventh AGM held on 27 June 2019 (“General Mandate”).

The Company has not issued any shares pursuant to the General Mandate which will lapse upon the conclusion of this AGM.

Resolution 6, if passed, will provide the authority to and empower the Directors, pursuant to Sections 75 and 76 of the Act, to issue ordinary shares in the Company up to an aggregate number not exceeding ten (10) percent of the total number of issued shares of the Company for the time being, and to make or grant offers, agreements or option in respect of such shares, from the date of this AGM until the next AGM of the Company for such purposes as the Directors deem necessary. The proposed General Mandate will provide flexibility 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, the Board of Directors will exercise its authority to issue shares only if it considers it to be in the best interest of the Company.



# Proxy Form



Number of shares held	CDS account no.

\*I/We, \_\_\_\_\_ \*NRIC/\*Passport/\*Company No. \_\_\_\_\_  
(full name of Member in block letters) (compulsory)

of \_\_\_\_\_  
(full address of Member in block letters)

and telephone no. \_\_\_\_\_, being a member of Astro Malaysia Holdings Berhad (“Company”), hereby appoint the following person(s) as my/our proxy:

Full name of proxy in block letters		Handphone no. and email address	*NRIC/*Passport no.	No. of shares to be represented	Percentage
Proxy 1					
Proxy 2					
Total:					100%

or failing \*him/\*her, THE CHAIRMAN OF THE MEETING as \*my/\*our proxy/\*proxies to vote for \*me/\*us on \*my/\*our behalf at the **Eighth Annual General Meeting of the Company to be conducted on a fully virtual basis on Wednesday, 29 July 2020 at 2.00 p.m. from the broadcast venue at Studio 1, Ground Floor, All Asia Broadcast Centre, Technology Park Malaysia, Lebuhraya Puchong-Sungai Besi, Bukit Jalil 57000 Kuala Lumpur** and at any adjournment thereof.

\*I/\*We indicate with an “x” in the spaces below how \*I/\*we wish \*my/\*our vote to be cast:

No.	Ordinary Resolutions	For	Against	Abstain
1	Re-election of Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) as a Director of the Company			
2	Re-election of Renzo Christopher Viegas as a Director of the Company			
3	Re-election of Nik Rizal Kamil bin Nik Ibrahim Kamil as a Director of the Company			
4	Proposed Payment of Directors’ Fees and Benefits for the period from 30 July 2020 until the next Annual General Meeting of the Company in 2021			
5	Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors of the Company			
6	Authority for Directors of the Company to Issue Ordinary Shares pursuant to Sections 75 and 76 of the Companies Act 2016			
7	Renewal of Authority for the Directors of the Company to Issue Ordinary Shares in relation to the Dividend Reinvestment Plan			
8	Proposed Establishment of a Long Term Incentive Plan			
9	Proposed Offer, Issuance, Allotment and/or Transfer of Ordinary Shares in the Company to the Group Chief Executive Officer of the Company pursuant to the Proposed Long Term Incentive Plan			
10	Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with Usaha Tegas Sdn Bhd and/or its affiliates			
11	Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with Maxis Berhad and/or its affiliates			
12	Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with MEASAT Global Berhad and/or its affiliates			
13	Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with Astro Holdings Sdn Bhd and/or its affiliates			
14	Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with Sun TV Network Limited and/or its affiliates			
15	Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with GS Home Shopping Inc. and/or its affiliates			
16	Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with SRG Asia Pacific Sdn Bhd and/or its affiliates			
17	Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with Ultimate Capital Sdn Bhd, Ultimate Technologies Sdn Bhd, Kotamar Holdings Sdn Bhd and/or Dato’ Hussamuddin bin Haji Yaacub and/or their respective affiliates			

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 \_\_\_\_\_ 2020

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\_\_\_\_\_  
**Signed by hand (if Individual)/by Affixation of Common Seal (if Corporation)**

NOTES ON PROXY

- (1) In accordance with Rule 106.5 of the Constitution, a Member entitled to attend and vote at a meeting of the Company is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, participate, speak and vote for him/her subject to the following provisions:

(i) save as provided for Note (2) below, the Act and any applicable law, each Member shall not be permitted to appoint more than two proxies to attend the same meeting; and

(ii) where a Member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

(2) For the avoidance of doubt and subject always to Note (1)(ii) above, the Act and any applicable law:

(i) where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus account it holds; and

(ii) where a Member is an authorised nominee, he/she may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one instrument of proxy and should specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

(3) There shall be no restriction as to the qualification of the proxy. Hence, a proxy may but need not be a Member.

(4) The instrument appointing a proxy ("Proxy Form") may be deposited with Boardroom Share Registrars Sdn Bhd ("Boardroom") in the following manner:

(i) by electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> by logging in and selecting "E-PROXY LODGEMENT"; or

(ii) by hand or post to 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, to the extent that it is permissible to do so under any relevant movement control orders issued under the Prevention and Control of Infectious Diseases Act 1988.

**The Proxy Form must be received by Boardroom, no later than Tuesday, 28 July 2020 at 2.00 p.m.** The Company reserves the right to reject incomplete forms.

(5) If you choose to deposit the Proxy Form by hand or post, the Proxy Form shall:

(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 affixed with its Common Seal or signed by its attorney or an officer on behalf of the corporation.

