MORPH
To morph is to take new form.

To leave behind what was. And embrace what’s new.

To adopt unconventional thinking, fresh skills, and an innovative approach, all driven by a fearless spirit.

It’s an evolution. And revolution.

It’s about reimagining our DNA, and to be reborn wholly digital in nature, attitude and ability.

The purpose? To change the way people experience their experiences.

To give them freedom to enjoy it all, wherever they choose, whenever they choose, however they choose.

It’s about simplifying their lives and being relevant in their world.

In adopting this mantra, we blaze new trails, and embrace endless possibilities.

Remaining still is to fade away.

But to morph………is to fly.
QUICK FACTS FY18

**Content**
- Produced 12,000 hours of content

**Commerce**
- Revenue (RM)
  - FY18: 290m
  - FY17: 261m

**Households**
- Household Penetration
  - FY18: 75%
  - FY17: 71%
- Share of TV Viewership
  - FY18: 77%
  - FY17: 77%

**Adex**
- Share of TV Adex
  - FY18: 44%
  - FY17: 38%
- Share of Radex
  - FY18: 74%
  - FY17: 73%

**Individuals**
- OTTs
  - Registered Users and Installs
    - FY18: 4.8m
    - FY17: 1.9m

**Digital Assets**
- Average Monthly Unique Visitors
  - FY18: 6.9m
  - FY17: 5.5m

**Radio**
- Radio Audience
  - FY18: 16.5m
  - FY17: 15.6m

**Key Figures**
- PATAMI (RM)
  - FY18: 771m
  - FY17: 624m
- Revenue (RM)
  - FY18: 5.5b
  - FY17: 5.6b
- FCF (RM)
  - FY18: 1.4b
  - FY17: 1.3b
- Dividend per Share (sen)
  - FY18: 12.5
  - FY17: 12.5
- Connected STBs
  - FY18: 804k
  - FY17: 507k
- ARPU (RM)
  - FY18: 99.9
  - FY17: 100.4
Astro Malaysia Holdings Berhad is Malaysia’s leading content and consumer company in the TV, OTT, radio, digital and commerce space with growing ASEAN presence.

We are a trusted brand to over 23 million individuals in 5.5 million Malaysian homes, entertaining our customers through both Pay-TV and NJOI, our freemium proposition.

Astro GO and NJOI Now, our OTT platforms, cater to each individual’s demand to access their preferred content anytime, anywhere, and across multiple screens. Tribe, our regional OTT service, continues to expand in ASEAN, and is in four countries with 3.1 million total installs. We aspire to provide personalised content and consumer offerings to each individual to fulfil their lifestyle and aspirational needs.

Our 11 radio brands include the highest-rated stations across Malaysia’s four key languages, engaging with 16.5 million weekly audience on-air and online, so consumers now listen and watch radio. Our digital assets host 6.9 million average monthly unique visitors, and includes Astro Gempak, the country’s No. 1 digital entertainment portal. Our multiplatform reach provides a unique and compelling integrated advertising proposition to serve marketers’ needs.

Go Shop, our commerce play, is carried across TV, online and mobile platforms with 1.3 million registered users in Malaysia and Singapore, fulfilling customers’ lifestyle needs in the comfort of their homes.

We are passionate about creating compelling and engaging content to captivate audiences in Malaysia and beyond. As a leading producer of vernacular content catering to Malaysia’s diverse, multilingual community, we produced and commissioned approximately 12,000 hours of content in FY18. We create premium original content for the ASEAN market premised on our shared cultural commonalities, involving collaborations with like-minded ASEAN partners. Our content IPs are monetised in a holistic 360° manner, expanding beyond screens into online and offline transactions including merchandising and live events.

We view diversity as an integral part of our DNA and our talent base of over 4,600 reflects a balance of age, gender and race demographics from which we harness the strength that diversity affords. In our quest to grow we are motivated not only by our commitment to delivering long-term shareholder value and keeping all consumers engaged, but, just as importantly, to nurturing our talent and contributing positively towards the well-being of our community and stakeholders.

We are humble by the numerous awards we’ve received over the years, including the recent 2017 Digital Transformer of the Year for Malaysia at the International Data Corporation Digital Transformation Awards (“IDC DX Awards”), in recognition of the progress made in our journey as a focused customer, digital, cloud and mobile-first, and analytics-driven organisation.
Our Annual Report is accessible on corporate.astro.com.my

This Annual Report is guided by the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)

Constituent of FTSE4Good Bursa Malaysia index since December 2013
Forward-looking Statements

This report contains forward-looking statements which are based on current estimates and projections of Astro Malaysia Holdings Berhad’s ("AMH") management and currently available information. These forward-looking statements relate to the plans, objectives, goals, strategies, future operations and performance of AMH and its subsidiaries. They are not guarantees of the future developments and results outlined as they are dependent on a number of factors which involve various risks, uncertainties and assumptions. Such factors include those laid out in the Statement on Risk Management and Internal Control on pages 92 to 97 and the Key Risk Profile on pages 98 to 101. As such, AMH provides no representation in respect of these statements and disclaims all liability whatsoever (whether in negligence or otherwise) for any loss, damage, costs or expenses however arising out of or in connection with these statements and this report. AMH does not assume any obligation to update the forward-looking statements contained in this report.
### Corporate Structure

#### TV & Radio

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Ownership</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEASAT Broadcast Network Systems Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Astro Radio Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• DVR Player.Com Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Perfect Excellence Waves Sdn Bhd</td>
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<td>Malaysia</td>
</tr>
<tr>
<td>• MEASAT Digicast Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Maestra Broadcast Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• MEASAT Radio Communications Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Radio Lebuhraya Sdn Bhd</td>
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<td>Malaysia</td>
</tr>
<tr>
<td>• Capital FM Sdn Bhd</td>
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<td>Malaysia</td>
</tr>
<tr>
<td>• Yayasan Astro Kasih*</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Astro Productions Sdn Bhd</td>
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<td>Malaysia</td>
</tr>
<tr>
<td>Astro Production Services Sdn Bhd</td>
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<td>Malaysia</td>
</tr>
</tbody>
</table>

#### Digital Media, Publications & Talent Management

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Ownership</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astro Digital Sdn Bhd</td>
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</tr>
<tr>
<td>• Astro Digital 5 Sdn Bhd</td>
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<td>Malaysia</td>
</tr>
<tr>
<td>• Rocketfuel Entertainment Sdn Bhd (formerly known as Astro Digital Publications Sdn Bhd)</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Tribe Limited</td>
<td>100%</td>
<td>Hong Kong</td>
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### CONTENT & MEDIA SALES

<table>
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<tr>
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<th>Percentage</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astro Entertainment Sdn Bhd</td>
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</tr>
<tr>
<td>• Maestro Talent and Management Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Astro Arena Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Astro Sports Marketing Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>» Asia Sports Ventures Pte Ltd</td>
<td>100%</td>
<td>Singapore</td>
</tr>
<tr>
<td>• Astro Awani Network Sdn Bhd</td>
<td>80%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Red Communications Sdn Bhd</td>
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</tr>
<tr>
<td>• Turner Astro Limited</td>
<td>20%</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>Astro Shaw Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Tayangan Unggul Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
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</table>

### MANAGEMENT SHARED SERVICES

<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astro Group Services Sdn Bhd</td>
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</table>

### COMMERCE

<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astro Retail Ventures Sdn Bhd</td>
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<td>Malaysia</td>
</tr>
<tr>
<td>• Astro GS Shop Sdn Bhd</td>
<td>60%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>» Astro GS Shop Singapore Pte Ltd</td>
<td>60%</td>
<td>Singapore</td>
</tr>
<tr>
<td>Nusantara Retail Sdn Bhd (formerly known as Nusantara Films Sdn Bhd)</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
</tbody>
</table>

### OTHERS

<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astro (Brunei) Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>• Kristal-Astro Sdn Bhd</td>
<td>49%</td>
<td>Brunei</td>
</tr>
<tr>
<td>MBNS Multimedia Technologies Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Karya Anggun Sdn Bhd</td>
<td>100%</td>
<td>Malaysia</td>
</tr>
</tbody>
</table>

*Note:
This chart represents Astro’s main operating subsidiaries and associated companies under the key business segments as at 10 April 2018.
*MEASAT Broadcast Network Systems Sdn Bhd has de facto control over this company.
Dear Shareholders,

We are pleased with our achievements in FY18, and we humbly appreciate the steadfast support shown by our stakeholders including our customers who continue to be entertained and engaged with the Astro experience, and our shareholders and the investment community who remain loyally invested in our growth journey.

Tun Dato’ Seri Zaki bin Tun Azmi
Independent Non-Executive Chairman
CHAIRMAN’S STATEMENT

The key priority for our Board and Senior Leadership is to forge ahead, remaining relevant to our customers by providing unrivalled entertainment anytime, anywhere with more targeted and personalised experiences across our ecosystem.

Commitment to shareholder returns

In FY18, we delivered on our promise of paying out at least 75% of profits to our shareholders. Our operational performance has enabled us to reward our shareholders with quarterly dividends of three sen per share. Our Board has also recommended a final dividend of 0.5 sen per share which is subject to shareholders approval at the upcoming AGM, bringing the total dividend for FY18 to 12.5 sen per share. Cumulatively, we have rewarded our shareholders with a payout of over 100% of PATAMI since our IPO, and 85% in FY18. Since our listing in October 2012, we have declared dividends totalling over RM3.1 billion. Moving forward, we hope to continue to reward our loyal shareholders with an attractive dividend yield, while simultaneously maintaining financial discipline to ensure we have sufficient headroom to progressively invest in our business.

Honing our nation’s potential

As a responsible corporate citizen, we are committed to our supporting role in honing our nation’s potential, including achieving the national agenda Transformasi Nasional 2050 (TN50), an initiative to be among the world’s best in terms of economic development, citizen well-being and innovation. Through our multifaceted business partnerships, we are focused...
on solidly contributing to the thriving local media industry. We commissioned in excess of RM87 million worth of programmes from local production houses, and, just as importantly, contributed to Malaysia’s film industry by providing a solid platform for local on-air and off-air talent across the industry to develop and showcase their artistic and creative abilities, resulting in productions which display high aesthetic value. In FY18 alone we have collaborated with over 15,000 vendors and provided creative advertising solutions to over 1,735 corporations. We also closely collaborate with various government authorities, especially the Ministry of Communications and Multimedia Malaysia (“MCMM”) and the Malaysian Communications and Multimedia Commission (“MCMC”), to nurture the growth of the local media and content industry.

We continue to contribute to the Malaysian economy both directly, in terms of tax and employment, as well as indirectly through induced spending. In 2017, it is estimated that our direct contribution to the nation’s GDP stood at RM2.2 billion.

As you are aware, content piracy continues to be a key concern. We are committed to protecting our IPs and the livelihood of the talent we nurture by engaging in holistic anti-piracy strategies while constantly adapting to meet the many challenges arising from the evolution of technology. Combating piracy, both online and offline, requires consistent and concerted action by various stakeholders. We work closely with relevant ministries and authorities – MCMM, MCMC, Ministry of Domestic Trade, Co-operatives and Consumerism, the Royal Malaysian Police, Royal Malaysian Customs, and actively participate in coalitions against piracy at the local and international levels to pursue wide ranging remedies.
The changes within our operating landscape brings with it opportunities, which, with the right leadership, focus and execution, will generate growth and value to our stakeholders. While Malaysia remains our primary market, we have expanded to bring our services to our neighbours in ASEAN through our OTT service, Tribe and commerce platform, Go Shop. In expanding our regional footprint, we continue to cement strategic partnerships across the region including in Singapore, Indonesia, Thailand, the Philippines, Korea and China. Such collaborations not only grant us access to regional resources, expertise and reach, but more importantly provides us with insights and learnings to enable delivery of an immersive customer experience on a regional level.

**Strengthening corporate governance practices**

Our corporate governance (“CG”) framework is guided by the four principles of fairness, transparency, accountability and responsibility.

Our Board, in undertaking its fiduciary duties, is committed to high standards of CG and international best practices, and especially strengthening CG practices in accordance with Malaysian Code on Corporate Governance 2017 (“MCCG”), to ensure our Group’s long-term sustainability for the benefit of all stakeholders. I am pleased to report that Astro was awarded the Excellence Award for CG disclosures, and ranked 7th for Overall CG and Performance among over 900 companies listed on Bursa Securities based on the MSWG-ASEAN Corporate Governance Scorecard.

We view diversity as an integral component of our Group’s culture, enabling us to ideate and problem-solve efficiently and creatively by drawing on the different perspectives offered by colleagues. In FY18, our Board was refreshed as new faces came onboard. I am confident that our new Board members will continue the good work of their predecessors to take Astro to the next level of growth. Our Board, comprising members of varying backgrounds, capabilities, gender and age reflects our belief in the strategic importance of diversity for the growth of our Group. Additional details on our governance, risk management and compliance policies are provided in the Corporate Governance Overview of this Annual Report.

**Building our community**

We are resolute in sowing the seeds for a better tomorrow for our community in Malaysia via our Yayasan Astro Kasih, and are guided by four key areas of Lifelong Learning, Community Development, Sports and Wellness, and the Environment. In FY18, our talent contributed 14,221 hours for 224 programmes under our Astro Kasih employee volunteer programme, an initiative to encourage and instil volunteerism among our talent.

We continuously promote equal access to education through our collaboration with the Ministry of Education. Over the years, we have expanded our Kampus Astro programme to over 10,500 schools in Malaysia, 75 paediatric and oncology wards, schools in hospitals and military hospitals.

Located within the proximity of three rural schools in Sabah and Sarawak, our Astro Kasih Hostels continue to assist students to excel academically and reach their maximum potential by allowing them to spend more time in school, compared to the long hours of travel they previously undertook. It was gratifying for us to
At Astro, we feel a sense of responsibility to empower communities across the region. We successfully initiated and completed the Astro-Wedu mentoring programme, an initiative that was developed to mentor future women leaders from marginalised communities in Asia. The outcome has been positive, with six mentees from Myanmar, Nepal and India benefitting from the programme, where our mentors played a positive role in supporting, encouraging and motivating them to pursue their varied goals and ambitions.

In FY18, Astro’s Kem Badminton and Kem Bola continued to help aspiring young athletes from Malaysia as well as those from the ASEAN region pursue their sporting ambitions. Via our Astro Kem Badminton programme, we sponsored 30 young athletes to undergo a two-week intensive training experience at the Nippon Badminton Association’s National Training Centre in Tokyo, Japan and this time around, we also hosted a team of young Japanese shuttlers here in Kuala Lumpur. For the second year running, Astro Kem Bola had the pleasure of providing 32 aspiring young footballers with the opportunity to train at FCBescola, the youth academy of the world-renowned FC Barcelona in Spain. We hope the invaluable experience will inspire these talented young athletes to achieve their sporting goals.
Our journey ahead

As we chart our growth for the coming years, we will continue to invest in engines that will drive a higher level of penetration and scale in Malaysian households and firmly entrench Astro in the individuals space in and beyond Malaysia, while making strategic and opportunistic investments to spur future growth. We will continue to confront disruptive technologies as we navigate through the dynamic media landscape. All these plans will be executed within a framework of governance, risk management and controls to safeguard our assets, and address the concerns of stakeholders, as we continuously innovate to defend Astro’s position as Malaysia’s leading content and consumer company with growing ASEAN presence.

In appreciation

On behalf of the Board, I would like to extend my gratitude to the MCMM, MCMC and other government authorities as well as industry players for their resolute cooperation and commitment in achieving the common goals of protecting and promoting the future of Malaysia’s media industry. Moving ahead, we look forward to closer collaborations with all parties.

Additionally, we would like to express our deepest appreciation to our valued stakeholders – customers, shareholders, business partners, content suppliers and vendors for your unwavering support. We look forward to deepening our relationship for many more years to come.

As we chart our growth for the coming years, we will continue to invest in engines that will drive a higher level of penetration and scale in Malaysian households and firmly entrench Astro in the individuals space in and beyond Malaysia, while making strategic and opportunistic investments to spur future growth.

A special thank you to my fellow Directors for your invaluable guidance and enduring support. It gives me immense pleasure to also take this opportunity to welcome Simon Cathcart, Shahin Farouque bin Jammal Ahmad and Renzo Christopher Viegas to our Board. I would also like to record our appreciation to Augustus Ralph Marshall, Datuk Chin Kwai Yoong, Bernard Anthony Cragg, Dato’ Mohamed Khadar bin Merican and Quah Bee Fong for their unparalleled commitment and contribution over the years.

To Team Astro – I would like to thank each one of you for your relentless effort and dedication in striving for excellence for our customers and stakeholders. Your grit and determination bodes well for our shared vision for Astro to be a market leader in today’s increasingly connected world.

Tun Dato’ Seri Zaki bin Tun Azmi
On behalf of the Board of Directors
Dear Shareholders,

We are privileged to have progressively grown to be the No.1 media company in Malaysia and a leading ASEAN player. We are entrenched in the lives of so many, as a brand that many Malaysians grew up with from a young age.

Dato' Rohana Rozhan
Executive Director &
Group Chief Executive Officer
Our Malaysian customer reach and scale continue to grow across all platforms and our brand resonates with 5.5 million households, 1.7 million registered users on Astro GO and NJOI Now, 3.1 million Tribe installs, 16.5 million weekly radio audience, 1.3 million registered customers on Go Shop, and 6.9 million average monthly unique visitors on our digital assets. Our geographical footprint now extends to include Indonesia, the Philippines, Singapore, Thailand, Brunei, Myanmar and Vietnam, with more ASEAN markets targeted in the future.

Amid a dynamic, challenging and increasingly borderless industry landscape, we have delivered a strong set of operational and financial results. More than ever, we remain singularly focused on deftly executing our playbook and moving nimbly to capture the exciting opportunities to morph and future-proof our business, guided always by our philosophy as a consumer-first company.

Strong financial results and sound capital management

In FY18, we achieved revenue and PATAMI of RM5.53 billion and RM771 million respectively, registering our highest ever PATAMI despite revenues remaining broadly flat, supported by an increasingly diversified revenue base and underpinned by relentless cost optimisation resulting from digitalisation initiatives and optimisation of content spends, as well as a favourable climate for foreign exchange.

We continue to be highly cash generative with FCF of RM1.36 billion, and as ever, disciplined in our capital management decisions.

We are discerning in assessing available funding options. In FY18, we launched our maiden unrated medium term note (“MTN”) programme, drawing down a total of RM300 million to complement our new and existing bilateral funding relationships. In practising sound capital management, we opportunistically use these funding sources to raise, and retire, capital, and in combination with the FCF, fund capital expenditure and provide a return to shareholders. Our net debt/EBITDA level remains steady at 1.7 times and we recorded a cash position...
We remain singularly focused on deftly executing our playbook and moving nimbly to capture the exciting opportunities to morph and future-proof our business, guided always by our philosophy as a consumer-first company of RM962 million at the year end. Capital expenditure (“capex”) totalled RM437 million, mainly invested towards our digital transformation, new growth drivers as well as the deployment of connected STBs.

We declared, and proposed, dividends totalling 12.5 sen for FY18 translating to 85% of profits and a yield of 4.6%. We have consistently exceeded our dividend promise of 75% payout of profits, and remain committed to this, even as we reinvest into existing and future growth engines to deliver on our guidance of Astro as a total return stock.

Market landscape

Media consumption shift to digital

The pace of growth of high-speed internet connectivity, particularly via mobile, has increased tremendously over the year. With more affordable data, the average smartphone user now consumes an equivalent of 15 hours of video streaming content every month, marking a distinct shift in how Malaysian consumers discover, access and consume media. Meanwhile, household fixed broadband has stood relatively stagnant at around 2.5 million homes, creating a unique dynamic between the small screen, which continues to be dominated by shorter form on-demand content, and the large TV screen focused on long-form linear broadcast media. The competition for the mobile screen is more diverse, with share of time now dominated by social media, gaming, music streaming and e-commerce.

The reach and depth of social media players such as Facebook, WeChat, WhatsApp and YouTube continue over the small screen. The ecosystem approach championed by players such as Google (YouTube), Facebook, and Tencent (WeChat) have been effective at locking in user engagement through multiple touchpoints – representing themselves as utilities, aggregators or other point products in the first instance, but effectively taking a significant collective share of users’ time throughout their daily lives.

Long-form consumption via connected screens, large or small, championed by global players such as Netflix are rising in usage. While their market penetration remains contained for the time being, they offer a threatening price point compared to incumbent local players across the region. One only needs to look at markets like the US, Europe and Australia to understand the potential shift a few disruptive players can make.

Challenging new business models

A fundamental challenge for media providers in switching from traditional to digital media is the lack of clarity in viable business models, given the heavy focus on advertising-funded models and a gradual but distinct shift in consumer willingness to pay. The latter has several driving factors; the existence of more substitutes, “freebies” given by providers wanting to gain market share, and a trend towards “service-unbundling” associated with digital, allowing flexibility for consumers to a la-carte their services to suit their needs. In the case of global ecosystem players, their multiproduct approach allows them to cross-subsidise services heavily across their different products, often resulting in entirely free-rated services for any particular loss-leading product in their mix.
We approach this problem two-fold; at home in Malaysia by being prudent about how we manage capital to pursue growth strategies, while using our core strengths to defend our position – for example continuously fortifying our propositions and strengthening their perceived value through richer features, better content and best-in-class experience. And by building a regional presence by investing in Nusantara digital communities, content and ecosystems, through win-win collaborations and partnerships.

**Value chain shifts**

Digital does not only affect business models, but also the value chain. For Astro, major shifts are to our customer outreach and marketing activities, as well as our product offerings, and to a lesser extent, supply chains and sales channels. Consequently, efficiencies are being gained namely through customer online self-serve, use of digital sales channels, and migrating new customers to customer-owned equipment such as smart TVs to save on new STBs capex. In parallel more of our content is moving to online and on-demand through connected STBs, apps and web portals, to keep up with changing customer preferences.

The digital transition affects other industries too, from retail to banking, to telecoms and travel, particularly in how they market themselves to new customers. As such, shifting our media online allow us to tap a growing opportunity in digital advertising revenues coinciding with the shift in advertising client demand to the digital medium.

**Malaysia’s digital economy**

Stepping back, digital is unleashing large and growing new revenue pools in the broader Malaysian economy. The Ministry of International Trade and Industry expects that with focused interventions, e-commerce contribution to GDP will exceed RM170 billion in 2020, up from RM68 billion in 2015. Meanwhile consensus forecast for Malaysia’s GDP growth in 2018 is 5.5% to 5.8%.

The adoption of new formats and content consumption has become more personalised with a growing demand for short-form mobile content with nearly 50% of Malaysians using mobile to access social media platforms. This results in online talent emerging as content creators and featuring in branded content. Malaysia’s digital adex is forecasted to hit USD445 million in 2020, and advertisers are expected to increase spends on social influencing – projected at USD96 million in 2020 – for expanded reach and niche audience targeting, leveraging the stronger affinity between the audience and talent, with brand equity on social media making advertisements more memorable.

Online advertising, OTT video and music streaming are strong new adjacencies to our core business, while the rising growth of e-commerce purchasing, online travel bookings, ride hailing services, property classifieds and digital payments, form a tremendous opportunity for Astro to play directly or indirectly in the provision of such services to end customers.

As a 22-year old company, Astro has a uniquely strong position given its established asset base in brand, customer reach and engagement, long-standing transactional relationships, talent and content, to form new businesses for a bigger
We will play to our strengths including our strong customer relationships and brand trust, our dominance in vernacular content, as well as our emerging capabilities in technology and digital

We will play to our strengths including our strong customer relationships and brand trust, our dominance in vernacular content, as well as our emerging capabilities in technology and digital.
customer relationships and brand trust, our dominance in vernacular content, as well as our emerging capabilities in technology and digital. We remain cognisant of the trend of private capital flows into new disruptor digital businesses and the crucial need to reinvest adequate capital into growth engines to remain competitive. We trust shareholders understand the market pressures and challenges we are enduring and remain confident about our ability to execute and capture new value.

FY18 in review

In FY18 we scaled up reach across not only households but also individuals, through our OTTs, commerce and radio propositions. We also ramped up on our regional content capabilities and digitalised our business, but more importantly upskilled our talent to ensure Astro continues to be fit-for-purpose in the digital era.

CUSTOMER AND EXPERIENCE: SCALE AND INTIMACY

Growing household penetration

We are pleased to report that our household penetration has grown to 75%, serving a total of 23 million Malaysians residing within our 5.5 million households. The Pay-TV segment remains stable, driven by our aggressive roll-out of connected STBs which grew by 59% to 804,000. The connected STBs provide for an enriched experience, not least access to over 28,000 hours of content via our On Demand platform containing curated titles, including box sets and premium titles. The connected STBs empower customer personalisation, extendable beyond content, lending itself also to adex and commerce offerings. Amid muted consumer sentiment, our Pay-TV ARPU displayed resilience, averaging RM100, with global best-in-class churn of 9.6%, and an incoming ARPU of RM68.

Our NJOI base and contributing revenue has shown encouraging growth, up by 28% and 20% to 2.1 million households and RM100 million respectively as the uptake of prepaid purchases increased underpinned by the introduction of new channel options, skinny bundles, increasing purchase touchpoints, and digitally enabling prepaid options. NJOI customers have access to 30 channels, including our three Go Shop channels thus enhancing reach of our commerce business, and nurturing customers towards an upsell pathway onto our Pay-TV platform. The NJOI growth expands our household reach, auguring well for our advertising proposition. Our TV adex grew by 6% amid an 8% decline in the broader advertising industry, resulting in growth of our TV adex share by a resounding six percentage points to 44%.

Astro GO was relaunched featuring enhanced UI/UX, easier navigation, and an enriched On Demand library

Winning over individuals

Even as Astro continues to lead in the household, it is also our intention to address the increasingly digital and mobile lifestyles of individual Malaysians. This year we revamped our OTT service Astro GO and launched NJOI Now, enabling our customers to gain immediate access to their preferred content on their chosen device, whether live streamed, downloaded or On Demand. Keeping pace with the evolving competitive landscape, Astro GO was relaunched featuring enhanced user interface/user experience ("UI/UX"), easier navigation, and an enriched On Demand library – growing its registered user base by 45% to 1.6 million in FY18 and increasing average time spent by active users from 179 minutes to 247 minutes per week.
Tribe, our regional OTT continues to scale across the ASEAN region. Already in Indonesia and the Philippines, it launched in Singapore and Southern Thailand this year, garnering 3.1 million total installs, a 312% year-on-year growth. We launched our first Indonesian-Malay original series, Gantung, in January 2018 and will continue to utilise Tribe’s presence in the region to develop, distribute and monetise original IPs, especially Nusantara content. This will help Tribe differentiate against competitors and drive pay behaviour which is less developed in these markets. While FY18 was focused on building Tribe’s brand and consumer presence, we expect it to reach a top five position in Indonesia by end FY19 on the back of partnerships and additional investments in content, while driving revenue traction in Malay-speaking markets such as Southern Thailand, Singapore and Brunei.

We are encouraged by the progress of Tribe, Astro GO and NJOI Now, which form the starting point of our pursuit into the OTT and individuals space, and will continue our efforts to build an Astro of the future.

**Expanding in the commerce space**

Go Shop, our commerce play, is the No. 1 home shopping platform in Malaysia. Go Shop is present via three dedicated 24-hour channels in Malay and Mandarin, on e-commerce and mobile platforms, as well as in Singapore through its collaboration with a local home shopping player. Revenues of RM290 million were recorded, up by 11%, with 1.3 million registered customers, up by 38%. This year Go Shop launched celebrity-anchored live shows which have proven to be a hit, and short-form digital content to appeal to different demographics. We are excited to introduce more products, innovative formats and partnerships next year, which we believe will spur Go Shop’s growth and strengthen its brand proposition as a convenient shopping platform offering premium curated products, alongside entertaining and informative programming.

**Watching radio**

Astro retains its market leadership with the leading radio brands across all languages, drawing an audience of 16.5 million weekly and commanding a radex share of 74%, up by one percentage point. Our success is driven by our reach and engagement across a broad cross-section of Malaysian consumers, made possible through our extensive use of digital platforms, social media and on-ground events. In 2017 alone, our radio brands logged over one billion digital views on social media. In October, we launched two new radio brands targeted at growing demographic segments – Zayan for the progressive Muslims, and goXUAN aimed at the trendsetting Chinese Gen Z, with both harnessing the use of video and digital platforms to drive social engagement and encourage digital natives to ‘Watch Radio’. We are confident these two new radio brands will bolster penetration among the younger generation, and strengthen our integrated advertising offering.

**CONTENT: ORIGINAL IPs TO THE FORE**

Over the years, we have won the hearts of our audiences through our storytelling, engaging and empathising with our viewers through stories humorous, emotive and inspiring. In FY18, we continued to focus on creating and owning content IPs differentiating ourselves in our vernacular-centric market, and ramped up on 360° monetisation of IPs through licensing and leveraging the reach of TV, radio, digital and social media platforms to cultivate superfans who deliver value in multiple forms, from engagement and loyalty, to positive social influence and spend on on-ground events and merchandising.
We produced and commissioned 12,000 hours of content and we continue to aggregate and serve an eclectic content slate spanning the best vernaculars, hit regional shows, live events, sports and international offerings. We are pacing up investments in local and regional IPs with a target to gradually increase this to 50% of content spend over the medium term, up from around 30% currently.

In FY18, we renegotiated key international contracts to ensure we aggregate choice content for our customers, encompassing all the requisite rights for On Demand, increased portability and box sets while securing better economics given these rights are rapidly being commoditised. We have reinvested these savings into our content by deepening our commitment to vernacular and regional content, particularly in signature, premium local and regional IPs as they clearly differentiate our product proposition vis-a-vis global competitors. Our viewership share improved marginally to 77%, and advertisers have taken note, with our TV adex share improving from 38% to 44%.

Given our strong penetration rate and viewership share through increasingly 360° content and engagement approach, there remains considerable headroom for us to grow in this space.

**Executing on regional content creation**

ASEAN as a region shares many commonalities, and we draw upon these similarities as we continue on our journey to be a leading content provider in the region. We have embarked on several regional collaborations, including with Indonesian talent and a cast from across the region for the production of *Dofsla*, our first Nusantara original. In FY18, we celebrated the first anniversary of BOO, a channel we curated for ASEAN horror movie buffs in mind, with the launch of its first original *3 A.M Bangkok Ghost Stories*, a 13-episode series which has since been sold to Indonesia and Cambodia.

**Breaking box office records**

Our movies continue to resonate very well with audiences at the local box office. Our top-rated comedy *Abang Long Fadil 2* emerged as the country’s highest-grossing movie of all time, surpassing the record previously held by another Astro production, *Polis Evo*, released in 2015. We produced four of the top five highest grossing local movies to date, and we are expanding abroad with high-quality productions catering to ASEAN viewers. We are collaborating with Emtek, a top Indonesian FTA on the *Polis Evo 2* movie which will feature actors from both Indonesia and Malaysia. Another movie, *3 A.M.* had its theatrical release recently in six countries, including Malaysia.

**Live sports and regional productions**

As the home of live sports, our comprehensive sports proposition includes an extensive range of sports and sporting events including the Premier League, NBA and
Formula 1. Astro Arena was appointed the host broadcaster of the KL SEA Games 2017 ("KL2017"), showcasing our world-class live sports production capabilities. Astro’s comprehensive coverage of the nation’s most successful sporting achievement in the history of the SEA Games enabled sporting enthusiasts, and fellow Malaysians across all walks of life, to unite and reclaim the pride of “Negaraku Malaysia” on our TV, OTT and digital platforms. Having been involved in the production of international IPs including The Voice Asia and Asia’s Got Talent Season 2, our ambition is to build on our production capabilities so we can address a larger market, thus opening up new revenue opportunities.

360° monetisation of kids animation

Our investment in kids strengthened with three key titles – Didi & Friends, Omar & Hana, and Cam & Leon. Didi & Friends, our sing-along IP was nominated for the Best Preschool Programme category in the Asian Television Awards 2017, having also landed in Singapore and closed several licensing deals with airlines in FY18. Our new Islamic sing-along animation IP, Omar & Hana, gained traction very quickly when it was launched during Ramadhan in May 2017 and has secured revenue through branded content and a book publication deal. Meanwhile, Cam & Leon, our kids IP co-produced with Giggle Garage, was screened at MIPCOM 2017 at Cannes, France and has been licensed to Indonesia and the USA. Additionally, our kids IPs are monetised through merchandise sales, franchising and brand partnerships.

Beyond these early successes, we see ample opportunity for growth, especially within the Nusantara and kids vertical, as we expand the Astro ecosystem beyond Malaysia into the ASEAN region.

Cam & Leon was screened at MIPCOM 2017 at Cannes, France and has been licensed to Indonesia and the USA

Premium local and signature offerings

Our ability to register stable and consistently high viewership across our key signature IPs is fundamental to our adex outperformance, providing confidence to our clients to continuously place their trust in us as their preferred provider. We estimate 70% of our TV adex is premised on our own content IPs and self-packed channels. Our top vernacular offerings including reality formats Maharaja Lawak Mega 2017, Geger Vaganza Season 4 and Gema Geger Vaganza, and dramas including Hero Seorang Cinderella and My Coffee Prince, the first local adaptation of a Korean drama series.

Our local Chinese signatures also performed well, with Evening Edition continuing its run as the No. 1 Mandarin news programme for three consecutive years. Our Chinese entertainment IPs have been exported to Singapore and Taiwan including Hua Hee Mega Star and Hua Hee Champion, while others were given digital makeovers to capture a new generation of digital fans.

Live-streaming platform and short-form videos

Our millennial viewers have responded very positively to new forms of audience engagement. Our eSports channel, eGG Network, continues to solidify its content
offering and to date has been exported to eight countries. We also collaborated with partners to bring in virtual persona Hatsune Miku, a Japanese pop-culture phenomenon, for her first live 3D concert in Malaysia. Miku’s concert was streamed on Tamago, our live-streaming platform launched in December 2017, reaching audiences worldwide. Tamago has shown excellent traction, having garnered over 1.3 million downloads and shows promising signs of early monetisation through virtual gifting and live gaming.

Our use of short-form video content to complement our signature IPs on TV, including digital-only live streams and exclusive web dramas underpinned our strength as a leading local digital player. Our short-form videos generated over 300 million digital views, serving as content for our stable of digital assets including Gempak which is the No. 1 digital entertainment portal in Malaysia. Meanwhile, our Chinese lifestyle portal Xuan is the leading local Chinese entertainment portal and Astro Awani is among the top news portals locally.

DIGITALISATION: ENABLING OUR TRANSFORMATION

Having embarked on our digital transformation journey with Amazon Web Services (“AWS”), we digitalised our business processes by employing a leaner, cloud-based infrastructure across our end-to-end value chain. In FY18, we developed our capabilities around software development, artificial intelligence (“AI”), data analytics, multiplatform content delivery, advertising technologies and e-commerce. In doing so, we not only improved cost efficiencies and cost to serve which is key to ensuring competitiveness, but also enhanced customer experience, as well as delivered effective advertising solutions and reach to marketers.

In advocating a seamless customer experience, we delivered an omni-channel customer care solution, which includes the use of chatbots, enabling interaction with customers across both conventional and digital channels in an integrated and unified manner, allowing a 360° view of customer engagement. We also digitalised our sales and customer onboarding process and advocated self-serve by introducing and enhancing our digitally enabled platforms to simplify customers’ journey.

We are proud to report that our pursuit towards digitalisation has been recognised by International Data Corporation (“IDC”) ASEAN. In its inaugural IDC DX Awards, IDC named us ‘Digital Transformer for Malaysia’ in recognition of the strong progress made in our journey of reinvention.

Looking forward: FY19

Our achievements in FY18 have laid a solid foundation for our future and the challenges ahead, from which we can continue to pivot our business to seize growth opportunities and continue to diversify revenue streams. We executed strongly on key imperatives to transform Astro as a digital and data-driven company, to optimally invest and monetise our media assets, to achieve cost efficiencies through scale and best practices, to build on customer engagement by deepening our strengths in vernacular verticals, and to build a robust innovation pipeline.
Knowing our customers better than anyone else
As we strengthen our emphasis on digital, a fundamental focus for us this year will be in data and analytics. With multiple touchpoints to individuals, we own a significant share of aggregate time in our customers’ lives through TV and smaller screens, on linear and On Demand, via TV, OTT, digital and radio. The relationships are becoming interactive and two-way, with customers purchasing PPV content, navigating our On Demand library of titles, interacting with our digital assets and transacting via self-serve and commerce platforms, thus providing us with continuous feedback and data through each of those channels. All this data allows us to develop insights into customer behaviour that we use to personalise individual offerings, and simultaneously offer advertising clients compelling solutions reaching specific audiences.

We have built an aggregated data lake which pulls in viewing information, transactions and interactions across all touchpoints and platforms. There will be a renewed obsession on the different customer personas we aspire to serve, backed by dynamic data and analytics, and that will be the prime focus for all teams from customer to technology and content. We aim to tailor for each a playlist of targeted content and consumer products, allowing us to be a super aggregator, and simultaneously ideate and own deep verticals of monetisable offerings.

Reclaiming the premium experience for households and laying claim to individuals
FY19 is aimed at consolidating and reclaiming our premium positioning for the household experience, while seamlessly addressing the value proposition for individuals within those homes and on the move.

Our core Pay-TV business is premised on our ability to provide best-in-class content and customer experience enabled by technology. Having laid the groundwork in FY18, we are excited about our upcoming technology enhancements. This includes software upgrades for our STBs and enabling cloud-based PVR so every individual within the household has access to a personalised playlist for a seamless viewing experience across devices. We will be premiering the ultra HD experience in Malaysia, targeted at sports fans and movie aficionados, and our efforts will culminate toward the end of the year with a STB on the Android platform embedded with voice-assisted functionalities, enabling customers to navigate through content and TV guides using voice control rather than physical intervention.

We will continue to revamp our content delivery systems and OTT platforms to ubiquitously support any connected device, from smartphones to smart TVs, streaming devices and connected gaming consoles. We believe such levels of multi and cross-device compatibility is important to inculcate and entrench habits towards on-demand consumption that we must champion. A key aspect is securing the corresponding content rights to enable content mobility and portability, empowering individuals to deepen their engagement with our content.

Deepening capabilities in Malay and Nusantara content creation
FY19 will see us growing our presence within Malaysia and the Nusantara region through the development of original IPs. We will continue to build and strengthen our signature offerings across genres and platforms to offer a holistic proposition including short-form videos and digital content to strengthen our local leadership position. With this in mind, Astro recently entered into a JV agreement with Karangkraf, a leading creative force among the Malay speaking community, to execute on our goal of creating a strong line up of local and Nusantara IPs with regional appeal, on-air and online.

Regionally, our emphasis extends beyond Nusantara to owning verticals such as Horror, eSports, Kids and Islamic. These can be distributed and monetised directly across our own platforms in Malaysia and the region, as well as licensed to third parties, whether traditional mediums or new OTT platforms.

Fans were brought together via Tamago’s live streaming of Hatsune Miku’s first-ever live concert in Malaysia
Big sporting year ahead

We will continue to strengthen our position as the home of sports with the 2018 FIFA World Cup ("World Cup"), Gold Coast 2018 Commonwealth Games, Jakarta 2018 Asian Games and the Premier League season. The World Cup is a fundamental differentiator for us, where we will bring the most comprehensive coverage across our media assets by providing an exclusive and immersive experience encompassing live matches with multi-angle cameras, ‘180° virtual reality view of the stadium and on-ground engagements including roadshows and viewing parties with special appearances by football legends.

Amplifying reach and engagement for better monetisation across media assets

In enabling reach and engagement, we acknowledge that there is no one-size-fits-all proposition. We will have to constantly address the needs of our customers across our media assets. We will redefine the customer persona from cradle to grave, including assessing wallet sizes and advertising potential, and address the needs of each across our media assets.

• Commerce

With demographic and socio-economic shifts, we acknowledge that in order to sustain and grow our revenue generation, particularly from younger digital natives, we need to carve out new methods of monetisation. This year we will combine our growing online presence via web and OTT platforms, our access to data, analytics and AI, as well as our strength in on-screen talent and content production to drive greater commerce within the Astro ecosystem. What started with Go Shop achieving RM290 million in sales in FY18 will be accelerated this year with more aggressive branded content, digital activations, tacticals and targeted promotions to drive lead generation across our commerce destinations. To broaden our product suite, we will selectively pursue high margin verticals where we can bring to bear a differentiated edge using our talent and content, for example in Muslimah beauty and fashion, and partnering with businesses which can offer complementary products that cater to our customers’ lifestyle and aspirational needs.

• Adex

We will continue to strengthen our TV adex and radex proposition, while increasing our digital traffic across assets, translating to greater adex revenues, we also see an opportunity to better serve the rapidly growing online commerce activities in Malaysia, whether pure e-commerce players or traditional retailers and brands moving online. This will require us to develop more compelling marketing and lead generation solutions, bringing to the fore technology as a central impetus, via the use of cross-channel media tracking, data analytics, segmentation and user targeting, as well as solution-oriented client interactions. We have started building these and are confident we are on track.
• NJOI
Moving forward, NJOI will be the primary driver for household penetration, giving us a wider reach into Malaysian households. More NJOI customers are buying into our prepaid proposition to access our attractive premium local and vernacular content. Even as our NJOI base expanded, we saw growth in prepaid ARPU, providing a good trajectory for us to build on our revenue diversification efforts, and we will offer more skinny bundles and ala-carte offerings for customers.

• Production
Having showcased our production capabilities as host broadcaster of the KL2017, and on regional productions for reputable international franchises, we secured multiyear contracts to helm the production of several local and regional sporting events.

• Content monetisation
Leveraging on our content creation capabilities, we will curate multiplatform audiences across Malaysia and the region, increasingly monetising IPs in a 360° manner through box office collections, PPVs, licensing, merchandising and adex.

Scaling Tribe in Indonesia
With Tribe now in four countries, it gives us a clear opportunity to transform our content production capabilities to cater for a regional palate, and by doing so seeding an ASEAN-wide customer base for the future. By investing in a pipeline of original short-form Nusantara IPs, we not only boost our ability to offer compelling On Demand propositions in Malaysia but can also exploit the same content across multiple markets, while at the same time clearly differentiating versus OTT players in the region who are mainly focused on aggregation alone. Indonesia continues to be a key market for us, and Tribe recently signed a partnership deal with Telkomsel, the largest telecom operator in the country to accelerate the scaling up of Tribe’s user base.

Opportunistically engaging in strategic investments
Funds have been earmarked for investments in strategic and inorganic growth opportunities. Our key focus is to build on a portfolio of investments that prioritises ecosystem build-ups. This allows us to be present and to have a seat at the table in new technologies that can gain traction with our customers and achieve global scale. This also allows us to learn from disruptors and start-ups, giving us more ideas in terms of how to complement and supplement our capabilities.

Tribe recently signed a partnership deal with Telkomsel, the largest telecom operator in Indonesia to accelerate the scaling up of Tribe’s user base.
COMMUNITY: FORGING ASEAN RELATIONSHIPS

Astro Kasih remains focused on the four pillars of Lifelong Learning, Community Development, Sports and Wellness, and the Environment. We continuously support these causes and actively encourage our talent to volunteer and contribute to these initiatives, including Astro Kasih Hostels and EkoVillage programmes, Astro Kem Bola and Kem Badminton.

In FY18, we established the Astro-Wedu mentoring programme where our Team Astro talent mentored future women leaders from underserved communities in Nepal, Myanmar and India. Having completed the Astro-Wedu programme, the young women are now pursuing degrees ranging from medicine to environmental engineering to fulfil their ambition of giving back to their local community.

Under the Kem Bola banner, we sponsored 32 aspiring footballers to attend a 10-day training camp at FCBEscola, FC Barcelona’s youth academy. These children were selected from over 2,000 boys and girls who attended various selection camps in Malaysia, the Philippines and Singapore. Likewise, almost 3,000 Kem Badminton participants from Malaysia and Indonesia vied for 30 spots to undergo a two-week intensive coaching clinic in Tokyo.

Some former participants have returned as mentors to guide the younger participants. In 2017, Myisha Mohd. Khairul and Jacky Kok travelled to Tokyo, Japan as mentors having taken part in the 2014 edition of Kem Badminton.

Our scholarship and management associate programmes are also being pivoted towards science, technology and innovation-oriented roles to nurture the next generation of our talent pool

Today, they represent Malaysia as junior shuttlers with the hope of becoming world champions one day. We are immensely proud of their achievements, and with the support of our regional partners, will continue to build on our cross-border community programmes to benefit our ASEAN community.

TALENT: DEPLOYING AN AGILE TALENT BASE

I would like to thank Team Astro, our award-winning 4,600 on and off-air talent, for their grit, determination, grace, conviction and commitment towards our Group’s shared vision and the successes achieved over the past year. We derive our strength working collectively, as one.

I am proud to say that Team Astro is a reflection of the balanced gender diversity and the multicultural, multilingual, multiethnic and multigenerational customers we aspire to serve. We are furiously closing talent gaps and hiring new skills in a range of focus areas such as data science, analytics and cloud computing. We recognise the relative scarcity of these skill sets and so our scholarship and management associate programmes are also being pivoted towards science, technology and innovation-oriented roles to nurture the next generation of our talent pool.
At the same time, we are addressing the need to step up our pace and immersion in learning and relearning, and build quickly on the strengths and capabilities of our human capital. We are reinvesting in our people, giving them opportunity to learn, relearn and upskill. This year alone, around 1,000 of our talent have undergone our Certified Innovator Programme (“CIP”), run in conjunction with AWS, as we inculcate a culture of agility and reinvention. Crucially, the CIP provides a toolkit around design thinking that methodically dissects customer problems and solves them iteratively, ultimately boosting empathy and entrepreneurialism.

In building a long-lasting enterprise, we continue to refine and enhance our organisational structure to be fit-for-purpose, organising our talent around Centres of Excellence (“COEs”) and mission critical projects. We are investing in critical subject matter experts, while we empower self-managing teams to operate with speed and agility. At all times, we employ scorecards, operational and financial metrics against timelines for delivery so each of our teams know exactly what success means for them and for our Group.

Astro is leading the way in social influencer management and engagement, allowing us to leverage on our talent pool and expertise in content creation. We launched Rocketfuel which manages over 100 influential personalities in beauty, fashion, lifestyle, automotive and parenting across ASEAN, including major Malaysian artistes and up-and-coming regional stars. Advertisers’ growing interest in these social influencers lies in their ability to inject everyday issues into online conversation, thus aggregating great reach through viral shares across social platforms and instant messaging.

In closing

Astro is positioning itself to be technology-led and ahead of the game, capitalising on opportunities brought about by digital, online and mobile while playing to our strengths and staying true to our core as a consumer-first company. We aspire to be top of mind in both the household and individuals spaces and engage with the communities we serve, across Malaysia and the region. As the pace is only going to get faster and product life cycles
shorter, we are changing the rhythm of our business and rapidly building a pipeline of innovative go-to-market offerings, with less certainty and higher risk. The building blocks we have in place provides a strong foundation for our sustainable growth into the future by building an ecosystem with consumers in mind that is enabling and seamless.

We will also employ razor sharp focus to ensure major cost lines are fit-for-purpose. From self-service care and online sales channels, to boxless content delivery, we will scrutinise and refactor costs to boost efficiencies from scale and digitalisation, and optimally deploy media assets to serve identified customer personas. This in turn will ensure strong and sustainable cash flows.

On behalf of Team Astro, thank you to all of Astro’s stakeholders for your continuing support and belief in us; from our shareholders and regulators, to our business partners, suppliers and community, and foremost to our customers – thank you for the opportunity to be your provider of choice. We at Team Astro look forward to the next chapter in our exciting playbook. Have a fantastic 2018!

Rohana Rozhan
On behalf of Team Astro

On behalf of Team Astro, thank you for your continuing support and belief in us.
OUR VALUE CREATION

**Industrial Capital**
We originate, create, aggregate and distribute content for consumption in the TV, OTT, digital, radio and commerce space. We have strong broadcast and digital capabilities and are present across Malaysia with footprints in the ASEAN region.