(6) If the Proxy Form is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.

(7) A proxy appointed to attend and vote at the meeting shall have the same rights as a Member to attend, participate, speak and vote at the meeting.

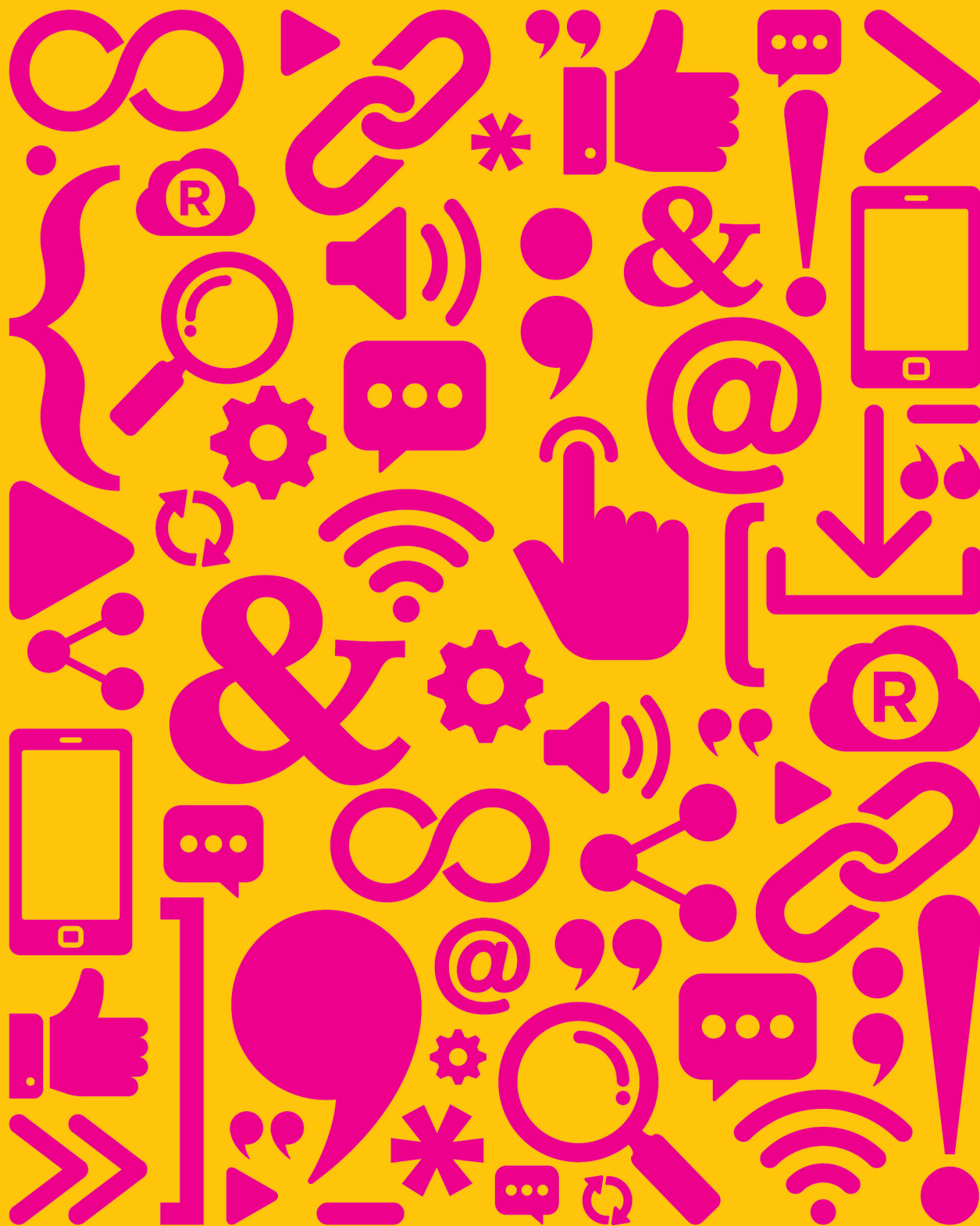
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**PERSONAL DATA PRIVACY**

By submitting the information in this form, you consent to Astro Malaysia Holdings Berhad (201101004392 (932533-V)) processing your personal data in the manner stipulated in the Privacy Notice for Shareholders set out in <https://www.astro.com.my/privacy-notice-shareholders> and warrant that consent of the proxy(ies) and/or representative(s) whose personal data you have provided has also been obtained accordingly and that they have been informed of the privacy notice.
- Please Fold Here
- A rectangular box with a decorative, wavy border. Inside the box, the word "STAMP" is written in a bold, sans-serif font, centered horizontally and vertically.
- Boardroom Share Registrars Sdn Bhd**  
**11<sup>th</sup> Floor, Menara Symphony**  
**No. 5, Jalan Prof. Khoo Kay Kim**  
**Seksyen 13, 46200 Petaling Jaya**  
**Selangor Darul Ehsan**  
**Malaysia**
- Please Fold Here



**ASTRO MALAYSIA HOLDINGS BERHAD** Incorporated in Malaysia – Company No. 201101004392 (932533-V)

All Asia Broadcast Centre, Technology Park Malaysia, Lebuhraya Puchong-Sungai Besi, Bukit Jalil, 57000 Kuala Lumpur, Malaysia

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