**Financial Capital**
Our TV and radio businesses, built upon our extensive market reach, continues to be highly cash generative, allowing us to reward shareholders with attractive dividends while also reinvesting for our future growth. We also have ample access to financial markets and institutional lenders.

**Natural Capital**
We utilise environmental resources such as energy and water in our day-to-day business operations. We remain mindful of, and aim to reduce, our environmental impact through more sustainable environmental practices.

**Intellectual Capital**
Content is a key differentiator for us. We produce content for the local and regional markets totalling 12,000 hours in FY18. We also have IPs in the form of broadcast rights to content supplied by content partners which we aggregate and distribute including live content. Additionally, our intellectual capital extends to our strong brand and reputation which we have invested in and developed over the last two decades, as well as our copyrights, systems, software and licenses.

**Human Capital**
We nurture our on and off-air talent with diverse backgrounds, capabilities and expertise. Our collective talent base across our COEs ideate and implement our strategy of customer-centricity, to ultimately provide best-in-class content and offerings which our customers want and are willing to pay for.

**Social and Relationship Capital**
We develop and maintain a good relationship with our stakeholders including customers, talent, suppliers and business partners, regulators, shareholders, financiers and our community at large. We engage with them regularly through various touchpoints to understand and address their legitimate concerns, ensuring we maintain our social license to operate.
We are focused on simultaneously developing our core business while creating and investing in new businesses of the future.
### OUR VALUE CREATION

**Core Business**
- Reaffirming our capabilities around our core household business

**Growth Drivers**
- Enhancing capabilities in the individuals space and adjacencies of commerce, adex and talent

**Strategic Investments**
- Prudently investing in inorganic growth opportunities in Malaysia and globally

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### OUTPUTS

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<th>Core Business</th>
<th>Financials</th>
<th>Growth Drivers</th>
<th>Strategic Investments</th>
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<tr>
<td>Reaffirming our capabilities around our core household business</td>
<td>Revenue (RM5.5b)</td>
<td>Enhancing capabilities in the individuals space and adjacencies of commerce, adex and talent</td>
<td>Prudently investing in inorganic growth opportunities in Malaysia and globally</td>
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<td>PATAMI (RM651m)</td>
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<td></td>
<td>Dividend (RM771m)</td>
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#### Financials
- **Revenue (RM5.5b):** Refer to pages 15 to 30, GCEO’s Statement
- **PATAMI (RM651m):** Refer to pages 36 to 37, Group Financial Review
- **Dividend (RM771m):** Refer to pages 15 to 30, GCEO’s Statement

#### Market Reach
- **75% penetration:** Refer to pages 15 to 30, GCEO’s Statement
- **5.5m households:** Refer to pages 15 to 30, GCEO’s Statement
- **4.8m registered users and installs on our OTTs:** Refer to pages 15 to 30, GCEO’s Statement
- **12,000 hrs of content:** Refer to pages 15 to 30, GCEO’s Statement

#### IP
- **12,000 hrs of content:** Refer to pages 15 to 30, Government & Industry

#### Talent
- **Staff Cost (RM590m):** Refer to pages 140 to 142, Community
- **Training (60,880 hrs):** Refer to pages 140 to 142, Community

#### Government & Industry
- **Taxes (RM309m):** Refer to pages 143 to 145, Environment

#### Community
- **Investment in community projects (RM11m):** Refer to pages 140 to 142, Community

#### Environment
- **Reducing our environmental impact:** Refer to pages 143 to 145, Environment
- **Reduction of environmental impact:** Refer to pages 143 to 145, Environment
Astro empowers customers to Watch, Listen, Read, Shop and Serve within our ecosystem. Our value creation is underpinned by the following strategic pillars:

<table>
<thead>
<tr>
<th>Strategic Pillars</th>
<th>Content</th>
<th>Customer</th>
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<tr>
<td><strong>Description</strong></td>
<td>Creating, aggregating, distributing, and monetising content, both local and international, to provide a comprehensive content proposition valued by customers</td>
<td>Serving varied customer needs in terms of content preference, spending propensities and mediums of consumption within our diverse ecosystem</td>
</tr>
</tbody>
</table>
| **Market Landscape** | - Increasing focus on content IP ownership to differentiate offering, drive customer acquisition and retention and enable 360° monetisation  
- Vernacular content is valued by the Malaysian mass market | - Growth of OTT and direct-to-consumer offerings where an abundance of choice results in a highly fragmented market  
- Rise in e-commerce fuelled by growing affluence, the rise in internet penetration levels, and improved supporting infrastructure  
- Emergence of large ecosystems with network effects |
| **Our Strategy**  | - Comprehensive content proposition focused on a bouquet of vernacular, regional, international and live/premium sports content is key, driving penetration and viewership  
- Invest in production of local content and content verticals – Nusantara, Horror, Kids, eSports – which can travel regionally for scale and reach  
- Leverage on our recently inked JV with Karangkraf to create content to serve the local and Nusantara market | - Households: Aggressively defend our Pay-TV segment via the roll out of connected STBs and deepen our penetration via NJOI  
- Individuals: Replicate our household reach onto the individual space through OTTs, digital assets and radio  
- Adex: Integrate our multiplatform media reach, signature content, on-air talent, and enhance our technology stack to offer compelling integrated advertising proposition to marketers  
- Commerce: Position Go Shop as a premium commerce brand offering a holistic shopping experience through e-commerce, m-commerce and via home shopping channels. |

Refer to pages 15 to 30, GCEO’s Statement  
Refer to pages 108 to 113, Content  
Refer to pages 116 to 121, Customer
Enriching customer experience through intuitive interfaces, digital customer care options and data analytics to provide personalised recommendations across our ecosystem

- Growth in connected individuals has led to ubiquitous use of personal devices, particularly mobile
- Customers expect multiplatform, flexible, user-centric experiences
- Competition from OTT entrants as consumers shift towards non-linear, on-demand viewing

Nurturing the best on-air, off-air and digital talent to succeed, underpinned by a culture of diversity, agility and innovation

- High competition for talent with strategic digital capabilities
- Employers upskilling workforce to ensure relevance in a highly digitalised world
- Emergence of new breed of digital talent known as social influencers

Digitalisation is vital to thrive in an increasingly disruptive landscape, as the changing business context requires shifts in skill sets and strategies

- Develop Astro’s internal innovation capabilities through agile methodologies and innovative frameworks
- Digitally enable end-to-end value chain from sales, marketing, operations through to customer service, including cloud adoption
- Build capabilities around data analytics and data sciences to better understand and serve customers

- Retool talent to be fit-for-purpose in the digital era through organisation-wide training including AWS’ CIP
- Realign organisational structure to support digital culture of agility and innovation
- Launch Rocketfuel, our digital talent management agency, to serve marketers’ growing demand for branded content featuring social influencers

Note:
* Data refers to ASEAN-6 countries comprising Indonesia, Malaysia, Singapore, Thailand, Vietnam and Myanmar
FY18 has been an exciting year for us, we achieved a post-IPO record PATAMI of RM771 million, this alongside our focus on group-wide digital and business transformation imperatives in our relentless pursuit to enrich our customers’ experience.

Amid a challenging operating landscape coupled with muted consumer sentiments, we grew household penetration from 71% to 75% and registered encouraging results on all business growth engines – adex, commerce and NJOI grew 2.4%, 11.1% and 20.5% respectively.

**Earnings**

Revenue remained resilient at RM5.53 billion as compared to RM5.61 billion in FY17, underpinned by successful revenue diversification efforts. Adex, commerce, NJOI and production registered respectable top line growth cushioning the impact of a decline in subscription revenue. ARPUs reduced slightly to RM99.9, as a result of cautionary spend by customers who readjusted their entertainment expenses in view of rising costs of living.

NJOI continues to drive penetration across households, with revenues growing by 20.5% to RM100 million, primarily as a result of an increase in household acquisition and a corresponding rise in prepaid buys during the year. Production service revenue jumped 180.5% to RM96.9 million during the year as we secured sports broadcasting and productions contracts at home and regionally.

Leveraging on our multiplatform media reach across TV, radio and digital, we grew adex revenue by 2.4% to RM722 million amid a decline in the advertising industry by around 8% from RM4.93 billion to RM4.55 billion. Our performance was underpinned by a 6% increase in TV adex, while radex held up well in a challenging environment. Embedded within adex was a 16.7% increase in digital adex.

Our commerce arm, Go Shop registered revenue growth of 11.1% to RM290 million in a subdued macroeconomic environment as reflected by the bearish consumer market. The consumer sentiment index averaged 79.3 points amid an inflation rate of 3.5% which increased 1.7 percentage points year-on-year, largely resulting from higher living costs, especially in relation to staples such as transportation and food.

**EBITDA**

In FY18, EBITDA increased by 0.2% to RM1.82 billion mainly due to cost optimisation and digitalisation efforts across content, cost to serve, and broadcast and operations, which resulted in operating expenses reducing from RM4.53 billion to RM4.41 billion. The improved operating leverage from conscientious cost measures saw our FCF increasing by 3.6% to RM1.36 billion.

**PATAMI**

PATAMI increased by 23.6% to RM771 million in FY18, primarily supported by an increase in EBITDA, lower depreciation and higher finance income. Finance income increased by 386% to RM171.5 million buoyed by unrealised forex gains as the Malaysian Ringgit appreciated against the USD by 12% in FY18. Depreciation and amortisation reduced by 5.7% to RM680 million mainly due to lower depreciation on STBs, offset by higher depreciation on the additional transponders we took delivery of in June 2017. Our earnings per share grew 25% to 15.0 sen per share.
**Financial Position**

**Assets**

Net assets totalled RM653 million, representing a 3.7% increase over FY17. Total assets grew by 9.3% to RM6.85 billion in FY18 mainly due to an increase of RM583 million in property, plant and equipment arising primarily from capitalisation of additional transponders and STBs, and an increase in deposits, cash & bank balances & unit trusts by RM315 million, offset by a reduction in derivative financial assets by RM285 million.

**Liabilities**

Total liabilities registered an increase of 9.9% to RM6.19 billion, as total current liabilities increased by 5.4% to RM2.40 billion and total non-current liabilities increased by 13% to RM3.79 billion. This was primarily due to increase in borrowings by RM559.6 million, derivative financial instruments by RM78.9 million, offset by a decrease in payables by RM74.6 million.

Overall borrowings grew 16.4% to RM4 billion, mainly attributable to the increase in finance lease liabilities amounting to RM806 million following the delivery of transponders in June 2017, the issuance of the first tranche of MTN in August 2017 of RM300 million as well as the first drawdown of the Synthetic Foreign Currency Loan (“SFCL”) in December 2017 amounting to RM306.4 million. This is offset by repayment of the RM term loan amounting to RM300 million, USD term loan repayment of USD49.5 million, repayment of finance lease liabilities as well as the strengthening of the RM against the USD which resulted in a reduction in the book value of finance lease liabilities. Our net debt/EBITDA ratio increased slightly from 1.5 times to 1.7 times.

**Capex**

Total capex increased by 6.9% to RM437 million in FY18. Infrastructure capex declined by 3.7% to RM237 million. This includes capex incurred for upgrading and building of technology infrastructure focusing on customer experience including UI/UX enhancement across our platforms and building our data lake infrastructure. Meanwhile, STB capex increased by 22.7% to RM200 million, as a result of customer acquisition activities and continued efforts to migrate customers onto our connected STBs to promote an immersive and enriched customer experience for households.

**Prospects**

The next financial year includes several major sporting events and in line with previous sporting years, we expect content costs to increase. We continue to be the home for sports enthusiasts and judiciously manage content costs by applying a conservative hedging policy, while relentlessly optimising other costs to better serve our customers.

---

**Note:**

* Capex excludes satellite transponders, film library and programme rights, and spectrum
## Operational and Financial Highlights

### Operational Results

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV households (k)</td>
<td>3,884</td>
<td>4,429</td>
<td>4,818</td>
<td>5,121</td>
<td>5,489</td>
</tr>
<tr>
<td>TV household penetration</td>
<td>56%</td>
<td>64%</td>
<td>67%</td>
<td>71%</td>
<td>75%</td>
</tr>
<tr>
<td>ARPU (RM)</td>
<td>96.0</td>
<td>99.0</td>
<td>99.3</td>
<td>100.4</td>
<td>99.9</td>
</tr>
<tr>
<td>Share of TV viewership (1)</td>
<td>47%</td>
<td>49%</td>
<td>76%</td>
<td>77%</td>
<td>77%</td>
</tr>
<tr>
<td>Connected boxes (k)</td>
<td>-</td>
<td>-</td>
<td>313</td>
<td>507</td>
<td>804</td>
</tr>
<tr>
<td>Radio audience (m)</td>
<td>12.2</td>
<td>12.9</td>
<td>12.8</td>
<td>15.6</td>
<td>16.5</td>
</tr>
<tr>
<td>Average monthly unique visitors (m)</td>
<td>-</td>
<td>-</td>
<td>4.1</td>
<td>5.5</td>
<td>6.9</td>
</tr>
<tr>
<td>Adex (RM m)</td>
<td>582</td>
<td>589</td>
<td>640</td>
<td>705</td>
<td>722</td>
</tr>
<tr>
<td>Go Shop registered customers (m)</td>
<td>-</td>
<td>0.1</td>
<td>0.6</td>
<td>1.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Go Shop revenue (RM m)</td>
<td>-</td>
<td>25</td>
<td>189</td>
<td>261</td>
<td>290</td>
</tr>
</tbody>
</table>

### Financial Results (RM m)

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,791</td>
<td>5,231</td>
<td>5,475</td>
<td>5,613</td>
<td>5,531</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,616</td>
<td>1,808</td>
<td>1,941</td>
<td>1,817</td>
<td>1,820</td>
</tr>
<tr>
<td>EBIT</td>
<td>777</td>
<td>920</td>
<td>1,115</td>
<td>1,095</td>
<td>1,140</td>
</tr>
<tr>
<td>PBT</td>
<td>569</td>
<td>721</td>
<td>829</td>
<td>846</td>
<td>1,073</td>
</tr>
<tr>
<td>PAT</td>
<td>448</td>
<td>514</td>
<td>608</td>
<td>617</td>
<td>764</td>
</tr>
<tr>
<td>PATAMI</td>
<td>448</td>
<td>519</td>
<td>615</td>
<td>624</td>
<td>771</td>
</tr>
<tr>
<td>FCF</td>
<td>1,022</td>
<td>1,325</td>
<td>1,276</td>
<td>1,317</td>
<td>1,364</td>
</tr>
</tbody>
</table>

### Financial Ratios

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on invested capital (3)</td>
<td>23%</td>
<td>23%</td>
<td>24%</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>Net debt/EBITDA (times)</td>
<td>1.3</td>
<td>1.2</td>
<td>1.5</td>
<td>1.5</td>
<td>1.7</td>
</tr>
<tr>
<td>Revenue growth</td>
<td>12%</td>
<td>9%</td>
<td>5%</td>
<td>2%</td>
<td>(1%)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>34%</td>
<td>35%</td>
<td>35%</td>
<td>32%</td>
<td>33%</td>
</tr>
<tr>
<td>PATAMI margin</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Earning per share (sen)</td>
<td>8.6</td>
<td>10.0</td>
<td>11.8</td>
<td>12.0</td>
<td>15.0</td>
</tr>
<tr>
<td>Dividend per share (sen) (2)</td>
<td>9.0</td>
<td>11.0</td>
<td>12.0</td>
<td>12.5</td>
<td>12.5</td>
</tr>
</tbody>
</table>

### Financial Position (RM m)

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to equity holders of the Company</td>
<td>613</td>
<td>694</td>
<td>601</td>
<td>623</td>
<td>654</td>
</tr>
<tr>
<td>Total assets</td>
<td>7,104</td>
<td>6,731</td>
<td>6,901</td>
<td>6,266</td>
<td>6,848</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>3,664</td>
<td>3,503</td>
<td>3,805</td>
<td>3,406</td>
<td>3,965</td>
</tr>
<tr>
<td>Net debt</td>
<td>2,030</td>
<td>2,150</td>
<td>2,826</td>
<td>2,759</td>
<td>3,003</td>
</tr>
</tbody>
</table>

**Notes:**

1. Viewership share is based on Dynamic Television Audience Measurement ("DTAM") deployed by Kantar Media since FY17, FY16 comparative has been restated accordingly.
2. Dividend per share consists of interim and final dividends declared and proposed post-IPO in respect of the designated financial years.
3. Formula based on EBIT metric, prior year comparatives have been restated accordingly.
**Revenue**
Financial Year Ended 31 January (RM m)

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Households</td>
<td>4,791</td>
<td>5,231</td>
<td>5,475</td>
<td>5,613</td>
<td>5,531</td>
</tr>
<tr>
<td>PATAMI</td>
<td>1,820</td>
<td>1,808</td>
<td>1,941</td>
<td>1,817</td>
<td>1,820</td>
</tr>
</tbody>
</table>

**EBITDA**
Financial Year Ended 31 January (RM m)

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Households</td>
<td>1,616</td>
<td>1,808</td>
<td>1,941</td>
<td>1,817</td>
<td>1,820</td>
</tr>
</tbody>
</table>

**PATAMI**
Financial Year Ended 31 January (RM m)

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Households</td>
<td>448</td>
<td>519</td>
<td>615</td>
<td>624</td>
<td>771</td>
</tr>
</tbody>
</table>

**TV Households**
Financial Year Ended 31 January (k)

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Households</td>
<td>3,884</td>
<td>4,042</td>
<td>4,818</td>
<td>5,121</td>
<td>5,489</td>
</tr>
</tbody>
</table>

**ARPU**
Financial Year Ended 31 January (RM)

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Households</td>
<td>96.0</td>
<td>99.0</td>
<td>99.3</td>
<td>100.4</td>
<td>99.9</td>
</tr>
</tbody>
</table>

**Share of TV Viewership**
Financial Year Ended 31 January

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viewership share</td>
<td>47%</td>
<td>49%</td>
<td>76%</td>
<td>77%</td>
<td>77%</td>
</tr>
</tbody>
</table>

**Note:**
(1) Viewership share is based on DTAM deployed by Kantar Media since FY17, FY16 comparative has been restated accordingly.
### SEGMENTAL ANALYSIS AND QUARTERLY FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM m</td>
<td>%</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Television</td>
<td>5,022</td>
<td>89</td>
</tr>
<tr>
<td>Radio</td>
<td>328</td>
<td>6</td>
</tr>
<tr>
<td>Go Shop</td>
<td>261</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,613</td>
<td>100</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Television</td>
<td>702</td>
<td>83</td>
</tr>
<tr>
<td>Radio</td>
<td>196</td>
<td>23</td>
</tr>
<tr>
<td>Go Shop</td>
<td>(20)</td>
<td>(2)</td>
</tr>
<tr>
<td>Others</td>
<td>(32)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>846</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(RM m)</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,326</td>
<td>1,420</td>
<td>1,397</td>
<td>1,388</td>
<td>5,531</td>
</tr>
<tr>
<td>EBITDA</td>
<td>460</td>
<td>551</td>
<td>418</td>
<td>391</td>
<td>1,820</td>
</tr>
<tr>
<td>EBIT</td>
<td>300</td>
<td>382</td>
<td>247</td>
<td>211</td>
<td>1,140</td>
</tr>
<tr>
<td>PBT</td>
<td>270</td>
<td>339</td>
<td>206</td>
<td>258</td>
<td>1,073</td>
</tr>
<tr>
<td>PAT</td>
<td>192</td>
<td>245</td>
<td>146</td>
<td>181</td>
<td>764</td>
</tr>
<tr>
<td>PATAMI</td>
<td>196</td>
<td>246</td>
<td>147</td>
<td>182</td>
<td>771</td>
</tr>
<tr>
<td>FCF</td>
<td>399</td>
<td>324</td>
<td>438</td>
<td>204</td>
<td>1,364</td>
</tr>
</tbody>
</table>
### Simplied Group Statement of Financial Position

**Assets**

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant &amp; equipment</td>
<td>1,818</td>
<td>2,401</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,045</td>
<td>2,039</td>
</tr>
<tr>
<td>Inventories</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Receivables, deposits &amp; prepayments</td>
<td>1,159</td>
<td>1,148</td>
</tr>
<tr>
<td>Deposits, cash &amp; bank balances &amp; unit trusts</td>
<td>647</td>
<td>962</td>
</tr>
<tr>
<td>Others</td>
<td>577</td>
<td>278</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,266</td>
<td>6,848</td>
</tr>
</tbody>
</table>

**Equity & Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>6,716</td>
<td>6,727</td>
</tr>
<tr>
<td>Reserves</td>
<td>(6,092)</td>
<td>(6,073)</td>
</tr>
<tr>
<td>Payables &amp; accruals</td>
<td>2,117</td>
<td>2,042</td>
</tr>
<tr>
<td>Borrowings</td>
<td>3,406</td>
<td>3,965</td>
</tr>
<tr>
<td>Taxation &amp; deferred tax liabilities</td>
<td>102</td>
<td>96</td>
</tr>
<tr>
<td>Others</td>
<td>17</td>
<td>91</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,266</td>
<td>6,848</td>
</tr>
</tbody>
</table>
## Statement of Value Added

<table>
<thead>
<tr>
<th></th>
<th>FY17 RM m</th>
<th>FY18 RM m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Added</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>5,613</td>
<td>5,531</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(2,844)</td>
<td>(2,709)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>53</td>
<td>192</td>
</tr>
<tr>
<td><strong>Total Value Added</strong></td>
<td>2,822</td>
<td>3,014</td>
</tr>
</tbody>
</table>

**Reconciliation:**

<table>
<thead>
<tr>
<th></th>
<th>FY17 RM m</th>
<th>FY18 RM m</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAT</td>
<td>617</td>
<td>764</td>
</tr>
<tr>
<td>Add: Depreciation, impairment and amortisation</td>
<td>1,094</td>
<td>1,081</td>
</tr>
<tr>
<td>Finance costs</td>
<td>272</td>
<td>237</td>
</tr>
<tr>
<td>Government</td>
<td>262</td>
<td>335</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Staff costs</td>
<td>570</td>
<td>590</td>
</tr>
<tr>
<td><strong>Total Value Added (Available for Distribution)</strong></td>
<td>2,822</td>
<td>3,014</td>
</tr>
</tbody>
</table>

**Value Distributed**

**Employees**

<table>
<thead>
<tr>
<th></th>
<th>FY17 RM m</th>
<th>FY18 RM m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>570</td>
<td>590</td>
</tr>
</tbody>
</table>

**Government**

<table>
<thead>
<tr>
<th></th>
<th>FY17 RM m</th>
<th>FY18 RM m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax</td>
<td>229</td>
<td>309</td>
</tr>
<tr>
<td>Regulatory</td>
<td>33</td>
<td>26</td>
</tr>
</tbody>
</table>

**Providers of capital**

<table>
<thead>
<tr>
<th></th>
<th>FY17 RM m</th>
<th>FY18 RM m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>664</td>
<td>651</td>
</tr>
<tr>
<td>Finance costs</td>
<td>272</td>
<td>237</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

**Reinvestment and future growth**

<table>
<thead>
<tr>
<th></th>
<th>FY17 RM m</th>
<th>FY18 RM m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation, impairment and amortisation</td>
<td>1,094</td>
<td>1,081</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(47)</td>
<td>113</td>
</tr>
<tr>
<td><strong>Total Distributed</strong></td>
<td>2,822</td>
<td>3,014</td>
</tr>
</tbody>
</table>
Value Added
Financial Year Ended 31 January
(RM m)

FY17

FY18

Value Distributed
Financial Year Ended 31 January
(RM m)

FY17

FY18
1996
• The first Malaysian broadcaster to introduce format radio programming to the Malaysian market

1997
• MBNS was granted a renewable 25-year broadcasting licence for the provision of broadcasting services in Malaysia, with exclusivity on DTH satellite TV services until 2017 and non-exclusivity until 2022

1996
Through the launch of MEASAT-1, MBNS, one of our wholly-owned subsidiaries, commenced digital DTH satellite Pay-TV services with 22 TV and five radio stations

2011
Launched Astro First, a PPV movie service with near cinema window offerings in Malaysia, made available through our STBs

2011 - 2012
• Listing of Astro on the Main Market of Bursa Securities
• Launched NJOI, Malaysia’s first freemium DTH satellite TV
• Launched Astro GO, our OTT platform with an On Demand library
KEY MILESTONES

2016

- Launched Tribe, our mobile-first OTT service for the ASEAN region

2015

- Launched Tribe, our mobile-first OTT service for the ASEAN region
- Introduced a download feature for Astro GO, enabling downloads of TV shows and movies for offline viewing
- Collaborated with Kantar Media to offer marketers in Malaysia better insights into the viewing habits of Malaysian Pay-TV homes, collating viewing data from our STBs
- Launched the On Demand service, allowing customers to watch their favourite shows anytime on TV or any device
- Premiered Ola Bola and Polis Evo – which emerged as two out of the top three highest grossing Malaysian movies of all time

2015

Ventured into commerce with the launch of Go Shop, an entertaining shopping destination accessible on TV, online and mobile

2016

- Launched eGG Network, a dedicated eSports channel with content including live eSports tournaments, pubstomps, gaming walkthroughs, expert guides and documentaries
- Launched Go Shop in Singapore
- Introduced BOO, our Asian horror movie channel
- Received the Gold Award in the ‘Media Network’ category at the Putra Brand Awards for the seventh consecutive year

Note:

* ‘Media & Entertainment’ category has been split to two categories: ‘Media Network’ and ‘Entertainment’ since 2014
EVENT HIGHLIGHTS

MARCH 2017
Relaunched Astro GO with a more intuitive UI/UX and personalised content recommendations

APRIL 2017
• Announced collaboration with AWS for a three-year digital transformation to incorporate a cloud and mobile-first, analytics-driven approach, accelerating innovation and enhancing customer experience

• Announced strategic content partnerships across several Asian countries:
  » Indonesia – creation of IPs Do[s]ja, Heist, Polis Evo 2
  » Thailand and the Philippines – securing production rights of the original series 3 A.M. Bangkok Ghost Stories and Doors respectively
  » China and India – licensing the remake rights of The Journey

MAY 2017
• Introduced NJOI Now, our freemium OTT service to provide access to 18 free channels, On Demand content and prepaid options for additional channels and titles

• Co-produced The Voice, a successful reality singing show, with Singapore’s mm2 Entertainment and Starhub for broadcast in Malaysia and Singapore

JUNE 2017
• Launched our digital marketing arm, Blaze, offering integrated digital-first solutions for marketers across Astro’s digital assets such as Gempak, Astro Awani, Xuan and Rojak Daily, as well as 11 independent digital publications

• Tribe expanded into Singapore in partnership with Singtel
**EVENT HIGHLIGHTS**

**AUGUST 2017**

- tvN movies made available On Demand, on Astro GO and Channel 435 on TV, offering first run and exclusive Korean titles
- As the official broadcaster of KL2017, we offered four HD channels on Astro and NJOI and four exclusive channels on Astro GO and NJOI Now for the most comprehensive SEA Games coverage and viewing experience
- Celebrated Malaysia’s 60th National Day with our Negaraku campaign to recognise and celebrate the unsung heroes – ordinary Malaysians who built the nation through their hard work and perseverance

---

**OCTOBER 2017**

- Launch two digitally-led radio brands targeting millennials – Zayan and goXUAN
- Launched Rocketfuel to offer integrated influencer marketing and talent management services with over 100 social influencers across ASEAN
- BOO premiered 3 A.M. Bangkok Ghost Stories, its first original series in collaboration with top Thailand horror content producer, Five Star Production
- Our movie Abang Long Fadil 2 became the highest grossing Malaysian movie of all-time with a box office collection of RM19 million
- Gegar Vaganza Season 4 went regional with artists from Singapore and Indonesia participating for the first time, increasing its appeal to a wider Nusantara audience

---

**NOVEMBER 2017**

- eGG Network partnered Moonton, developer of the popular multiplayer online battle arena game Mobile Legends: Bang Bang, to present the first ever Mobile Legends Professional League for mobile gamers in Malaysia and Singapore
- Refreshed our 11 radio brands by removing the ‘FM’ suffix, in line with our brand promise to engage fans through compelling content across multiple platforms
- Astro Kasih extended collaboration with Nippon Badminton Association of Japan for Astro Kem Badminton to develop young badminton talent across the region
- Entered into a binding term sheet with Karangkraf to form a JV focusing on creating and monetising content in Malaysia and the Nusantara region
- Collaborated with Huomao, China’s leading eSports live streaming platform to launch Tamago which focuses on localised user generated content in Southeast Asia
- Collaborated with Crypton Future Media Inc. to bring Hatsune Miku 2017 concert to Malaysia. The concert was recognised by The Malaysia Book of Records as the “First Live Hologram Concert in Malaysia” and streamed live globally on Tamago

---

**DECEMBER 2017**

- Refreshed our 11 radio brands by removing the ‘FM’ suffix, in line with our brand promise to engage fans through compelling content across multiple platforms
AWARDS

FEBRUARY 2017

11th Annual Stevie Awards for Sales & Customer Service
- Gold Stevie Award
  » IVR or Web Service Solution – New Version
- Bronze Stevie Award
  » Award for Innovation in Customer Service – Other Service Industries
  » Best Use of Technology in Customer Service
  » Customer Service Management Team of the Year

MARCH 2017

Majlis Anugerah Penulis-Penulis Sukan Malaysia (SAM)
- Anugerah Siebel 2016 (Wartawan Terbaik Keseluruhan)
  » Astro Arena – Bazly Azmi
- Kategori Laporan Berita Terbaik Media Elektronik
  » Astro Arena – ‘Subtramine ancaman baru atlet negara’
- Kategori Ulasan Laporan Sukan Terbaik Media Elektronik
  » Bazly Azmi dan Ahmed Shahrazad Sani – ‘Apa lagi untuk emas pertama?’

APRIL 2017

Asian Legal Business (ALB) Malaysia Law Awards
- Technology, Media and Telecommunications (TMT) In-House Team of the Year Award
- Malaysia In-House Team of the Year Award

Malaysian Press Institute (MPI) – Petronas Malaysian Journalism Award 2017
- Best Video News Award
  » Astro Awani – Harits Asyraf Hasnan & Fitri Zainuri
- Best Portal News Award
  » 1st place, InTrend – Nurulhuda Hussain
  » 3rd place, Rojak Daily – Iylia Adreena Omar

JUNE 2017

New York Festivals Television & Film Awards
- Bronze World Medal
  » Sports Program Promotion (BPL Fight Song)
  » Sports Program Promotion (Our Olympians)

The MARKies Awards 2017
- Best Idea B2B category
  » Winner – AXA SME Guide Series

JULY 2017

4th Annual Asia-Pacific Stevie Awards
- Gold Stevie Award
  » Innovation in Business Innovation or Application Websites
- Silver Stevie Award
  » Innovation in Customer Service Management, Planning & Practice
  » Innovative Use of Technology in Customer Service

2017 PromaxBDA Global Excellence Promotion, Marketing and Design Awards
- Silver
  » Best Clip-Based Entertainment Promo
- Bronze
  » Best Use of Music in Sports Promotion

The Malaysian Media Awards 2017
- Gold
  » Best Radio Idea Category
    Ford and Furious – Coming To All Radio Stations Near You (Ford)
AUGUST 2017

The Edge Billion Ringgit Club Corporate Awards 2017
- Silver
  » Highest Return on Equity over Three Years (Trading/Services)
  » Highest Return on Equity over Three Years (Big Cap Companies: Companies with RM10 Billion to RM40 Billion Market Capitalisation)
- Special Award for Public Service: Production of Ola Bola

The Spark Awards 2017
- Gold
  » Astro Radio
    Switch Off The Radio, Watch It Instead (DiGi)
- Silver
  » Astro Radio
    Buzzzz In The Airwaves (Mister Potato)
- Bronze
  » Astro Radio
    My FM I Love U U U (Resorts World Genting)

OCTOBER 2017

HR Excellence Awards 2017
- Silver Award
  » Excellence in Compensation & Benefits Strategy
- Bronze Award
  » Excellence in Employer Branding

The Malaysia Investor Relations Association (MIRA) Awards 2017
- Winner of Best Investor Relations Website Award

2017 Dragons of Malaysia
- Gold Award
  » ‘Best Entertainment Campaign’ – Ola Bola
- Silver Award
  » ‘Best Social Media or Word of Mouth Campaign’
    – Suri Hati Mr. Pilot

SEPTEMBER 2017

PwC’s Building Trust Awards 2017
- Special Mention
  » PwC Trustworthy Organisation Model Assessment

International Data Corporation ASEAN Digital Transformation Awards 2017 (IDC DX Awards) 2017
- ‘Digital Transformer of the Year’ for Malaysia
AWARDS

NOVEMBER 2017

Putra Brand Awards
- Winner of Gold Award in ‘Media Network’ category for the eighth consecutive year

PROFIMA International Film Festival and Awards 2017
- Best Art Direction (Prop Master) TV Series
  » Mohd. Firdaus Mohd Sahar – Isteri Tuan Ihsan
- TV Drama Series Best Videography
  » Mohd Shahril Mohd Saad – Isteri Tuan Ihsan
- Best TV Magazine
  » Syawal Shila – Blublack Productions
- Best Editing Telemovie
  » Sagayan Selvan – Engh En Sangeetha
- Best Art Direction (prop master) Telemovie
  » Zulkifli Hasuri – Tanah Kubur
- Best Director Telemovie
  » Rashid Sibir – Tanah Kubur
- Best Set Dressing Film
  » Lim Chik Fong – Ola Bola
- Best Steady Cam Operator Film
  » Harris Hue Abdullah – Polis Evo
- Best Assistant Director
  » Low Xin Yu – Ola Bola
- Best Film Editing
  » Mohammad Nazim Md Shah – Polis Evo
- Best Art Direction
  » Soon Yew Chow – Ola Bola
- Best Producer
  » Joel Soh Kwan Han – Polis Evo

2017 Malaysia’s 100 Leading Graduate Employers Awards
- Winner of Most Popular Graduate Employer – Broadcasting/Media

National Excellence Safety Award 2017
- Winner of Communication Category

Anugerah Kewartawanan Industri Filem Malaysia 2017 (Akifma)
- Anugerah Khas Juri 1
  » Syazwan Zakariah (Hlive)
- Anugerah Kewartawanan Filem Terbaik (Televisyen)
  » Syazwan Zakariah (Hlive)
- Anugerah Kewartawanan Filem Terbaik (Media Baharu)
  » Elrafaei Sapi (Rojak Daily)

DECEMBER 2017

PromaxBDA Asia Awards
- Silver Award for Best In-House Station Image Spot for BOO

IR Magazine Awards & Conference South East Asia 2017
- Winner of ‘Best Investor Event’ Award
- Second runner-up in ‘Best Annual Report’ and ‘Best ESG Communications’ categories

IR Magazine Awards & Conference South East Asia 2017
- Winner of ‘Best Investor Event’ Award
- Second runner-up in ‘Best Annual Report’ and ‘Best ESG Communications’ categories

MSWG-ASEAN Corporate Governance Recognition Awards 2017
- Winner of Excellence Award for Corporate Governance Disclosure

MSWG-ASEAN Corporate Governance Recognition Awards 2017
- Winner of Excellence Award for Corporate Governance Disclosure
FINANCIAL CALENDAR

- Announcement of the unaudited results for the first quarter ended 30 April 2017 and the first interim single-tier dividend of 3 sen per ordinary share

- Payment date for the first interim single-tier dividend of 3 sen per ordinary share

- Announcement of the unaudited results for the second quarter ended 31 July 2017 and the second interim single-tier dividend of 3 sen per ordinary share

- Payment date for the first interim single-tier dividend of 3 sen per ordinary share

- Announcement of the unaudited results for the third quarter ended 31 October 2017 and the third interim single-tier dividend of 3 sen per ordinary share

- Payment date for the third interim single-tier dividend of 3 sen per ordinary share

- Notice of Sixth Annual General Meeting and the issuance of Annual Report and Circular to Shareholders

- Announcement of the unaudited results for the fourth quarter ended 31 January 2018, the fourth interim single-tier dividend of 3 sen per ordinary share and a proposed final single-tier dividend of 0.5 sen per ordinary share in respect of FY18

- Payment date for the fourth interim single-tier dividend of 3 sen per ordinary share

- Payment date for the second interim single-tier dividend of 3 sen per ordinary share

- Proposed payment date for the final dividend of 0.5 sen per ordinary share for FY18
In 2018, we declared quarterly dividends of three sen per share and proposed a final dividend, subject to shareholders’ approval at the upcoming AGM, of 0.5 sen per share. This equates to a total dividend payout of 12.5 sen per share with a dividend yield of 4.6%. Our ability to consistently reward shareholders is underpinned by strong fundamentals and a highly cash generative business, with FCF being 177% of PATAMI. Our dividend payout continues to surpass our dividend policy with a payout of 85% and 48% of PATAMI and FCF respectively.

<table>
<thead>
<tr>
<th>Dividend Period</th>
<th>Amount (sen)</th>
<th>Declaration Date</th>
<th>Entitlement Date</th>
<th>Payment Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final FY17</td>
<td>0.5</td>
<td>16 May 2017</td>
<td>4 July 2017</td>
<td>14 July 2017</td>
</tr>
<tr>
<td>Q1 FY18</td>
<td>3.0</td>
<td>14 June 2017</td>
<td>4 July 2017</td>
<td>14 July 2017</td>
</tr>
<tr>
<td>Q2 FY18</td>
<td>3.0</td>
<td>14 September 2017</td>
<td>3 October 2017</td>
<td>13 October 2017</td>
</tr>
<tr>
<td>Q3 FY18</td>
<td>3.0</td>
<td>6 December 2017</td>
<td>21 December 2017</td>
<td>5 January 2018</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>3.0</td>
<td>28 March 2018</td>
<td>12 April 2018</td>
<td>27 April 2018</td>
</tr>
</tbody>
</table>

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

**Share price performance**

- **Share price**
- **Share price with dividends reinvested**
- **Volume**
In FY18, our share price with dividends reinvested declined by 2.3%, outperforming our media industry peers which registered an average decline of 29.1%, however, underperforming against the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) which grew by 15.5%. Market sentiment on our industry was weighed down by the challenging business landscape and muted customer sentiment.

**Substantial shareholders**

Pursuant to the Act and MMLR, substantial shareholders are defined as those holding 5% or more of a company’s issued shares. Please refer to page 281 for our register of substantial shareholders.

**Engaging the investment community**

We actively engage with analysts and investors throughout the year, and our stock is actively covered by 21 research houses. Our diverse investor base includes a myriad of reputable local and international institutional funds, and foreign shareholding as at the end of FY18 stands at 42% of our free float, down three percentage points from FY17.

In FY18, the Investor Relations team conducted over 150 one-on-one and group meetings, and teleconference calls. Senior Leadership embarked on several non-deal international roadshows and participated in various investment conferences including Invest Malaysia Kuala Lumpur in July 2017, Goldman Sachs’ Media Corporate Day Singapore in November 2017 and CIMB’s 10th Annual Malaysia Corporate Day Kuala Lumpur in January 2018.

Our inaugural Investor and Analyst Day was held in July 2017 to communicate our Group’s strategy in a landscape of increasing digitalisation and competition. The event was well-received by the investment community and won the ‘Best Investor Event’ at the IR Magazine Awards & Conference South East Asia 2017, held in Singapore in December 2017. Along with the win, we also placed third in two other categories, namely ‘Best Annual Report’ and ‘Best ESG Communications’. We emerged as winners of the ‘Best Investor Relations Website’ at the Malaysian Investor Relations Awards 2017.

In line with our commitment to transparent and effective stakeholder communication, we host quarterly earnings calls to present our results, chaired by our GCEO or GCFO and attended by Senior Leadership. Our Communications team also routinely issues press releases to relay important updates, and press conferences are held to address and engage with the media.

Our dedicated Investor Relations website corporate.astro.com.my is updated regularly ensuring that the latest corporate, financial and stock information is channelled to the investment community, including links to our quarterly results and annual reports.

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

BOARD OF DIRECTORS

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

Dato' Rohana binti Tan Sri Datuk Haji Rozhan
Executive Director/Group Chief Executive Officer

Lim Ghee Keong
Non-Independent Non-Executive Director

Simon Cathcart
Non-Independent Non-Executive Director

COMPANY SECRETARY

Liew Wei Yee Sharon (LS0007908)

REGISTERED OFFICE

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

Telephone No. : +60(3) 9543 6688
Fax No. : +60(3) 9543 3007
Website : corporate.astro.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd

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

Telephone No. : +60(3) 7841 8000
Helpdesk No. : +60(3) 7849 0777
Fax No. : +60(3) 7841 8151
 : +60(3) 7841 8152
Datuk Yvonne Chia  
Senior Independent Non-Executive Director

Renzo Christopher Viegas  
Independent Non-Executive Director

Richard John Freudenstein  
Independent Non-Executive Director

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

AUDITORS AND REPORTING ACCOUNTANTS
PricewaterhouseCoopers PLT
Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur
Telephone No. : +60(3) 2173 1188
Fax No. : +60(3) 2173 1288

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Listed since 19 October 2012
Stock Code : 6399
Sector : Trading & Services

PRINCIPAL BANKERS
CIMB Bank Berhad
20th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Telephone No. : +60(3) 2261 8888

Citibank Berhad
Level 45, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur
Telephone No. : +60(3) 2383 8585

Malayan Banking Berhad
32nd Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Telephone No. : +60(3) 2070 8833

RHB Bank Berhad
Level 7, Tower Three
RHB Centre
Jalan Tun Razak
50450 Kuala Lumpur
Telephone No. : +60(3) 9287 8888
From left to right
Shahin Farouque bin Jammal Ahmad Non-Independent Non-Executive Director
Richard John Freudenstein Independent Non-Executive Director
Renzo Christopher Viegas Independent Non-Executive Director
Datuk Yvonne Chia Senior Independent Non-Executive Director
Tun Dato’ Seri Zaki bin Tun Azmi

Malaysian, 72, Male

Independent Non-Executive Chairman

First appointment as Independent Non-Executive Chairman: 15 August 2012

Chairman of Nomination and Corporate Governance Committee

Tun Zaki holds a Barrister-at-Law qualification from the Lincoln’s Inn, UK. He joined the Malaysian Judicial and Legal Services as a Magistrate and was later transferred to the Attorney General’s Chambers where he held several positions for 15 years before going into private legal practice. He was appointed as a Judge of the Federal Court of Malaysia in 2007 and shortly thereafter, became the President of Court of Appeal of Malaysia, the second highest judicial office in the country. In October 2008, he was appointed as the 12th Chief Justice of Malaysia. He also holds the distinction of being appointed as the first chairman of the Judicial Appointment Commission until his retirement as Chief Justice in September 2011.

He is the Chairman of the board of University Malaysia Sabah and the Chancellor of Multimedia University and MAHSA University.

Dato’ Rohana Rozhan

Malaysian, 55, Female

Executive Director & Group Chief Executive Officer

First appointment as Executive Director: 21 March 2011

Appointment as Chief Executive Officer: 1 April 2011

Redesignation as Group Chief Executive Officer: 1 April 2016

Dato’ Rohana Rozhan, a pioneer member of the Astro Group, is also the Chief Executive Officer of MBNS, a wholly owned subsidiary of our Company.

A principal architect of the Company’s growth strategies that are delivering sustainable returns for its shareholders, she continues to lead the Company through a multitude of industry breakthroughs and firsts. She champions diversity and complementarity in assembling Astro’s top team and is passionate about transforming Astro into a cloud, mobile-first and analytics-driven digital content organisation building on its best-in-class customer relationships, differentiated IPs, reach, relevance and experiences. As a result, Astro was awarded Digital Transformer in Malaysia by IDC ASEAN in 2017.

In recognition of her vision, entrepreneurism, dynamism and efforts in encouraging corporate governance practices, she was named the CEO of the Year 2016 at the MSWG-ASEAN CG Awards.

On the global front, she has earned recognition for management and leadership including in championing complementarity and diversity, as well as community and talent development. For CSR, she was granted a Silver Stevie Award in 2013, and CNBC’s Asia Business Awards in 2015. She is the recipient of the Toastmasters Golden Gavel Award in 2014. Variety Magazine, Los Angeles honoured her as a Woman of Impact in 2014 while CNN featured her as a Leading Woman in 2016. CNBC recognised her as Asia’s Business Leader for Talent Management in 2016. Variety Los Angeles and MIPTV Cannes bestowed on her the Achievement in International TV award in 2018, the first to be awarded to a leader from Asia. In 2017, she was made Adjunct Professor of Universiti Utara Malaysia.

She holds a Bachelor of Arts (Hons) degree in Accounting and Economics from University of Kent, Canterbury, UK. She is a Fellow of the Chartered Institute of Management Accountants, UK, a Member of the Malaysian Institute of Accountants and a member of World Economic Forum since 2015. She has also completed the Advanced Management Program at Harvard Business School, USA. Previously, she was attached to the Unilever group of companies from 1985 to 1995, both in UK and Malaysia, where she held various management positions.
Datuk Yvonne Chia is a Fellow Chartered Banker and holds a Bachelor of Economics (Honours) from University of Malaya.

She has more than 30 years’ experience in the financial services industry, having held leading positions in both foreign and local institutions. She started her career in Bank of America and held various roles in Asia. She was the former Group Managing Director and Chief Executive of RHB Bank Berhad (1996-2002) and Hong Leong Bank Berhad (2003-2013).

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

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

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

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

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

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

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

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

Renzo was Deputy Chief Executive Officer of CIMB Group in April 2012, Executive Director of CIMB Bank from 2012 to 2015 and Chief Executive Officer of Group Consumer Banking from 2015 to 2016. Currently, he serves as Adviser to the Group Chief Executive Officer of CIMB Bank, responsible for the development of overall business strategies.

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

He is currently a Director of CIMB Bank PLC, Cambodia.

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

He has more than 25 years’ experience in finance, treasury and credit management. Prior to joining the UTSB Group in 1995, he was attached to General Electric Capital Corporation in the USA and Ban Hin Lee Bank in Malaysia.

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

Australian, 45, Male
Non-Independent Non-Executive Director

First appointment as Non-Independent Non-Executive Director: 15 June 2017

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

He is a media executive with more than 20 years’ experience in satellite, broadcasting and telecommunications. He is a co-founder and Executive Director of Fetch TV, Australia’s second largest pay television operator that provides a turnkey wholesale IPTV platform to the majority of Australia’s leading telecommunication companies.

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

Shahin Farouque bin Jammal Ahmad

Malaysian, 44, Male
Non-Independent Non-Executive Director

First appointment as Non-Independent Non-Executive Director: 1 December 2017

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

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

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

Notes:
1) None of the Directors have any conflict of interest with the Company
2) None of the Directors have any convictions for offences within the past five years
3) None of the Directors have any public sanctions and/or penalties imposed on them by the relevant regulatory bodies during FY18
4) None of the Directors have any family relationship with any Directors and/or Major Shareholders of the Company
Clockwise from left

Dato' Rohana Razhan Executive Director & Group Chief Executive Officer
Shafiq Abdul Jabbar Group Chief Financial Officer
Datuk David Michael Yap Vice President, Community Affairs
Laila Saat Vice President, Regulatory, Intellectual Property Protection & Industry Affairs
Raymond Tan Wei Ming Chief Investment Officer
Dr. Grace Lee Hwee Ling Chief Executive Officer, Go Shop
Henry Tan Poh Hock Group Chief Content & Consumer Officer
Clockwise from left
Tammy Toh Seok Kheng  Vice President, Group Communications
Phuah Aik Chong  Chief Technology Officer
Liew Swee Lin  Group Chief Operating Officer
Rekha Mahendran  General Counsel & Senior Vice President, Human Capital
Ridhuan Sidek  Chief Digital & Marketing Officer
Datuk Jake Abdullah  Chief Executive Officer, Astro Radio
Rohaizad Mohamed  Senior Vice President, Broadcast & Operations
Dr. Iskandar Samad  Chief Executive Officer, OTT
Dato’ Rohana Rozhan

Malaysian, 55, Female
Executive Director
& Group Chief Executive Officer

Please refer to her profile on page 58.

Henry Tan Poh Hock

Malaysian, 54, Male
Group Chief Content
& Consumer Officer

Henry joined our Group on 2 May 2008 as Chief Operating Officer and was redesignated as Group Chief Content & Consumer Officer on 1 November 2017.

Henry is responsible for strategising, aggregating, developing, producing and growing our content IPs across all genres and vernaculars to ensure consumer relevance, reach and engagement. He is also responsible for our Group’s airtime sales strategy and optimising the potential of our media assets across all segments. He serves as the Chairman of Go Shop.

He has around 30 years’ experience in the media industry and prior to joining Astro, he worked at the WPP Group as Chief Executive Officer, GroupM (Malaysia and Singapore) from 2006 to 2008, and prior to that as Chief Executive Officer of Mindshare Malaysia from 2000 to 2006. His previous experience in media includes a role as General Manager at HVD Entertainment, a Malaysian television production company from 1996 to 2000, and prior to that at Ogilvy & Mather from 1988 to 1996 where his last position was as Media Director. From 1986 to 1988, he worked at Hewlett-Packard Australia and Pan Global Wang Computers.

He holds degrees in Business (Marketing) and Arts (Communications) from Chisholm Institute of Technology Australia (now known as Monash University).

Liew Swee Lin

Malaysian, 49, Female
Group Chief Operating Officer

Swee Lin joined our Group on 16 November 2010 as Chief Commercial Officer and was redesignated as Group Chief Operating Officer on 1 November 2017.

Swee Lin is primarily responsible for driving strategic imperatives, delivering on financial and operational targets, executing on transformation goals as well as expansion of our Group’s business footprint within ASEAN.

She also provides leadership and strategic direction on Pay-TV product development, sales and distribution, customer experience, business development, customer operations and supply chain, focused on building new digital capabilities, optimal business models and delivering operational efficiencies. As an Executive Sponsor for our group-wide digitalisation journey, she acts as a catalyst for digital transformation and provides management oversight to programmes that will pivot Astro into a mobile, cloud and digital-first company. She also serves as an Executive Director of Go Shop.

Prior to joining Astro, she has held senior leadership positions at Standard Chartered Bank and OgilvyOne Worldwide, a WPP Group company. She has diverse experience in media across the Asia Pacific. She has served as Executive Vice President – Consumer Banking at Alliance Bank Malaysia Bhd and Executive Director of Alliance Islamic Bank Bhd.
Shafiq Abdul Jabbar
Malaysian, 40, Male
Group Chief Financial Officer

Shafiq joined our Group on 9 January 2017 as Group Chief Financial Officer. He oversees the finance function across our Group encompassing financial control, process risk assurance, treasury, business partner advisory, investor relations and tax.

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

He holds a Bachelor of Commerce, majoring in Accounting and Finance from the University of Melbourne, Australia and was appointed the Malaysian Chair of Chartered Accountants Australia and New Zealand in February 2017.

Raymond Tan Wei Ming
Malaysian, 45, Male
Chief Investment Officer

Raymond joined our Group on 11 June 2012 and was appointed as Chief Investment Officer on 1 February 2013. He is responsible for Astro’s capital and investment management. In particular, he oversees all corporate finance, venture and business development activities, portfolio management, group strategy, as well as strategic contracts and procurement.

He has more than 20 years’ experience in the fields of investment banking, private equity, accounting, treasury and audit. Prior to joining Astro, he was a Director of Credit Suisse London in the Telecom, Media and Technology investment banking division. Before joining Credit Suisse, he worked for Barclays Capital, Macquarie Bank, FH Faulding and Deloitte.

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

Phuah Aik Chong
Malaysian, 46, Male
Chief Technology Officer

Aik Chong joined our Group on 1 July 1995 and was appointed as Chief Technology Officer on 1 July 2015. He is responsible for our Products and Technology COE overseeing the development of products and services for homes and individuals, as well as all technology related areas required for delivery through satellite, fibre to the home, broadband and mobile, data and analytics platform, enterprise IT and cyber security. He is also focused on driving Astro’s digital transformation into a cloud, mobile-first and analytics-driven technology organisation.

He received a Masters in Business Administration from the University of Chicago – Booth School of Business, USA, and holds a Bachelor in Electronic and Computer Engineering (Hons) from Universiti Pertanian Malaysia.
Ridhuan Sidek

Malaysian, 33, Male
Chief Digital & Marketing Officer

Ridhuan joined our Group on 2 February 2015 and was appointed as Chief Digital & Marketing Officer on 1 October 2017.

Ridhuan provides strategic direction, focus and leadership in the creation of COEs and practices in marketing, digital products and IPs across our Group. This encompasses analytics, data science and the design of seamless best-in-class customer experiences for our Group’s digital inventories and assets.

Prior to joining Astro, he was Head of GroupM Connect, managing Malaysia’s largest online media and marketing investment portfolio, media trading and production for local and global brands with GroupM Malaysia, a WPP Group company. He has also held senior roles in various global creative and PR agencies.

He received a Bachelor of Multimedia from International University of Technology Twintech, Malaysia. He is also a Member of the Malaysian Digital Association.

Dr. Grace Lee Hwee Ling

Malaysian, 42, Female
Chief Executive Officer, Go Shop

Grace joined our Group on 2 January 2001 and was appointed as Chief Executive Officer of Go Shop on 1 October 2016.

She is responsible for driving Go Shop’s growth, customer experience, broadcasting, sales, marketing, operations, supply chain management and technology. She also works regularly with industry stakeholders to build and grow the company’s brand and services.

Prior to joining Astro, she worked for PricewaterhouseCoopers’ Assurance and Advisory division.

She earned her Doctorate in Business Administration from ELM-Graduate School, HELP University and received a Masters in Business Administration with Distinction from Charles Sturt University, Australia. She also holds a degree in Accounting and Finance from Curtin University, Australia. She is an Australian Fellow of Certified Practising Accountant (FCPA Aust.), Information Systems Auditor (CISA, US) and is Certified in the Governance of Enterprise IT (CGEIT, US).

Dr. Iskandar Samad

Malaysian, 37, Male
Chief Executive Officer, OTT

Iskandar joined our Group on 2 November 2015 and was appointed as Chief Executive Officer, OTT on 1 September 2017.

Iskandar provides executive leadership and strategic direction to drive our ambition in the digital-first personal lifestyle space in Malaysia and ASEAN. He is responsible for all our OTT video and music streaming assets, including Astro GO, NJOI Now and Raku in Malaysia, as well as Tribe, our regional OTT video service.

Prior to joining Astro, he was Head of Special Projects at Axiata Group Berhad. He started his career with McKinsey & Company, where he was involved in areas of strategy, finance, mergers and acquisitions, marketing, and operations over a range of industries, including telecommunications and media.

Iskandar holds Doctorate and First Class Bachelor’s degrees in Engineering from the University of Cambridge, UK.
Datuk Jake Abdullah
Malaysian, 52, Male
Chief Executive Officer, Astro Radio

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

He is responsible for overseeing Astro Radio’s strategic direction, in particular brands and talent, as well as driving radex growth. Jake is also the Chief Executive Officer of Rocketfuel Entertainment which spearheads talent-driven digital content across our Group’s platforms.

He was briefly seconded to 1M4U under the Prime Minister’s Office, where he established the volunteer organisation and spearheaded its numerous activities. He also led the setting up of four Astro affiliated radio stations, two in India (Aamar FM and Power FM) and two in Jakarta (Gen FM and Jak FM).

He holds an MBA from the University of Liverpool, UK.

Rohaizad Mohamed
Malaysian, 56, Male
Senior Vice President, Broadcast & Operations

Rohaizad joined our Group on 1 March 1996 and was appointed as Senior Vice President, Broadcast & Operations on 1 April 2009.

He is responsible for ensuring operational excellence of our Group’s broadcast operations and engineering, IT operations, property and space management as well as content compliance.

He has over 30 years’ experience in broadcast operations and engineering. Prior to joining Astro, he worked for Media Prima Berhad from 1986 to 1996 under its TV3 broadcasting operations where his last position was as Head of Broadcast Maintenance and IT Operations.

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

Rekha Mahendran
Malaysian, 50, Female
General Counsel & Senior Vice President, Human Capital

Rekha joined our Group on 16 February 2015 and was appointed as General Counsel & Senior Vice President, Human Capital on 6 March 2017.

She is responsible for our Group’s legal and compliance matters, focusing on Content, Technology & Operations, Corporate and Strategic Initiatives. She is also responsible for our Group’s Human Capital function.

Prior to joining Astro, she worked for Discovery Communications in London, where she held the post of Regional Counsel for their UK & EMEA business, as well as serving in their Singapore office covering the Asia-Pacific region.

She is a qualified lawyer from the University of London, UK and obtained the professional qualification of Barrister-in-Law from Gray’s Inn, UK.
**Datuk David Michael Yap**

Malaysian, 55, Male

*Vice President, Community Affairs*

David joined our Group on 1 November 1997 and was appointed as Vice President, Community Affairs on 1 February 2007.

He is responsible for our Group’s corporate responsibility and stakeholder management initiatives. He also led the incorporation of the Astro Kasih Foundation which promotes education, community advancement, sports development and environmental awareness, particularly in underserved communities across Malaysia.

He has over 25 years’ experience in corporate sustainability, government relations, corporate communications and advertising. Prior to joining Astro, he worked for PETRONAS and was involved in international brand management.

He holds a Bachelor of Arts (Hons) in Geography from University of Malaya and is a Fellow of the Institute of Marketing Malaysia.

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**Laila Saat**

Malaysian, 49, Female

*Vice President, Regulatory, Intellectual Property Protection & Industry Affairs*

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

She is responsible for providing specialist advice on the Malaysian regulatory framework and facilitating a conducive regulatory environment for the execution of our Group’s strategic imperatives. Working alongside the relevant authorities and stakeholders, she also leads our Group’s intellectual property protection activities.

She has 24 years’ working experience both in local and international markets. Prior to joining our Group, she worked in communications and property industry, including UEM Holdings Bhd.

She received a Masters of Science in Corporate Communications from University Putra Malaysia, and holds a Bachelor of Education in TESL from University of Malaya.

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**Tammy Toh Seok Kheng**

Malaysian, 50, Female

*Vice President, Group Communications*

Tammy joined our Group on 3 September 2007 as Vice President, Group Communications.

She is responsible for reinforcing our Group’s market leadership via 360° communications and oversees corporate, brand and marketing communications, media, stakeholder and issues management, as well as event management activities.

She has extensive experience in strategic communications, having worked in senior positions in various industries, including Royal Selangor Pewter, Gamuda Berhad and Alliance Financial Group.

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

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**Notes:**

1) None of the members of Senior Leadership have any conflict of interest with the Company

2) None of the members of Senior Leadership have any convictions for offences within the past five years

3) None of the members of Senior Leadership have any public sanctions and/or penalties imposed on them by the relevant regulatory bodies during FY18

4) None of the members of Senior Leadership have any family relationship with any Directors and/or Major Shareholders of the Company
CORPORATE GOVERNANCE OVERVIEW

Our Board is pleased to present this statement as an overview of the CG framework and practices in place within our Group during FY18. This statement is to be read in conjunction with the CG Report which can be downloaded from our corporate website. The CG Report provides detailed explanations of how our Group has applied the recommended practices under the MCCG taking into consideration the specific circumstances affecting our Group, including any alternative measures in place to achieve the intended outcomes, where applicable.

Our Governance framework
Astro’s overall governance framework places emphasis on compliance with the relevant laws and regulations that are applicable to our Group such as the Act and MMLR, as well as the promotion of good CG practices including robust risk management practices for sustainable long-term value creation. Last year, Astro was ranked 7th for Overall CG and Performance and 11th overall among over 900 companies listed on Bursa Securities, and won the Excellence Award for CG Disclosures at the MSWG-ASEAN Corporate Governance Awards 2017.

Our Board regularly reviews and benchmarks our Group’s governance structures and processes to ensure that they continue to support effective and ethical leadership, good corporate citizenship and business sustainability, and are applied in the best interests of our Group and stakeholders.

Promoting sustainability
As our Group continues to expand its footprint beyond Malaysia into the ASEAN region, our Board remains cognisant of the need for sustainable practices to manage our economic, environmental and social impact to address the long-term interests of our stakeholders.

Arising from continuous stakeholder engagement and an internal prioritisation process, our group has identified nine material matters covering content, customer reach & experience, digitalisation & innovation, diversification of revenues, financial performance, risk management, talent acquisition, development & engagement, corporate social responsibility and protecting our environment. Our Sustainability section is presented on pages 102 to 145.

Our Board’s responsibilities
Our Board is responsible for defining the overall strategic direction of the business. During FY18, our Board, GCEO and Senior Leadership engaged in an offsite two-day planning session to chart our Group’s overall strategic priorities and business plans over the next five years, taking into consideration inter alia, consumer, technological and digitalisation trends, balanced with the optimal utilisation of capital and other resources. The strategic priorities and business plans were further refined and subsequently approved by our Board prior to the commencement of the new financial year. In tandem with the strategic planning and budgeting cycle, the annual operating budget for FY19 was also tabled and adopted.

Digitalisation has brought about significant shifts in the markets that we operate in, both in terms of business challenges and emerging opportunities. Our strategies are therefore focused on defending our core television business comprising Pay-TV and NJOI which has reached a combined 75% penetration of total Malaysian households while evolving our products and services to meet the needs of individual customers. Our individuals strategy in Malaysia is underpinned by our OTT services, Astro GO and NJOI Now. Tribe, our regional OTT service, has also expanded its regional footprint into new markets and is currently operating in Indonesia, the Philippines, Singapore and Southern Thailand.

Our Board is responsible for performance monitoring to ensure our strategic objectives are achieved. Our Board reviews on a quarterly basis, our operating and financial results against the approved budget to ensure performance is on track. In addition to the quarterly reviews, our Board receives monthly performance updates from Senior Leadership. As part of our Board’s oversight of management, the Company Scorecard for FY18 setting out the agreed key financial and non-financial performance indicators was approved by our Board based on the recommendation of our RC. The FY18 Company Scorecard contained KPIs in respect of financial performance, growth and sustainability as well as talent, all of which are necessary for the achievement of our short-term objectives and are the building blocks for long-term value creation.
As part of our long-term growth strategy, our Group is constantly assessing the market for organic and inorganic value accretive opportunities which are complementary to, or strategically adjacent to our core business. During the year, our Board reviewed several investment opportunities and set the parameters within which such new investments should operate. We entered into a JV with Karangkraf for the creation and monetisation of content in Malaysia and the Nusantara region. The JV, which provides for co-ownership of a rich Malay-language content library is expected to generate new revenue potential through 360° monetisation across the multiple platforms of TV, OTT and digital.

Cost discipline continues to be a key area of focus for our Board and Senior Leadership as we progress through our business transformation journey. There is good visibility on our key operating expenses, particularly content costs which are substantially USD-denominated, through a review of content mix, contractual terms with key content suppliers and hedging strategies while optimising cost to serve.

During the year, our Board approved our maiden RM3 billion 15-year MTN programme after assessing available funding options and will continue to opportunistically explore funding sources.

Emphasis on human capital strategies was another key area of focus in FY18 to ensure we have an organisation that is fit-for-purpose to meet the challenges of the new digital economy. These areas will continue to be some of our key areas of focus in FY19.

Our Board’s responsibilities include ensuring the adequacy of our internal controls and risk management through continuous identification and management of emerging risks impacting our Group. On a quarterly basis, our ARC reviews among others, the overall risk profile of our Group and its corresponding risk mitigation strategies.

Our Board completed the annual BEE for FY18. Based on feedback from our individual Directors and Senior Leadership, our Board is satisfied with the performance shown by our Directors, Board Committees and our Board as a whole. The BEE has further indicated that the level of independence of our INEDs remains strong. Our Board has recommended the re-election of our Directors who are retiring at the forthcoming AGM based on the BEE. The parameters used in the assessment are set out below:

Our Board also benchmarked our Group’s CG practices, policies and procedures against the recommendations of the MCCG. A review of our overall governance framework inter alia, our board composition and structure was undertaken in FY18. Based on the said reviews, several enhancements were implemented including the redesignation of our then audit committee to ARC in recognition of its risk management functions.
**Principle A: Board Leadership and Effectiveness**

**Our Board structure**

In order to discharge its responsibilities, our Board has established the governance structure below:

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Board</th>
<th>ARC</th>
<th>NCGC</th>
<th>RC</th>
<th>GCEO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provides strategic leadership necessary to enable business objectives to be met within a framework of internal controls</td>
<td>Ensures that the interests of shareholders are safeguarded</td>
<td>Oversees the management and business affairs of our Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitors the integrity of financial statements, risk management and internal controls and effectiveness of external and internal audit process</td>
<td>Ensures adherence to CG best practices and is responsible for the review of board composition, skills and mix</td>
<td>Ensures that remuneration strategy and policy for NEDs, GCEO and Senior Leadership are aligned to the business and interest of shareholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assists our GCEO in the management of the business on a day-to-day basis including risk management</td>
<td>Ensures the overall management of tender processes are aligned with our Group’s procurement strategy</td>
<td>Manages hedging risks, cash investments and funding plans within our Group’s Treasury Policies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our Board is responsible for overseeing the management and business affairs of our Group and makes the major policy decisions. It has delegated specific powers to our Board Committees namely the ARC, NCGC and RC as set out in their respective TORs, as well as to our GCEO with respect to the day-to-day management within the approved LOA. The LOA outlines the decision-making authority of our GCEO and the delegation of authority by our GCEO to Senior Leadership.

Our Board Charter, which is published on our corporate website, contains specific guidance on the role and responsibilities of our Board, Board Committees, Board Chairman, individual Directors and Senior Leadership led by our GCEO. The division of the roles and responsibilities of our Board Chairman and GCEO to ensure that there is balance of power and authority is formally documented in our Board Charter. A list of Board reserved matters is also contained therein. Our Board Charter is reviewed periodically by our NCGC and Board.

Board decisions shall be made by a majority of votes at a physically convened Board meeting, or alternatively through circular resolutions signed by all Directors who are not precluded or prohibited from voting by reason of the Act, MMLR or our Company’s Constitution.

In order for our Directors to keep themselves informed of our Group’s affairs and to make sound business judgements, they have access to Senior Leadership and, where necessary and appropriate, to independent advisors. Our Directors are covered by Directors’ and Officers’ Liability Insurance for any liabilities incurred in the course of discharging their duties within the ambit permitted by the Act.
Our Board composition

Our Board comprises eight members, of whom four are INEDs including our Board Chairman, an ED/GCEO and three NINEDs. The size of our Board shall be a minimum of three up to a maximum of 15 as set out in our Constitution.

Our Board composition was refreshed as we continued our digital transformation journey in FY18. The new appointments to our Board were SC who was appointed as NINED in June 2017 as well as RCV and SFJ who were appointed as INED and NINED respectively in December 2017.

SC has added more depth to our Board with his extensive experience in media and technology. RCV, who was also appointed as our ARC Chairman, plays a key role in respect of financial and commercial strategies with his experience in the financial and consumer sectors, while SFJ has brought a wide range of skills and experience to our Board, notably in corporate advisory and strategic investments. SFJ is a nominee of Khazanah, a substantial shareholder, replacing QBF. As part of our board composition review, our Board designated DYC as our Senior INED in December 2017.

As at 31 January 2018, 50% of our Board are INEDs and 25% are women directors.

Our Board believes that appointments must be based on merit and contribution to the overall working of our Board. Independence and gender diversity are part of our Board selection criteria. Our Board also places importance on diversity in respect of having a broad range of skills and competencies, experience, background and gender to ensure balanced and effective decision-making. Our Board policy limits the tenure of INEDs to nine years unless shareholders’ approval is obtained. Currently, the tenure of our INEDs ranges from less than one to seven years. Other selection criteria are set out in our NCGC Report on pages 83 to 84.

Our NCGC conducts an annual review of the board size and composition. A Board Skills Matrix has been developed to serve as a guide in identifying potential candidates to meet the level of independence and targeted gender representation as recommended by the MCCG and to facilitate Board succession.

<table>
<thead>
<tr>
<th>Skills and Experience</th>
<th>Board Balance and Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management &amp; Leadership</td>
<td>4 Independent Non-Executive Directors</td>
</tr>
<tr>
<td>Accounting &amp; Audit</td>
<td>3 Non-Independent Non-Executive Directors</td>
</tr>
<tr>
<td>Banking</td>
<td>1 Executive Director</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td></td>
</tr>
<tr>
<td>Consumer and Marketing</td>
<td></td>
</tr>
<tr>
<td>Technology, Media &amp; Broadcast</td>
<td></td>
</tr>
<tr>
<td>Risk Management &amp; Board Governance</td>
<td></td>
</tr>
</tbody>
</table>

| Gender Diversity                       |                               |
| Male                                   | 75%                           |
| Female                                 | 25%                           |

| Tenure                                 |                               |
| Less than 1 year                       | 37.5%                         |
| 1-2 years                              | 25%                           |
| 3-4 years                              | 12.5%                         |
| 5-7 years                              | 25%                           |
Principle A: Board Leadership and Effectiveness (Cont’d.)

Fostering commitment

To ensure our Directors commit sufficient time to our Group’s affairs, the annual Board meetings calendar is planned prior to the commencement of each new financial year and the estimated time commitment is made known to them upon appointment. There are also established procedures for acceptance of external board appointments. Our Directors are required to provide immediate notification when accepting any new board appointments and seek guidance from our Board Chairman on any potential conflicts of interests. Any changes to their directorships will be tabled at the quarterly Board meetings. None of our Directors are on the board of more than five public listed companies on Bursa Securities and our Board is satisfied that the present directorships in external organisations held by our Directors do not give rise to any conflicts of interests nor impair their ability to discharge their responsibilities.

A total of eight days was spent for quarterly Board meetings and presentations during FY18. In October 2017, our Board also attended a two-day strategic planning offsite meeting, together with our GCEO and Senior Leadership. Our Directors also had regular and direct engagements with Senior Leadership throughout the year including private sessions, pre-Board and Board Committee meetings.

Attendance

<table>
<thead>
<tr>
<th></th>
<th>AGM(a)</th>
<th>Board(b)</th>
<th>ARC</th>
<th>NCGC</th>
<th>RC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tun Dato’ Seri Zaki bin Tun Azmi</td>
<td>1/1</td>
<td>8/8</td>
<td>-</td>
<td>2/2</td>
<td>-</td>
</tr>
<tr>
<td>Dato’ Rohana Rozhan</td>
<td>1/1</td>
<td>8/8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Datuk Yvonne Chia</td>
<td>1/1</td>
<td>8/8</td>
<td>4/4</td>
<td>2/2</td>
<td>4/4</td>
</tr>
<tr>
<td>Richard John Freudenstein</td>
<td>1/1</td>
<td>8/8</td>
<td>4/4</td>
<td>-</td>
<td>4/4</td>
</tr>
<tr>
<td>Renzo Christopher Viegas(c)</td>
<td>-</td>
<td>2/2</td>
<td>1/1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lim Ghee Keong(d)</td>
<td>1/1</td>
<td>7/8</td>
<td>-</td>
<td>-</td>
<td>1/1</td>
</tr>
<tr>
<td>Simon Cathcart(e)</td>
<td>1/1</td>
<td>4/4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shahin Farouque bin Jammal Ahmad(f)</td>
<td>-</td>
<td>2/2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Augustus Ralph Marshall(g)</td>
<td>0/1</td>
<td>2/2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Datuk Chin Kwai Yoong(h)</td>
<td>1/1</td>
<td>4/4</td>
<td>2/2</td>
<td>1/1</td>
<td>-</td>
</tr>
<tr>
<td>Dato’ Mohamed Khadar bin Merican(i)</td>
<td>1/1</td>
<td>4/4</td>
<td>-</td>
<td>-</td>
<td>2/2</td>
</tr>
<tr>
<td>Bernard Anthony Cragg(j)</td>
<td>-</td>
<td>2/2</td>
<td>1/1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Quah Bee Fong(k)</td>
<td>1/1</td>
<td>6/6</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(a) AGM 2017 held on 15 June 2017
(b) Includes Board Presentations
(c) Appointed as Director and Chairman of ARC on 1 December 2017
(d) Appointed as member of RC on 6 December 2017
(e) Appointed as Director on 15 June 2017
(f) Appointed as Director and member of NCGC on 1 December 2017 and 6 December 2017 respectively
(g) Resigned as Director on 30 June 2017
(h) Retired/ceased as Director, Chairman of ARC and member of NCGC on 15 June 2017
(i) Appointed as Director and member of RC on 30 June 2017
(j) Resigned as Director and member of ARC on 31 March 2017
(k) Resigned as Director on 1 December 2017
**Principle A: Board Leadership and Effectiveness (Cont’d.)**

**Our Directors’ continuing education programme**

Our Board believes that continuing development is necessary for effective Board leadership and oversight. Briefings on appropriate topics were organised in conjunction with our quarterly Board meetings where time permits and our Directors attended various training on their own accord. The Corporate Secretarial Division notifies our Directors of available programmes and monitors the budget. Our Directors also received regular briefings on the market outlook, competitive landscape, consumer demographics as well as trends and technological developments from Senior Leadership and other invited speakers.

In January 2018, our NEDs participated in the Consumer Electronics Show, an annual trade show organised by the Consumer Technology Association in Las Vegas, USA. The visit has enabled our Directors to keep abreast of emerging new technologies in various consumer spaces including home lifestyle, Internet of Things, OTT, content protection and anti-piracy, all of which is crucial for our Group’s digital transformation.

Newly appointed Directors were given an induction, which included presentations from Senior Leadership and visits to our broadcast and operation centres. All our Directors have completed the Mandatory Accreditation Programme as prescribed by Bursa Securities. A list of programmes which our individual Directors participated in is summarised below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Training/Course</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2017</td>
<td>Certified Innovator Program</td>
<td>DRR</td>
</tr>
<tr>
<td>June 2017</td>
<td>Certified Innovator Program</td>
<td>TZA, DYC, RJF, LGK, SC</td>
</tr>
<tr>
<td>July 2017</td>
<td>Astro’s Analyst &amp; Investor Day</td>
<td>DRR</td>
</tr>
<tr>
<td>September 2017</td>
<td>Media Outlook</td>
<td>TZA, DYC, DRR, RJF, LGK, SC</td>
</tr>
<tr>
<td></td>
<td>Regional Landscape (TV &amp; OTT)</td>
<td></td>
</tr>
</tbody>
</table>

**In-house training**

**External training**

A.  Corporate Governance, Risk Management and Internal Control

<table>
<thead>
<tr>
<th>Date</th>
<th>Training/Course</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2017</td>
<td>The New Companies Act 2016</td>
<td>TZA, DYC</td>
</tr>
<tr>
<td></td>
<td>The Companies Act: Raising the Bar for Directors</td>
<td>DYC</td>
</tr>
<tr>
<td>April 2017</td>
<td>International Financial Reporting Standard 9 Briefing and Risk Delivery</td>
<td>DYC</td>
</tr>
<tr>
<td></td>
<td>Briefing Liquidity Crisis Management Plan</td>
<td>DYC</td>
</tr>
<tr>
<td>May 2017</td>
<td>Briefing on Audit Report</td>
<td>DYC</td>
</tr>
<tr>
<td>June 2017</td>
<td>Briefing on:</td>
<td>DYC</td>
</tr>
<tr>
<td></td>
<td>• MYR-USD and Risk Management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Process for Board Review of Large Credit Exposures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Updated Malaysia Risk Appetite Statement and Real Asset Management International</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Local Adoption of Group policies and procedures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Malaysian Case Studies on Corporate Disclosure</td>
<td>TZA</td>
</tr>
<tr>
<td>July 2017</td>
<td>Directors’ Duties and new Code of Corporate Governance 2017</td>
<td>LGK</td>
</tr>
<tr>
<td>August 2017</td>
<td>Operational Risk Training</td>
<td>DYC</td>
</tr>
<tr>
<td></td>
<td>Malaysian Institute of Corporate Governance’s Report on “Transparency in Corporate Reporting”</td>
<td>TZA</td>
</tr>
<tr>
<td>September 2017</td>
<td>Training on Conduct</td>
<td>DYC</td>
</tr>
<tr>
<td>October 2017</td>
<td>Focus Group Session on The Proposed Revision of The Corporate Governance Guide by Malaysia Bursa Berhad</td>
<td>DYC</td>
</tr>
<tr>
<td>December 2017</td>
<td>Annual Corporate Governance Seminar</td>
<td>LGK</td>
</tr>
</tbody>
</table>
### Principle A: Board Leadership and Effectiveness (Cont’d.)

#### External training (Cont’d.)

**B. Economics, Finance and Business**

<table>
<thead>
<tr>
<th>Date</th>
<th>Training/Course</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2017</td>
<td>The Role of Development Financial Institutions in Supporting Financing for Development Agenda to Promote Economic Growth</td>
<td>DYC</td>
</tr>
<tr>
<td>May 2017</td>
<td>Bank Negara Malaysia Compliance Conference 2017</td>
<td>DYC</td>
</tr>
<tr>
<td>August 2017</td>
<td>Asian Institute of Chartered Bankers Conference</td>
<td>DYC</td>
</tr>
<tr>
<td></td>
<td>Financial Institutions Directors’ Education Forum: 3rd Distinguished Board Leadership Series on Cryptocurrency and Blockchain Technology</td>
<td>DYC</td>
</tr>
<tr>
<td></td>
<td>Nikkei Asian Review Symposium</td>
<td>DRR</td>
</tr>
<tr>
<td>September 2017</td>
<td>Briefing on:</td>
<td>DYC</td>
</tr>
<tr>
<td></td>
<td>- BNM Guidelines on Classification and Regulatory Treatment for Structured Products under the Islamic Financial Services Act; and - Strengthening the Roles and Impact of Islamic Finance</td>
<td>DYC</td>
</tr>
<tr>
<td></td>
<td>Forbes Global CEO Conference 2017</td>
<td>DYC</td>
</tr>
<tr>
<td>October 2017</td>
<td>Khazanah Megatrends Forum 2017</td>
<td>DRR</td>
</tr>
<tr>
<td>November 2017</td>
<td>Standard Chartered Global Chairman’s Conference 2017</td>
<td>DYC</td>
</tr>
<tr>
<td></td>
<td>The New World of Start-Ups, Lesser Jobs and Robotics</td>
<td>DYC</td>
</tr>
<tr>
<td>January 2018</td>
<td>World Economic Forum 2018</td>
<td>DRR</td>
</tr>
<tr>
<td></td>
<td>14th Annual Khazanah Review</td>
<td>TZA</td>
</tr>
</tbody>
</table>

#### C. Media and Technology

<table>
<thead>
<tr>
<th>Date</th>
<th>Training/Course</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2017</td>
<td>Amazon Web Services Summit</td>
<td>DRR</td>
</tr>
<tr>
<td></td>
<td>Asia Pacific Pay-TV Operators Summit 2017 (APOS)</td>
<td>DRR</td>
</tr>
<tr>
<td>September 2017</td>
<td>International Broadcasting Convention</td>
<td>DRR</td>
</tr>
<tr>
<td>October 2017</td>
<td>CyberSecurity</td>
<td>LGK</td>
</tr>
<tr>
<td></td>
<td>PricewaterhouseCoopers’s Global Entertainment and Media Outlook</td>
<td>LGK</td>
</tr>
<tr>
<td>November 2017</td>
<td>Digital Collaboration and Transformation Conference</td>
<td>DYC</td>
</tr>
<tr>
<td>January 2018</td>
<td>Consumer Electronics Show</td>
<td>TZA, DYC, RJC, RCV, SC, SFJ</td>
</tr>
<tr>
<td></td>
<td>Tech Trends Discussion</td>
<td>TZA, DYC, RJC, RCV, SC, SFJ</td>
</tr>
</tbody>
</table>
Our Remuneration Policies

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

Our NEDs’ remuneration adheres to a schedule of fixed fees in accordance with their responsibilities on our Board and Board Committees. NEDs are entitled to be reimbursed for expenses which are reasonably incurred by them in the discharge of their duties such as travel and accommodation, mobile and broadband expenses. There is an established process for the reimbursement of expenses incurred by our NEDs which require the approval of our Board Chairman, while his expenses in turn are subject to review and approval by our ARC Chairman.
In line with CG best practices, our NEDs are not entitled to participate in our Share Scheme while our ED/GCEO is not entitled to any director’s fees.

Our Board intends to seek shareholders’ approval for the payment of directors’ fees and benefits to our NEDs for the period commencing June 2018 up till the next AGM to be held in 2019, payable on monthly basis and/or as and when incurred. Individual Directors do not participate in the discussions and determination of their own remuneration.

Our NEDs’ remuneration was assessed and benchmarked against the top 30 highest remunerating listed issuers on Bursa Securities with the assistance of Willis Towers Watson, an independent consultant. Having regard to the benchmarking and findings from our BEE which has indicated that our Board has continued to play its role effectively, our Board has resolved to seek shareholders’ approval for a proposed revision to our NEDs’ remuneration in accordance with Section 230 of the Act based on the following rationale:

- Fees have not been adjusted since 2012 and the average market adjustment since then has been 33%. The proposed increase has an effective adjustment rate of up to 31% which is below the market movement;
- The proposed increase for Board Committee fees appropriately reflects the significant contributions and workload of our Board Committee membership. Our NEDs who are not sitting on any Board Committee will only have an effective adjustment of 24% compared to 31% for those who sit on two Committees and chairing one; and
- Average NED fees based on the assumptions above are lower than the average for top 30 listed companies on Bursa Securities (excluding financial institutions) i.e. RM340,000 vs RM418,000 per annum.

GCEO Remuneration

The components of our GCEO’s remuneration are a fixed basic salary (subject to annual inflationary adjustments) and a variable component comprising the annual discretionary performance bonus and share awards. The share awards will only vest upon our Company meeting the agreed KPIs. Details of such share awards and shares in our Company held by our GCEO are set out on page 283.

Based on a benchmarking study of our GCEO’s remuneration by Willis Towers Watson, an independent consultant, our Board noted that our GCEO’s remuneration package is competitive relative to her peer group, locally and regionally, having regard to the industry standards, responsibilities, complexity and size of our organisation.

Our GCEO enjoys certain benefits such as a company car, medical coverage and other benefits typically provided to our Group’s employees. Either party may terminate the employment by giving 6 months’ prior written notice.

Our GCEO’s performance is measured by individual and corporate performance based on the agreed KPIs established by our Board in the annual Company Scorecard, which includes both financial and non-financial KPIs to ensure the achievement of not only short-term, but also long-term objectives. The Company Scorecard for FY18 comprised financial KPIs and non-financial KPIs such as growth and sustainability as well as people metrics.
The fees and benefits paid to or incurred on behalf of our NEDs individually in FY18 are set out in the table below, representing a total amount to approximately RM2.09 million, which is within the approval obtained from our shareholders for payment of directors’ fees and benefits at the AGM held on 15 June 2017.

<table>
<thead>
<tr>
<th>Non-Executive Directors</th>
<th>Fees (RM’000)</th>
<th>Salary (RM’000)</th>
<th>Bonus (RM’000)</th>
<th>Other emoluments (RM’000)</th>
<th>Benefits in kind (RM’000)</th>
<th>Total (RM’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tun Dato’ Seri Zaki bin Tun Azmi</td>
<td>225</td>
<td>225</td>
<td>-</td>
<td>25</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Datuk Yvonne Chia</td>
<td>-</td>
<td>225</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>Richard John Freudenstein</td>
<td>-</td>
<td>225</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Renzo Christopher Viegas</td>
<td>-</td>
<td>38</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lim Ghee Keong</td>
<td>-</td>
<td>225</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Simon Cathcart</td>
<td>-</td>
<td>141</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shahin Farouque bin Jammal Ahmad</td>
<td>-</td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Augustus Ralph Marshall</td>
<td>-</td>
<td>94</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Datuk Chin Kwai Yoong</td>
<td>-</td>
<td>84</td>
<td>9</td>
<td>-</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Dato’ Mohamed Khadar bin Merican</td>
<td>-</td>
<td>94</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bernard Anthony Cragg</td>
<td>-</td>
<td>37</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Quah Bee Fong</td>
<td>-</td>
<td>188</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>225</strong></td>
<td><strong>1,614</strong></td>
<td><strong>13</strong></td>
<td><strong>22</strong></td>
<td><strong>25</strong></td>
<td><strong>15</strong></td>
</tr>
</tbody>
</table>

The remuneration paid to our ED/GCEO in FY18 is set out in the table below:

<table>
<thead>
<tr>
<th>Dato’ Rohana Rozhan</th>
<th>Salary (RM’000)</th>
<th>Bonus (RM’000)</th>
<th>Other emoluments (RM’000)</th>
<th>Benefits in kind (RM’000)</th>
<th>Total (RM’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,675</td>
<td>4,595</td>
<td>3,863</td>
<td>35</td>
<td>13,168</td>
<td></td>
</tr>
</tbody>
</table>

(a) Inclusive of statutory contributions and share based payments
(b) Inclusive of driver, car and fuel allowance
(c) Appointed as Director and Chairman of ARC on 1 December 2017, prorated from his appointment date up to 31 January 2018
(d) Appointed as member of RC on 6 December 2017, prorated from his appointment date up to 31 January 2018
(e) Appointed as Director on 15 June 2017, prorated from his appointment date up to 31 January 2018
(f) Appointed as Director and member of NCGC on 1 December 2017 and 6 December 2017 respectively, prorated from his appointment date up to 31 January 2018
(g) Prorated up to his resignation as Director on 30 June 2017
(h) Prorated up to his retirement/cessation as Director, Chairman of ARC and member of NCGC on 15 June 2017
(i) Prorated up to his resignation as Director and member of RC on 30 June 2017
(j) Prorated up to his resignation as Director and member of ARC on 31 March 2017
(k) Prorated up to her resignation as Director on 1 December 2017
Analysis of Total Directors’ Fees and Benefits in respect of FY18

The aggregate amount of Directors’ fees and benefits paid by our Company in respect of FY18 amounted to approximately RM2.09 million compared to RM2.29 million in FY17. The decrease in fees paid amounting to approximately RM200,000 was primarily due to changes in the boardroom during the year. Our Directors do not receive fees from our subsidiaries.

The number of Directors whose total remuneration for FY18 falls within the required disclosure bands are as follows:

<table>
<thead>
<tr>
<th>Executive Director/ Group Chief Executive Officer</th>
<th>No. of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM13,150,000 – RM13,200,000</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Executive Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;RM50,000</td>
</tr>
<tr>
<td>RM50,001 – RM100,000</td>
</tr>
<tr>
<td>RM100,001 – RM150,000</td>
</tr>
<tr>
<td>RM150,001 – RM200,000</td>
</tr>
<tr>
<td>RM200,001 – RM250,000</td>
</tr>
<tr>
<td>RM250,001 – RM300,000</td>
</tr>
<tr>
<td>RM500,001 – RM550,000</td>
</tr>
</tbody>
</table>
Principle A: Board Leadership and Effectiveness (Cont’d.)

Our Code of Business Ethics, Conflict of Interests and Whistleblowing Policy

As part of our aspiration to be ASEAN’s leading content and consumer brand, our Board is committed to uphold a high standard of business ethics in our engagements with all our stakeholders. The COBE which is published on our corporate website, outlines the principles and best practices to be applied when conducting business. It is essential that fair and impartial practices that are in compliance with all laws and regulations are applied in our business conduct and relationships.

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

Directors are required to abstain from deliberating and voting on any matter in which they may be deemed interested, directly or indirectly, including any contract or proposed contract or arrangement involving a Group entity. As part of conflicts monitoring, lists of directorships and shareholdings in companies outside Astro held by our Directors and any changes thereto, are tabled at each quarterly Board meeting. Directors and principal officers are also required to adhere to the disclosure obligations under the MMLR in respect of dealings in Astro shares during closed and open periods, and they are prohibited from dealing in such shares if they are in possession of price-sensitive information. Directors’ shareholdings in our Company are reported on page 283.

Our Group has in place a Whistleblowing Policy and Procedures, which is under the purview of our ARC.

Principle B: Effective Audit and Risk Management

Our Board is assisted by our ARC in the oversight of financial reporting and audit process to ensure that financial results and statements give a true and fair view of our Group’s financial position and comply with applicable financial reporting standards. In addition, our ARC is responsible for reviewing the enterprise risk management framework and risk management strategies for the purposes of managing our Group’s overall risk exposures.

A sound system of internal controls and effective risk management are necessary to safeguard our assets for the achievement of our Group’s business objectives. Our Board had carried out an assessment of the need for a risk management committee and decided to retain the risk management functions within our existing audit committee after taking into consideration our Group’s specific circumstances, board size and composition. Our audit committee was redesignated as our ARC in December 2017 and its TOR was amended to enhance its responsibilities for risk management.

The performance of our ARC in FY18 was evaluated as part of the annual BEE and based on the findings, our Board is satisfied that our ARC has discharged its responsibilities.
Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

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

Annual General Meeting

Our Board regards the AGM as a key forum for communicating with our shareholders. Notice of our Fifth AGM in 2017 was issued on 17 May 2017, which was at least 28 days before the AGM to ensure sufficient time for our shareholders to attend or to plan their proxy lodgement. We are encouraged by the participation at our Fifth AGM which was attended by over 3,000 shareholders and proxies representing 87.01% of our Company’s issued share capital.

Designated Contact Persons

DYC, as our Senior INED is our Board’s designated contact for consultation and direct communication with shareholders. Queries and concerns may be directed to our Board through the following individuals:

**Datuk Yvonne Chia** (Senior Independent Director)  
c/o Corporate Secretarial Division  
3rd Floor, Administration Building  
All Asia Broadcast Centre  
Technology Park Malaysia  
Lebuhraya Puchong-Sungai Besi, Bukit Jalil  
57000 Kuala Lumpur  
Telephone No. : +60(3) 9543 9267  
Email : yvonne_chia@astro.com.my

**Shafiq Abdul Jabbar** (Group Chief Financial Officer)  
Telephone No. : +60(3) 9543 6688 ext 2729  
Email : shafiq_aj@astro.com.my

**Liew Wei Yee Sharon** (Company Secretary)  
Telephone No. : +60(3) 9543 6688 ext 3404  
Email : sharon_liew@astro.com.my
REMUNERATION COMMITTEE REPORT

Composition

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

<table>
<thead>
<tr>
<th>Name of RC Member</th>
<th>Appointment Date</th>
<th>Designation/ Directorate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datuk Yvonne Chia</td>
<td>1 August 2016</td>
<td>Chairman/INED</td>
</tr>
<tr>
<td>Richard John Freudenstein</td>
<td>1 February 2017</td>
<td>Member/INED</td>
</tr>
<tr>
<td>Lim Ghee Keong</td>
<td>6 December 2017</td>
<td>Member/NINED</td>
</tr>
</tbody>
</table>

There were changes to our RC composition during the year whereby, DKM resigned as a member on 30 June 2017 while RJF and LGK were appointed as new members of our RC.

Role and Responsibilities

Our RC assists our Board on matters relating to the remuneration of our NEDs and GCEO, and reviews the remuneration policy to ensure the ability to attract, motivate and retain talent. In determining our NEDs’ remuneration, our RC is guided by the DRG on the key principles underpinning our Board’s policies for NED remuneration, including but not limited to the individual’s experience, time commitment, level of responsibilities and complexity shouldered, special assignments and risk. Our RC’s TOR is published on our corporate website.

Summary of Activities in FY18

In FY18, our RC held four meetings and considered the following matters:

(i) Reviewed the schedule of our NEDs’ fees and benefits which was adopted in 2012 to ensure that the level of remuneration paid to our NEDs remained appropriate taking into consideration various factors. Shareholders’ approval for our NED remuneration was obtained at the AGM in June 2017.

(ii) Assessed our Group’s performance against the agreed FY17 Company Scorecard and based on the scorecard achievement, recommended the payment of bonus to our GCEO to our Board for approval. The overall bonus and merit increment proposal for our Group’s employees was also reviewed by our RC and in recommending the proposal, our RC considered relative performance and other industry factors. Our RC also reviewed and noted the performance evaluations of Senior Leadership in respect of FY17 to ensure a consistent and appropriate performance evaluation.

(iii) Administered the Share Scheme and among other activities, considered the status of outstanding share awards including PSUs granted in FY15, which were due for vesting in October 2017. The FY15 PSUs lapsed due to non-fulfilment of the agreed targets which were set aggressively at the time of the grant in 2014. This was primarily due to unfavourable market conditions such as higher inflation, significant changes in the competitive and consumer landscape, currency depreciation and weak consumer sentiments. The target for Total Shareholders’ Return was impacted by an under-performing share price, although our Company delivered a commendable dividend yield of 4.6%. A review of our Share Scheme is currently in progress to ensure that an appropriate long-term incentive plan that will drive the achievement of long-term targets and the transformation of our business is put in place. Pending the adoption of a new incentive plan, no share awards were granted by our Board in FY18.

(iv) Noted the need for the retention of high performers and strategic contributors, and believes that a motivated workforce is highly critical for a company undergoing business transformation. Taking into consideration that our Group’s performance was relatively superior to some of its peers, an ex-gratia payment was awarded to 60 high performers and critical roles (including our GCEO) amounting to RM3.2 million.

(v) Commenced a benchmarking study on our GCEO’s remuneration and KPIs with the assistance of an independent consultant as part of a 3-year review of her remuneration package.

Composition

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

<table>
<thead>
<tr>
<th>Name of NCGC Member</th>
<th>Appointment Date</th>
<th>Designation/ Directorate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tun Dato’ Seri Zaki bin Tun Azmi</td>
<td>15 August 2012</td>
<td>Chairman/INED</td>
</tr>
<tr>
<td>Datuk Yvonne Chia</td>
<td>24 April 2015</td>
<td>Member/INED</td>
</tr>
<tr>
<td>Shahin Farouque bin Jammal Ahmad</td>
<td>6 December 2017</td>
<td>Member/NINED</td>
</tr>
</tbody>
</table>

DCKY ceased to be a member of our NCGC on 15 June 2017 and the vacancy was subsequently filled by SFJ.

Role and Responsibilities

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

Board Members’ Selection Criteria

Potential candidates are usually nominated by our Directors, major shareholders and business associates. Our NCGC is the forum where potential board candidates are assessed based on an established Board Selection Criteria, which include among others:

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

Board Appointment Process

01 Nomination by our existing Directors, major shareholders and/or business associates

02 Assessment of candidates based on the established selection criteria taking into consideration the Board Skills Matrix and the future needs of our Company, including obtaining background references

03 Interviews by NCGC members and recommendation to our Board

04 Interviews by Directors

05 Approval by our Board

Board Effectiveness Evaluation and Annual Re-election

Our annual BEE is facilitated by our NCGC with assistance from the Corporate Secretarial Division. Our NCGC will determine at periodic intervals on the engagement of an external facilitator to provide an independent assessment of the effectiveness of our Board, Board Committees and individual Directors as well as insights on board practices. Our NCGC monitors the action plans arising from the BEE and reviews the annual re-election of our Directors.
NOMINATION AND CORPORATE GOVERNANCE COMMITTEE REPORT

Summary of Activities in FY18
In FY18, our NCGC held two meetings and considered the following matters:

(i) Administered the BEE for FY17 through an independent consultant encompassing an evaluation of our Board as a whole, our Board Committees, individual Directors and INEDs. Feedback from Senior Leadership was a critical part of the evaluation to ensure that the findings were comprehensive and relevant. The BEE for FY18 was also commenced post financial year-end which is reported on page 70.

(ii) Reviewed our governance structure, board composition and competencies to further strengthen our Board and ensure an appropriate balance and diversity. During the year, our NCGC assessed potential candidates for board appointment guided by the finding of the BEE and recommendations were made to our Board. The appointment of our new Board and Board Committee members was also guided by the Board Selection Criteria and followed the process for Board appointments outlined above.

As part of the said review, our NCGC benchmarked the governance structures of the top 10 companies listed on Bursa Securities and several global media companies in assessing the need for a risk management committee. Based on this review, our Board had determined that the functions should not be separated from our audit committee due to the high correlation between audit and risk, especially during the business transformation phase and taking into consideration our board size and composition. Our audit committee was redesignated as ARC in December 2017 to better reflect its responsibilities for risk management.

(iii) Reviewed the eligibility of our Directors who were required to retire pursuant to our Company’s Articles of Association at the AGM in June 2017 based on the findings of the BEE in FY17.

(iv) Carried out an analysis of our Group’s CG practices, policies and procedures taking into consideration the Practices set out in the MCCG and in areas where a departure is noted, our NCGC considered the alternative means that are in place or required to achieve the intended outcomes.

(v) Reviewed succession management plans and talent pipeline to ensure a smooth transition.

Composition

Our audit committee was established by our Board on 1 April 2011 and was redesignated as ARC with effect from 6 December 2017. The members of our ARC are as follows:

<table>
<thead>
<tr>
<th>Name of ARC Member</th>
<th>Appointment Date</th>
<th>Designation/Directorate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renzo Christopher Viegas</td>
<td>1 December 2017</td>
<td>Chairman/INED</td>
</tr>
<tr>
<td>Datuk Yvonne Chia</td>
<td>1 January 2014</td>
<td>Member/INED</td>
</tr>
<tr>
<td>Richard John Freudenstein</td>
<td>30 September 2016</td>
<td>Member/INED</td>
</tr>
</tbody>
</table>

There were changes to our ARC composition during the year whereby, DCKY ceased to be Chairman on 15 June 2017 and Bernard Anthony Cragg resigned as a member on 31 March 2017.

The composition of our ARC complies with the MMLR and MCCG as all three ARC members are INEDs. On 1 December 2017, RCV was appointed as the Chairman of our ARC. He was appointed after a rigorous process to ensure that our ARC continues to have the necessary financial and commercial expertise required to meet its responsibilities and to facilitate effective deliberations within our ARC. In addition, RCV has in-depth accounting and related financial management expertise and hence, our ARC meets the requirements of paragraph 15.09(1) (c) of the MMLR, which stipulates that at least one member of the audit committee must be a qualified accountant.

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

In adopting Practice 8.2 of the MCCG, the ARC Charter was revised in March 2018 to state that a former key audit partner shall not be appointed as a member of our ARC until the expiry of a two year cooling-off period. No former audit partner has been appointed to our ARC to date.

Meeting Attendance

In FY18, four ARC meetings were held and each met the requisite quorum stipulated in the ARC’s TOR, with at least two members present and all members being independent directors. Details of attendance at ARC meetings can be found in the table on page 73.

Senior Leadership from the business, finance, IT and legal functions were also invited to attend the ARC meetings to facilitate deliberations as well as to provide clarification on their areas of responsibility. Where required, the relevant management representatives were invited to provide explanations to our ARC on specific control matters and issues noted from the audit reports. In addition to the above, representatives from the external auditor, PwC and CA also attended the meetings and presented their respective reports on external and internal audit matters. An update of the key matters discussed by our ARC is provided by our ARC Chairman to our Board at quarterly Board meetings. The Company Secretary acts as the Secretary to our ARC.

Apart from ARC meetings, pre-ARC meetings were organised upon request, prior to the quarterly ARC meetings to enable early escalation and resolution of any significant issues.

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

Roles and Responsibilities

During FY18, our ARC continued to play a key role in assisting our Board to fulfil its oversight responsibilities. Our ARC’s principal activities were focused on ensuring the integrity of our Group’s financial reporting process, monitoring the management of risk and system of internal control, external and internal audit process, compliance with legal and regulatory matters as well as the COBE. In the discharge of its responsibilities, our ARC is guided by the ARC’s TOR, as approved by our Board and published on our corporate website.

In line with the redesignation of the audit committee to ARC, a review of the ARC’s TOR was conducted and approved by our Board in March 2018.
Our ARC’s key focus areas throughout FY18 are summarised below:

(a) Financial Reporting
- Reviewed and recommended to our Board, the quarterly financial reports be released within two months from the end of each quarter ended April 2017, July 2017, October 2017 and January 2018; the FY17 Audited Financial Statements in March 2017 and the related press releases/announcements including whether the said reports, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess our Group’s performance.
- Reviewed our Group’s solvency and ability to continue as a going concern on a quarterly basis as part of the dividend proposal and approval of the Audited Financial Statements, respectively.
- In order to discharge its responsibilities effectively, our ARC received regular updates on the developments of new accounting standards such as MFRS 9 and 15, and considered the impact of those standards on our Group’s financial reporting process.

(b) External Audit
- Continued to oversee the relationship with, and the performance of PwC, including making the recommendation on their reappointment for FY19 and approval of their fee.
- Assessed the effectiveness of the external audit process and appropriateness of the audit scope, including the review and/or approval of the audit plans and findings of external audit.
- Reviewed PwC’s annual audit report which sets out the key audit matters and management letters on internal control matters, including Senior Leadership’s response and the level of cooperation given by employees to PwC.
- Reviewed auditor independence and the provision of non-audit services on a quarterly basis.

(c) Internal Audit
- Continued to monitor and review the effectiveness of the CA function and scope of audit, including the audit plans and findings.
- Reviewed the performance appraisal of the Vice President, CA and the adequacy of internal audit resources.

(d) Risk Management and Internal Controls
- Reviewed and exercised oversight over our Group risk register, risk methodology and risk management systems and processes.
- Reviewed the effectiveness of the system of internal controls, taking account of the findings from internal and external audit reports.

(e) Other Matters
- Received updates on the following areas:
  - business and financial performance across our Group;
  - competitive landscape as well as new partnerships or JVs in the industry that our Group competes in;
  - cyber security, treasury, tax, regulatory and legal matters.
- Reviewed reports on RPTs.
- Reviewed the results of the Whistleblowing Line channels in place to enable whistleblowers to raise concerns in confidence.
- Reviewed the verification performed by CA on the allocation of shares to eligible employees to ensure compliance with the By-laws of the Share Scheme approved by our Board and shareholders on 3 August 2012.

Financial Reporting
Our ARC’s primary responsibility in relation to our Group’s financial reporting is to review, alongside Senior Leadership and PwC, the quarterly unaudited financial statements and annual Audited Financial Statements, concentrating on, among other matters:
- the accounting principles and standards that were applied to ensure compliance with applicable approved accounting standards and legal requirements;
- material areas in which significant judgements have been applied; and
- whether the Annual Report 2018 and annual Audited Financial Statements FY18, taken as a whole, is fair, balanced and understandable and provides information necessary for shareholders to assess our Group’s performance.
As part of the reviews of the financial statements, the significant accounting issues considered and the actions taken by our ARC are as follows:

<table>
<thead>
<tr>
<th>Issue</th>
<th>Description</th>
<th>Action Taken by our ARC</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill, brands and spectrum impairment assessment</td>
<td>Our Group has intangible assets which included goodwill, brands and spectrum amounting to RM1,443 million as at 31 January 2018. Significant judgement is required in setting the assumptions underpinning the calculation of the value in use of the cash generating units. Senior Leadership has performed an impairment assessment over the goodwill, brands and spectrum balance, as well as sensitivity analyses to ensure that the value in use of the cash generating units supports the carrying value in the financial statements.</td>
<td>Our ARC had reviewed the annual impairment assessment performed by Senior Leadership as well as the work performed by PwC. This included PwC's review of Senior Leadership's cash flow projections, sensitivity analysis as well as Senior Leadership's assumption on revenue growth rates, terminal growth rates and discount rates. PwC had reported explicitly on this matter in its audit opinion and found that the assumptions related to the above rates are reasonable, relative to historical results, industry and market forecasts. Based on the procedures performed above, PwC did not find any material exceptions to the Directors' conclusion that no impairment is required for goodwill, brands and spectrum rights as at 31 January 2018.</td>
<td>Our ARC is satisfied that the assumptions made by Senior Leadership are reasonable and that the sensitivity analyses were appropriately applied to ensure the robustness of the annual impairment assessment.</td>
</tr>
<tr>
<td>Amortisation of programme rights</td>
<td>The basis for amortisation of programme rights should reflect the pattern of consumption of expected future economic benefits and has a significant impact on the timing of cost recognition.</td>
<td>Our ARC reviewed Senior Leadership's amortisation basis and challenged its appropriateness, taking into account industry practice. Our ARC also considered the views of PwC that based on its benchmarking of Senior Leadership's amortisation basis and analysis of the pattern of consumption, there is no material exception in the amortisation method of programme rights.</td>
<td>Our ARC is satisfied that the basis adopted for amortisation of programme rights is appropriate.</td>
</tr>
<tr>
<td>Assessment of funding requirements and ability to meet short term obligations</td>
<td>As at 31 January 2018, our Group's total short-term borrowings, payables and accruals exceeded current assets by RM363 million, which may impact the ability of our Group to meet its short term obligations.</td>
<td>Our ARC reviewed management's assessment of our Group's prospects, including the cash flow projection and plans to meet our Group's commitments for the 12-month period to 31 January 2019.</td>
<td>Based on the review, which also incorporated sensitivity analysis, our ARC is satisfied that our Group has sufficient resources and working capital to meet its short-term obligations and accordingly, continue to adopt the going concern basis in preparing the financial statements.</td>
</tr>
</tbody>
</table>

During FY18, our ARC also received updates on, and reviewed the impact assessment from the adoption of accounting standards MFRS 15 on revenue from contracts with customers and MFRS 9 on financial instruments, which would impact our Group's financial reporting upon adoption in FY19.
External Audit

In FY18, the following criteria were assessed and considered by our ARC before recommending reappointment and remuneration of PwC.

<table>
<thead>
<tr>
<th>Independence</th>
<th>Audit and Non-Audit Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our ARC reviewed PwC’s FY18 written affirmation of its independence to act as our Company’s external auditors in accordance with the relevant professional and regulatory requirements.</td>
<td>Our ARC is cognisant that while it is important that PwC’s independent role in reporting to the shareholders is not compromised, it is equally important that our Group is not deprived of expertise as and when it is needed.</td>
</tr>
<tr>
<td></td>
<td>Our Board has therefore adopted a Policy on the Provision of Audit and Non-Audit Services by the external auditors based on the general principle that the external auditors should not perform non-audit services that may impair its objectivity and independence. For FY18, the cumulative engagement fee for non-audit services is limited to 70% of the statutory financial audit and interim review fees which was approved by our Board for the immediate preceding financial year. For FY19, the limit has been reduced from 70% to 50% as approved by our Board in March 2018. Any non-audit service that exceeds the above threshold will require specific pre-approval by our ARC.</td>
</tr>
<tr>
<td></td>
<td>During FY18, our Group incurred approximately RM402,000 on non-audit fees representing 15.7% of the statutory financial audit and interim review fees for the immediate preceding year. On a quarterly basis, our ARC reviewed the analysis provided by PwC on the provision of audit and non-audit services including the fees incurred and remains satisfied that PwC’s independence is not impaired from the provision of the non-audit services.</td>
</tr>
</tbody>
</table>

Audit planning and working with PwC

Our ARC received from PwC, a detailed audit plan identifying their audit scope, approach and assessment of key audit risks. In addition, our Group’s strategic pillars and digitalisation initiatives in FY18 were also considered in determining PwC’s areas of emphasis. The audit plan was approved by our ARC on 14 September 2017.

During FY18, our ARC met with PwC, on 2 occasions, separately, without the presence of Senior Leadership. These sessions allowed our ARC and PwC to focus on areas that might not have been specifically addressed as part of the audit and where PwC can provide additional, candid and confidential comments to our ARC. Matters discussed included, among others, PwC’s assessment of the tone at the top, ethical values and integrity of Senior Leadership, quality of financial management and reporting, confirmation that there has been no restriction in scope placed on them by Senior Leadership, cooperation from the various levels of Senior Leadership as well as internal auditors, among others.

Effectiveness and Quality

Our ARC reviewed the evaluation on PwC’s performance and effectiveness which was coordinated by the Company Secretary. The annual assessment covered:

- independence, objectivity and professional scepticism
- firm’s financial stability, risk profiles and audit strategy
- communication and interaction
- audit finalisation
- quality of skills, capabilities of audit team and sufficiency of resources

In addition, our ARC also reviewed PwC’s representation on its quality control procedures with respect to engagement performance which included the involvement of a quality review partner, access to PwC’s accounting technical support on complex accounting matters, periodic assurance quality review by PwC’s Global Assurance Quality Review team, internal guidance on accounting standards interpretation and application and International Standards of Auditing guidelines as well as periodic attendance of mandatory training/courses.

Based on the above, our ARC recommended to our Board, the reappointment of PwC for FY19 at the forthcoming AGM in June 2018. FY19 marks the third year of engagement with the current audit partner.
Internal Audit

Our ARC is supported by CA which provides independent validation on the risk management, control and governance processes of our Group. The Vice President of CA, Sze Yuet Sim is a Chartered Accountant of The Malaysian Institute of Accountants, a Member of The Malaysian Institute of Certified Public Accountants, Fellow of CPA Australia, and a Chartered Member of the Institute of Internal Auditors. She reports functionally and administratively to our ARC Chairman.

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

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

During FY18, our ARC reviewed the findings from CA’s planned and ad-hoc reviews and the actions taken to implement the recommendations made in the reports. Members of Senior Leadership were invited from time to time to provide clarification on the findings and updates on the action taken, where applicable. In certain instances, our ARC also challenged management on the actions it was taking to minimise the chances of lapses and ensure that material findings are adequately addressed within a reasonable time frame. The planned reviews included financial, operational, technology and information systems audits and project reviews across Customer, Content, Human Capital, Process Improvement and Revenue Assurance, Risk Management, Procurement, Broadcast and Operations, and Information Technology as well as the e-commerce and the digital radio business within our Group. The ad-hoc reviews included among others, governance enhancement reviews related to policies and procedures, related party transactions and special reviews based on disclosures reported to the Whistleblowing Line and other channels. All CA reports were provided to our ARC. A summary of CA’s findings and the status of progress against previously agreed actions is tabled quarterly at our ARC meetings.

As at 31 January 2018, there were a total of 14 internal auditors based on an approved headcount of 17 auditors. All the internal auditors possess tertiary qualifications and the number of years of internal audit experience and competencies of the 14 auditors as at 31 January 2018 is as follows:

<table>
<thead>
<tr>
<th>Years of internal audit experience</th>
<th>0 - 5</th>
<th>5 - 10</th>
<th>&gt;10</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of auditors</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competencies</th>
<th>% of auditors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting and Finance</td>
<td>50</td>
</tr>
<tr>
<td>Information Technology</td>
<td>36</td>
</tr>
<tr>
<td>Risk Management</td>
<td>57</td>
</tr>
<tr>
<td>Banking</td>
<td>14</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>7</td>
</tr>
</tbody>
</table>
All CA team members had declared to our ARC that they are free from any relationships or conflicts of interest which would impair their objectivity or independence. CA staff is kept abreast of developments in the profession and industry through attendance at trainings aimed at equipping them with the relevant skills appropriate to their respective levels such as in the area of data analytics, cloud security operations, DevOps process and regulatory changes.

The total operational costs incurred for CA for FY18 amounted to approximately RM3.7 million (FY17: RM3.9 million).

Our ARC had reviewed the CA function to ensure that its activities are performed independently, proficiently and with impartiality and due professional care, including its KPIs. The effectiveness of CA is assessed over the year using a number of measures that include (but are not limited to):

- Feedback received from the part of the business audited via an auditee satisfaction survey using an automated tool.
- An annual review coordinated by the Company Secretary in March 2018 with feedback sought from our ARC, Senior Leadership and PwC. The areas assessed include audit planning and resources, skills and experience and work programme.

Based on the results of the evaluation, our ARC is satisfied with the performance of CA and noted several areas of improvements for CA to focus on and address in FY19.

**Risk Management and Internal Controls**

Our Board is responsible for establishing and maintaining our Group’s systems of internal control and risk management and for reviewing their effectiveness.

During FY18, our ARC assisted the Board in ensuring that a robust process for identifying, evaluating and managing the significant risks faced by our Group is in place and operating effectively. On a quarterly basis, our ARC reviewed our Group’s risk profile with a focus on the key risks identified on pages 98 to 101. In addition, our ARC reviewed the adequacy and effectiveness of the system of internal controls based on the results of the work performed by PwC and CA as well as the status report on the Key Control Checklists (“KCC”), tabled in our ARC meetings on a quarterly basis.

Further details on our Group’s risk management process are included in the SORMIC on pages 92 to 97 which was also reviewed by our ARC.
Other Matters

Related Party Transactions

On a quarterly basis, our ARC reviewed the RPTs entered into by our Group with our related parties to ensure that:

- RPTs have been conducted based on our Group’s normal commercial terms and are not to the detriment of our Group’s minority shareholders
- Proper disclosures are made in accordance with the MMLR
- Actual expenditure on RRPTs is within the mandate approved by the shareholders

For FY18, our ARC also reviewed the estimated RRPT mandate for the ensuing year and the 2017 Circular to Shareholders in respect of new, and renewal of, shareholders’ mandate for RRPTs, prior to seeking Board approval.

Integrity and Ethics

Our Group has adopted the Whistleblowing Policy and Procedures which were established to enable whistleblowers to raise concerns in confidence, and to ensure proportionate and independent investigation is duly conducted and follow-up action is taken and brought to the attention of our ARC. In March 2018, our ARC reviewed and concluded that the Whistleblowing Policy and Procedures currently in place are appropriate and adequate.

During FY18, CA which manages the Whistleblowing Line received a total of five ethics, conflict of interest and integrity related disclosures which were reported by various parties including employees and external parties. On a quarterly basis, our ARC reviewed CA’s report on the cases reported through the Whistleblowing Line and other available channels as well as the status of investigation (where applicable) into these cases. For FY18, our ARC is satisfied that there were no cases with significant impact to our Group.

Quarterly Updates

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

- Treasury, including the sources and uses of cash, analysis of working capital, compliance status of debt covenants, vendor financing and debt facilities, foreign exchange management and financing options.
- Tax, including the status of tax filings and audits of selected entities of our Group by the Inland Revenue Board, among others.
- Regulatory compliance and status of material litigations to ensure that these matters have been reflected in the financial statements, where appropriate. A summary of the material litigations, claims and arbitration is provided in the notes to the FY18 Audited Financial Statements on pages 263 to 274.

Integrated and Sustainability Reporting

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

Key Focus for FY19

The key priorities of our ARC for FY19 are to continue to focus on:

- the integrity of our Group’s financial accounting and reporting, including the quality of earnings taking into account the competitive environment that our Group operates in;
- the robustness, rigour and quality of the external and internal audit process as well as risk management especially cyber security risk; and
- content and IP creation, development and collaborations with regional players in the OTT business, in line with our Group’s strategic imperatives.
Role of the Board

Our Board is responsible for ensuring that management maintains an effective system of risk management and internal control, and assessing its effectiveness. Such a system entails a robust enterprise risk management framework (“ERMF”) that is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and strategies. The Board is supported by the ARC who has oversight of the risk management and internal control systems of our Group. The Senior Leadership is responsible for the implementation of a sound ERMF to ensure a continuous process of risk identification, evaluation and management to an acceptable level as prescribed within the risk appetite and captures the dynamics of changing business and regulatory environments, all of which are subject to regular review by the ARC and the Board. This system can only provide reasonable and not absolute assurance against material misstatement or loss and is in line with the requirements and guidance in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Malaysia. Our Board has also obtained assurance from our GCEO and GCFO that our Group’s risk management and internal control systems are operating adequately and effectively for FY18. Our Group has summarised the overview of the internal control assessment into four key components:

1. Enterprise Risk Management Framework (“ERMF”)

At Astro, risks are identified and managed in the business through the ERMF, which supports the Senior Leadership in embedding effective risk management processes and practices within our Group’s strategic planning activities, operational processes, and project management and inculcating a strong risk culture. We have a dedicated independent Risk Management function led by the newly appointed Head of Risk Management to effectively drive the ERMF that sets out our processes for identifying, reviewing, managing and monitoring our risks, which is annually refreshed for effectiveness and applicability. Key risks identified are regularly assessed and reflects the evolution of the industry and market environment in which our Group operates. The management of risk is embedded into each level of the business, with all colleagues being responsible for the understanding and managing of risks within our risk appetite. Risk appetite specifies the level of risk we are willing to take, which allows specific risk taking activities.

The ERMF is established based on the Committee of Sponsoring Organisation (“COSO”) Enterprise Risk Management Framework – Integrating with Strategy and Performance which sets out the risk management governance, infrastructure, processes, and control responsibilities and underpins our Group Risk Management Policy (“GRMP”). The ERMF that is tested by CA is reviewed by ARC and published on Astro’s internal portal for communication and adoption. The ERMF provides guidance for a systematic approach to identify, assess, respond, monitor and report risks that is consistently applied throughout our Group. The function of the ARC is to drive effective risk management through continuous review of the ERMF and policy to ensure effective identification of emerging risks and management of identified risks through implementation of appropriate controls and risk mitigation strategies while being cognisant of the business outlook, opportunities and financial sustainability. Our Group risk profile on pages 98 to 101 is reviewed by the Board through the ARC on a quarterly basis. Our risk governance structure and ongoing risk cycle process is illustrated above.
2. Control Environment and Activities

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

2.1 Board and Audit & Risk Committee

The roles and responsibilities as well as the authority and lines of accountability of our Board has been clearly defined in our Corporate Governance Overview as set out on pages 69 to 81.

Our ARC assists our Board in fulfilling the Board’s responsibilities with respect to oversight, focusing on the integrity of our Group’s financial reporting process, effectiveness of risk management practices, internal control systems, external and internal audit processes, compliance with legal and regulatory standards as well as the COBE. The roles and responsibilities of our ARC are set out in the ARC Report on pages 85 to 91. Our Group risk profile is maintained by the Risk Management function (as detailed on pages 98 to 101), which is presented and deliberated by Senior Leadership and ARC on a quarterly basis.

As part of our Board’s efforts to ensure risk management processes are adequate and effective, the ERMF and the strategic and operational risk mitigating controls were validated by CA as part of its review plan and the areas for improvement highlighted were implemented by the relevant business units accordingly. Our Board and Management inculcate a proactive and sustainable risk management culture by ensuring all employees have a good understanding of effective governance principles and risk management practices with classroom briefings and mandatory completion of online compliance training annually.

2.2 Management

The Management is committed to the identification, monitoring and management of risks associated with its business activities. Our GCEO and GCFO are supported by other Senior Leadership members to assess, review and monitor their respective business units. Each business unit is responsible and accountable for implementing procedures and controls to manage risks within their business.

Senior Leadership works closely with the Head of Risk Management to ensure effective and consistent adoption of risk management practices. Risk champions are appointed by heads of business units to review and update their respective business risk profiles on a quarterly basis. The periodic review and update of risk profiles include the identification of emerging risks arising from changes to the business environment and outlook, implementation of new initiatives, and evaluation of the effectiveness of existing controls and risk management initiatives. Our Group risk profile is deliberated by Senior Leadership on a quarterly basis facilitated by the Risk Management function to ensure the overall risks impacting our Group are adequately identified and managed within an acceptable level of risk. Key strategic risk matters deliberated by Senior Leadership for the financial year include competition risk due to an increasingly crowded landscape; cyber security risk due to global cyber attacks; business sustainability risk due to content piracy; forex volatility; soft consumer sentiments; rapid digitalisation and personalised customer experience; strategic and synergistic mergers and acquisitions; effective supply chain management; and talent management risk due to the need to acquire/retain right skilled workforce and upskill/reskill existing workforce to drive innovation and digitalisation initiatives.

2.3 Risk Management function

Astro has a dedicated Risk Management function led by the Head of Risk Management that reports to the Board on a quarterly basis through the ARC on the key risk profile of our Group and status of the prevention and mitigation action plans to address the key risks. The Risk Management function ensures the establishment and maintenance of the ERMF and proactively monitors our Group risk profile through quarterly reviews and assessments reflecting changes to the business and regulatory environment. The Risk Management function effectively drives the ERMF that sets out our processes for identifying, reviewing, managing and monitoring our risks, and is
2. Control Environment and Activities (Cont’d.)

annually refreshed for effectiveness and applicability. The Risk Management function maintains a comprehensive insurance programme for our Group to safeguard our Group’s assets against material losses arising from any uncertainties and conducts an annual review during the insurance renewal exercise in ensuring relevance and adequacy of the insurance programme in meeting the changing business needs and alignment to our Group’s risk exposure and appetite.

2.4 Corporate Assurance and external auditors
The external auditors and CA provides independent assurance on the effectiveness of our Group’s risk management practices and control environment. The roles and responsibilities of our CA functions and activities of the external auditors are set out in the ARC Report on pages 85 to 91.

2.5 Regulatory, Intellectual Property Protection & Industry Affairs
In line with the MCMA as well as other laws, rules, regulations, and policies which govern our Group’s businesses, the Regulatory, Intellectual Property Protection & Industry Affairs (“RIIA”) department consistently engages with internal and external stakeholders, including the MCMC to preserve a conducive regulatory environment for our Group to ensure efficient and undisrupted business operations. Additionally, the RIIA department also manages matters relating to our Group’s IP, including undertaking proactive measures and providing assistance in enforcement actions.

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

2.7 Company Secretary
The Corporate Secretarial division provides additional assurance by, inter alia, monitoring compliance with the Board’s procedures including the list of Board Reserved Matters, advising our Board and its Board Committees on their responsibilities, monitoring any changes in the relevant legislations and the regulatory environment including the Act and the MMLR, and creating awareness of such changes within the organisation.

2.8 Revenue Assurance framework
A Revenue Assurance (“RA”) framework is in place to provide guidance to ensure a consistent and structured review approach to identify key revenue leakage indicators and data discrepancies, as well as propose and implement corrective action plans jointly with business units. Moreover, the RA department also prepares the monthly RA dashboard for Senior Leadership on identified Pay-TV revenue issues, as well as the extent of identified revenue leakages. The monthly dashboard is also reviewed by the external auditors and CA as part of their annual audit.

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

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

2.10 Systems, data and information security
In order to manage emerging cyber security threats to our Group and safeguard customer data, content, assets, and operational integrity, continuous monitoring and implementation of latest security controls have been established.

This includes implementation of relevant security appliances and systems, inculcating security awareness among employees, ensuring compliance to industry security standards of our Group’s IT networks and systems such as Information Security Management System (“ISMS”) ISO/IEC 27001:2013[1], Payment Card Industry Data Security Standard v3.2 and the Personal Data Protection Act 2010, and benchmarking of our security programmes with industry best practices.

In addition, the AMH Security Council is established to provide strategic oversight of our Group’s physical and cyber security management practices to ensure all security threats including content piracy are effectively managed, as well as the continuous enhancement of our ISMS and AMH Security Framework.
2. Control Environment and Activities (Cont’d.)

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

Recovery plans are established, reviewed, maintained and tested periodically to ensure effective and timely recovery of services while prioritising staff safety. During FY18, our Group’s BCP maintenance activities were successfully conducted, including call tree and walkthrough tests, BCP manual review, as well as crisis simulations for critical systems and operations. The results of the BCP maintenance activities are reported to our ARC on a quarterly basis.

2.12 Key Controls Checklist
As part of cultivating an effective internal control environment, the Key Controls Checklist (“KCC”) is established to facilitate control self-assessment by the heads of business units on a quarterly basis to ensure internal controls (comprising both system and manual controls) in place are effective and procedures are complied with. The existing controls are continuously enhanced with learnings from compliance audits and process improvement reviews. The endorsed KCC is subsequently verified by the Risk Management function and reported to our ARC on a quarterly basis. The KCC is also validated by CA and the external auditors as part of their audit to ensure Management’s assertions of controls operating effectively are appropriate.

2.13 Limits of Authority
The LOA stipulates the key decision-making and approval authority delegated by our Board to Management for operational efficiency. Any amount in excess of our GCEO’s delegated LOA will require Board approval. These limits are reviewed regularly and approved by the Management and/or our Board in accordance with their respective LOA, in tandem with changes in business operations, corporate and organisational structure. The Risk Management function facilitates the LOA process to ensure fit-for-purpose and compliance.

2.14 Strategic business budgeting and reporting
Our Group is guided by a five-year transformation plan outlining key objectives and strategic priorities which are reviewed annually. This to ensure consistent revenue performance and optimisation of operating cost for sustainable business growth. Our Group’s strategic plan and corresponding annual budget for FY18 were duly approved by our Board prior to the commencement of the said financial year. On a monthly basis, business KPIs are tracked and provided to our Board. On a quarterly basis, the financial and operational reports are provided to our ARC and Board. Our Group releases quarterly unaudited financial results and annual audited financial statements to Bursa Malaysia and the public, including analysts and investors.

2.15 Staff performance system
Our Group has a competency framework that is guided by our Group’s corporate core values which outlines the knowledge, skills and behaviour expectations of its employees. The Human Capital (“HC”) department’s development plan focuses on upskilling and reskilling employees to drive innovation and digitalisation initiatives, enabling employees’ to achieve their career paths and building a pipeline of talent for succession planning. In order to drive and sustain a high-performing workforce, on an annual basis, employees’ performance and achievements are appraised under our Group’s Total Performance Management System (balanced scorecard reporting).
2. Control Environment and Activities (Cont’d.)

2.16 Code of Business Ethics
The COBE is a key policy which governs the way our Group, through our Board, Management and employees conduct dealings with all stakeholders. It is also designed to reduce, if not eradicate, any corrupt practices and occurrences of bribery. Our employees are advised not to engage in any fraudulent activities such as bribery and kickbacks. Furthermore, the COBE regulates the acceptance of gifts, complimentary services, entertainment or gratuities with an equivalent value not exceeding RM250. Stern disciplinary action will be taken against employees found in breach of the COBE.

2.17 Fraud management and whistleblowing
The Fraud Management Framework provides guidance on establishing a fraud management control environment to enhance integrity and reduce the probability of fraud, as well as to assist employees in decision-making in relation to the identification and reporting of fraud, misconduct and any other non-compliance affecting our Group. The Ethics Line Procedures is established for employees to raise their concerns (“Disclosures”) on any suspected violations to our Group’s values and principles without the fear of reprisal. Whistleblowers are encouraged to disclose their names to facilitate investigation and to ensure Disclosures are made in good faith. Whistleblowers’ identities are protected in confidence, to the extent reasonably practicable, unless the whistleblower agrees otherwise. The Ethics Line is managed by CA who also assumes primary responsibility for the investigation and reporting of Disclosures. All Disclosures received via the Ethics Line, investigation findings and recommendations are reported to our ARC and GCEO on a quarterly basis, or more frequently, where necessary.

3. Information and Communication

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

Regular updates and communication of policies and procedures
Our Group has established operating policies and procedures which comply with relevant laws and regulations. These policies and procedures ensure internal control systems are consistently adopted to mitigate risks. Regular reviews are conducted to ensure risk profiles, policies, and procedures are updated and aligned. New risk management action plans are also established to address emerging risks and incorporate learnings from compliance audits and process improvement reviews. During FY18, our Group has enhanced and simplified the operational process relating to our supply chain management for our commerce business, vendor screening process, content publishing process, LOA and travel insurance administration process. Additionally, our Group policies are published and updated on our internal portal for easy access by employees.
### 4. Monitoring and Reporting Activities

In FY18, the following monitoring and reporting activities were undertaken through the Risk Governance Structure as illustrated on page 92 in providing assurance on the effectiveness of risk management and internal control systems:

<table>
<thead>
<tr>
<th>Risk Management function reports to our Board on a quarterly basis through the ARC on our Group risk profile that incorporates the preventive and mitigation strategies. Our Board, through our ARC, reviews the risk management reports and compliance status for BCP and KCC on a quarterly basis.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our GCEO and GCFO provides Management Assurance in relation to the adequacy of our Group’s risk management and internal control systems in all material aspects. Any exceptions identified during the assessment period are highlighted to our Board.</td>
</tr>
<tr>
<td>Our ARC reviews the process and compliance exceptions identified by CA and external auditors on a quarterly basis. The implementation of recommendations from both parties are tracked and reported to the ARC quarterly.</td>
</tr>
<tr>
<td>The Disciplinary Committee chaired by the Senior Vice President (SVP), HC meets as necessary on matters pertaining to Senior Leadership misconduct. The Committee ensures all concerns raised and allegations are duly investigated, monitored and consistently deliberated. Other disciplinary cases are managed by HC’s Industrial Relation team which reports to the SVP, HC. The procedures are periodically reviewed and updated.</td>
</tr>
</tbody>
</table>

Management has taken the necessary actions to remedy weaknesses identified for FY18. Our Board and Senior Leadership continuously assess the effectiveness of monitoring activities and take necessary measures to strengthen our risk management and internal control environment.

**Conclusion**

As required by paragraph 15.23 of the MMLR, our external auditors, PwC, has reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of our Group. Based on the procedures performed, nothing had come to their attention that caused the external auditors to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor was factually inaccurate. Our Board is of the view that the risk management, governance and internal control practices and processes which have been adopted for the year under review and up to the date of issuance of financial statements are sound and adequate to safeguard the interests of shareholders, employees and our Group’s assets. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of our Group’s internal controls that would require separate disclosures in this Annual Report.
KEY RISK PROFILE

Our risk management principles are embedded in our Group’s strategic planning, day-to-day operational activities and project management initiatives as illustrated in our Group’s key risk profile set out in the following pages which is reviewed quarterly by Senior Leadership and our Board through ARC. Emerging opportunities and threats are identified, prioritised and effectively managed to ensure achievement of our Group’s business objectives, growth and sustainability.

Core Businesses

Households | Individuals | Adex | Commerce

Businesses Challenges

Soft consumer sentiment and economic conditions | Crowded OTT and commerce landscape | Investment and diversification for business growth | Optimising content costs and content piracy | Digitalisation and innovation of products, services and customer experience

Group Risk Map

<table>
<thead>
<tr>
<th>IMPACT</th>
<th>Unlikely</th>
<th>Possible</th>
<th>Likely</th>
<th>Certain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>High</td>
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<tr>
<td>Moderate</td>
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<td></td>
</tr>
<tr>
<td>Low</td>
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</tbody>
</table>

R1 Market and competition | R2 Economic conditions | R3 Sustainable growth | R4 Cyber security | R5 Digitalisation and technology | R6 Strategic partnership and alliances
<table>
<thead>
<tr>
<th>Key Risk Category/ Description</th>
<th>Mitigation Strategies</th>
<th>Key Risk Indicators</th>
<th>Strategic Pillars</th>
</tr>
</thead>
</table>
| **Market and competition**    | Our Group closely monitors the market landscape to realign and enhance its strategies and priorities. This includes:  
  • championing ASEAN vernacular content creation and IPs to boost viewership and adex  
  • collaborating with regional content partners/players for content creation, monetisation opportunities and content exclusivity  
  • capitalising on our integrated adex platform (i.e. TV, radio and digital) to enhance adex offerings  
  • collaborating with product suppliers and logistic partners to enhance product offerings and order fulfilment for our commerce customers  
  • collaborating with regulators and industry players to combat content piracy | Content piracy and illegal operators  
  New OTT and commerce players  
  New collaborations  
  Market share  
  Product/service speed to market | |
| **Economic conditions**       | Our Group continuously reviews and aligns its strategies in line with economic conditions and consumer sentiment. This includes:  
  • launching of segmented sales, connected STBs and retention campaigns, and realignment of offerings in tandem with current consumer spending behaviour  
  • prudent cost, treasury, hedging and investment management including prioritisation of digitalisation initiatives to ensure profitability and sustainability amid the challenging economic outlook  
  • expanding our businesses in regional emerging markets through partnerships and investments to ensure sustainable revenue growth | Consumer sentiment index  
  Foreign exchange rate | |
| **Sustainable growth**        | Our Group continues to focus on transformation initiatives to sustain market leadership. This includes:  
  • embarking on the creation of a digital content line-up to capitalise on monetisation opportunities from live streaming of user generated video content  
  • extending Tribe’s footprint regionally to include Singapore and Thailand, in addition to Indonesia and the Philippines  
  • continuous search of new content aggregators within and beyond Malaysia to monetise its content IPs  
  • continuous search for new partnerships and investments as part of our Group’s mergers and acquisitions strategy | Financial KPIs  
  Business KPIs | |
<table>
<thead>
<tr>
<th>Key Risk Category/Description</th>
<th>Mitigation Strategies</th>
<th>Key Risk Indicators</th>
<th>Strategic Pillars</th>
</tr>
</thead>
</table>
| **R4** Cyber security         | Our Group has established the AMH Security Council to provide strategic oversight of our Group’s physical and cyber security management practices to ensure emerging security threats and learnings from global incidences and audits are effectively addressed. The AMH Security Council continuously promotes security improvements via:  
- continuous enhancements to current logical and physical security infrastructure and practices  
- engagement of external security subject matter experts to benchmark and enhance security controls  
- monitoring and reporting of security non-compliances, incidences and progress updates of critical security patch implementation  
- security awareness among employees through short videos, articles and awareness roadshows | • New cyber attacks  
• Security non-compliances | |
| **R5** Digitalisation and technology | Our Group continues to enhance and innovate its digital product and services to enhance customer experience, and improve operational efficiency and speed to market. Our Group’s digitalisation activities include:  
- continuous enhancements to UI/UX and functionalities of existing products  
- introduction of new innovative products to meet customers’ needs  
- continuous enhancements to the self-service capabilities across our platforms to enable better customer experience  
- continuous simplification and automation of workplace processes to enhance operational efficiency and speed to market | • Digital maturity  
• Digitalisation speed to market | |
<table>
<thead>
<tr>
<th>Key Risk Category/Description</th>
<th>Mitigation Strategies</th>
<th>Key Risk Indicators</th>
<th>Strategic Pillars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R6</strong> Strategic partnership and alliances</td>
<td>Our Group’s strategic acquisition and supply chain management are governed by the Acquisition Guiding Principles and Procurement Manual to ensure all acquisitions are made in the best interests of our Group. &lt;br&gt;Our Group’s acquisition process is monitored and supported by the Procurement department and/or Tender Committees to ensure the best rates are secured through competitive bidding, tender, rate benchmarking and long-term partnerships. &lt;br&gt;We undertake continuous negotiations and collaborations with partners and suppliers to secure cost savings and content exclusivity.</td>
<td>• Dependency on sole suppliers  &lt;br&gt;• Service level performance  &lt;br&gt;• Content cost fluctuations</td>
<td></td>
</tr>
<tr>
<td><strong>R7</strong> Talent management</td>
<td>Our Group has established Talent Management strategies for execution of key business priorities and to ensure consistent performance. This includes:  &lt;br&gt;• inculcating an innovation culture and upskilling/reskilling our existing workforce to drive our innovation and digitalisation initiatives  &lt;br&gt;• establishing a right fit talent remuneration structure in line with industry best practices to attract and retain talent  &lt;br&gt;• identifying and grooming emerging leaders through talent development programmes to ensure continuous succession planning</td>
<td>• Talent turnover  &lt;br&gt;• Succession planning for key positions</td>
<td></td>
</tr>
</tbody>
</table>
At Astro, we recognise that caring for the well-being of our talent, delivering long-term value creation for shareholders, empowering communities where we operate and addressing the interests of our stakeholders at large are all key to achieving business sustainability.

SCOPE
Our sustainability disclosures for the reporting period of 1 February 2017 to 31 January 2018 is scoped to encompass the ASEAN region in general with a particular focus on Malaysia in line with the concentration of our operations. The disclosures cover all material business entities under our Group, and is in accordance with the MMLR. As far as possible, we report on indicators according to the Global Reporting Initiatives (GRI) G4 Sustainability reporting Guidelines and Bursa Malaysia’s Sustainability Reporting Guide.

PROCESS
In our journey towards managing our economic, environmental and social (“EES”) impact, we take an active approach to stakeholder engagement to identify material matters that are important to our business and stakeholders. Upon consulting key stakeholders as well as undergoing an internal prioritisation process, we have updated, as necessary, the material matters that enable us to better manage our EES risks and opportunities.

GOVERNANCE AND MANAGEMENT
Our Board is the highest governing body of our sustainability journey. Our key material matters are embedded within the five strategic pillars of Astro comprising Content, Customer, Experience, Digitalisation and Talent, as well as Community and the Environment.

Policies and systems in place are anchored upon our governance framework.

Senior Leadership aligns business strategies through these strategic pillars, and communicate them across to individual business units and our talent who are empowered to execute against these strategies.
Building and maintaining strong relationships based on trust with all our stakeholders is key to our business success. Our engagement with stakeholders is ongoing, and feedback we receive provides crucial input for our materiality identification. This allows us to formulate strategies to address the legitimate concerns of our stakeholders pertaining to EES to ultimately ensure our business remains sustainable into the future.

We engage with key stakeholders via the following modes:

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Description</th>
<th>Ongoing Engagement</th>
</tr>
</thead>
</table>
| Customers    | Our customers come first and we proactively engage with them across their preferred communication channels to gauge satisfaction levels, gain insights into potential areas for improvements and tailor new offerings to fulfil their lifestyle and aspirational needs. | • Customer service and contact centres  
• On-ground engagement and events  
• Customer satisfaction index  
• Astro Circle loyalty programme  
• Return path data from connected STBs  
• Data aggregated from multiple touchpoints across our OTTs, commerce and digital assets |
| Talent       | Our talent is the driving force behind our business and we strive to ensure a safe and conducive working environment for all. Talent retention is vital and we endeavour to keep our talent engaged and fulfilled by investing in their continuous learning and development based on their respective needs. Latest developments within our Group are communicated in a timely manner, and we provide various avenues, both formal and informal, for our talent to engage and provide feedback. | • Sustainable engagement index  
• Continuous learning, education and training programmes  
• On-boarding programmes  
• Company intraweb  
• Employee engagement initiatives  
• Townhalls  
• Surveys and feedback |
| Shareholders & the investment community | We engage with the investment community regularly throughout the year via various platforms and sustain high standards of corporate disclosures to ensure transparent, fair and unimpeded information flows to shareholders. | • Corporate website  
• Annual General Meeting  
• Investor and Analyst Day  
• Quarterly earnings calls  
• Financial results and annual report  
• Conferences and roadshows  
• Regular meetings and teleconference calls |
| Regulators & government authorities | We engage with the regulators and government authorities to ensure compliance with the MCMA, governed by the MCMC. We ensure content broadcast via our platforms comply with the Content Code and provide regular compliance training to our talent. | • Policies  
• Regulatory compliance training  
• Regular dialogue |
| Suppliers & business partners | We ensure that our acquisition activities are conducted in the best interest of our Group and abide by Group policies, and we uphold fair business practices. | • COBE  
• Transparent tender process facilitated by our Procurement team |
| Community | We empower our community through Yayasan Astro Kasih and its four focus areas of Lifelong Learning, Community Development, Sports and Wellness, and the Environment. We support projects over a long-term horizon, and draw upon the spirit and commitment of our talent, who regularly volunteer their time and effort on initiatives. | • Yayasan Astro Kasih  
• Kampus Astro  
• Astro Kem Bola & Astro Kem Badminton  
• Astro Kasih Hostels & EkoVillage  
• Astro Scholarship Awards  
• Astro-Wedu Mentoring Programme |
| Media | We understand the importance of timely and transparent communication with both the media and the wider public, essential in shaping our brand image and generating interest around our product and service offerings. | • Press releases & conferences  
• Media interviews  
• Online and offline media campaigns |
Steps we took in updating our material matters for FY18:

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

2. **PRIORITISE**
   - Senior Leadership meetings
   - Internal impact assessments

3. **MONITOR AND REPORT**
   - Regular assessment of business and risk mitigation strategies to ensure alignment with material matters

### Material Matters

<table>
<thead>
<tr>
<th>Category</th>
<th>Material Matters</th>
<th>Progress in FY18</th>
<th>Goals in FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ECONOMIC</strong></td>
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</table>
| Content (creation, aggregation, distribution, monetisation) | Content is our key differentiator. Our focus is on being a responsible content provider, and one providing a comprehensive content slate which addresses the demands of our customers | • Produced 12,000 hours of content  
• Increased number of original IPs exported regionally  
• Maintained 77% viewership share  
• Produced 50 shows that exceeded one million in viewership  
• Abang Long Fadil 2 became the highest-grossing local movie ever in Malaysia  
• Increased focus on digital-first content to drive traffic to our digital assets  
• Inked a JV with Karangkraf to deepen capabilities in local and Nusantara content creation  | • Invest in original IPs for Malaysia and the region  |
| Customer reach & experience | Our customers come first, and we seek to entertain, engage and empower them to lead the lifestyle they aspire to | • Grew TV household penetration, expanded radio audience and maintained ARPU  
• Increased number of connected STBs and On Demand downloads  
• Expanded Go Shop’s registered customer base  
• Launched Zayan and goXUAN, two new radio brands  
• Extended individual reach through Astro GO, NJOI Now, Tribe and our digital assets  
• Launched Tamago, our live streaming app  
• Digitalised end-to-end customer journey and enhanced convenience through self-serve initiatives | • Sustain market leadership as Malaysia’s leading content and consumer brand by expanding our reach across households and individuals, and growing our ASEAN footprint  |
| Digitalisation & innovation | As the pace of technological change quickens, digitalisation is key to ensure our continued relevance | • Progressed into the second year of our three-year digital transformation journey with AWS  
• Fostered internal culture of innovation through utilisation of agile methodologies and technical training  
• Digitalised end-to-end customer life cycle and key enterprise systems and processes  
• Accelerated adoption of cloud and DevOps practices to achieve efficiencies and faster time to market  
• Delivered data platform and developed in-house data science practice to enable us to better serve our customers | • Continue to digitalise and optimise our core business for agility and cost efficiency  
• Invest in new disruptive technologies and talent to enable further agility and expansion of other growth drivers  |
<table>
<thead>
<tr>
<th>Category</th>
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<th>Progress in FY18</th>
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</tr>
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<tbody>
<tr>
<td><strong>ECONOMIC</strong></td>
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</tbody>
</table>
| Diversification of revenues | In an era of disruption, scaling up new growth drivers and diversifying revenue streams are essential for business sustainability | • Grew adex, commerce, NJOI and production service revenues  
• Scaled Tribe by entering new markets  
• Launched Blaze to strengthen our digital adex proposition  
• Launched live video streaming app Tamago catering to digital natives  
• Focused on owning and monetising content IP | • Continue diversifying revenues through the identification of new growth drivers and synergistic businesses | Refer to pages 15 to 30, GCEO’s Statement |
| Financial performance   |                                                                                  | • Recorded growth in PATAMI, FCF and EPS  
• Maintained total dividends of 12.5 sen per share for FY18 | • Continue to grow shareholder value, while investing for the future to drive long-term returns | Refer to pages 15 to 30, GCEO’s Statement and pages 36 to 37, Group Financial Review |
| Risk management         |                                                                                  | • Implemented key control measures and closely monitored the risk profile to increase business agility and resilience  
• Dedicated risk function spearheaded by the Head of Risk Management to foster a strong risk culture | • Enhance the Enterprise Risk Management framework to improve the self-assessment process and risk policy with continued focus on embedding a risk culture throughout Astro | Refer to pages 92 to 97, SORMIC and pages 98 to 101, Key Risk Profile |
| **SOCIAL**              |                                                                                  |                                                                                                                                                                                                                  |                                                                                                                                                                                                                |
| Talent acquisition, development & engagement | Attracting, developing and retaining the best on and off-air talent is crucial to our continued success | • Invested in talent to bolster digital capabilities including data scientists and engineers  
• Conducted development programmes to upskill and reskill talent  
• Enhanced employee engagement through forums, surveys and townhalls  
• Launched Rocketfuel to effectively manage and deploy talent for digital platforms | • Attract, develop and retain the best fit-for-purpose talent through tailored programmes, a robust talent pipeline and readily available learning & development initiatives | Refer to pages 130 to 137, Talent |
| Corporate social responsibility | We seek to empower our community and create a positive and lasting societal impact | • Organised the Astro Kem Badminton and Kem Bola programmes regionally in collaboration with partners  
• Launched the Astro-Wedu mentoring programme targeting future women leaders from underserved communities in Nepal, India and Myanmar | • Continue to drive existing programmes, while pursuing new opportunities to make a difference in communities within the region. | Refer to pages 140 to 142, Community |
| **ENVIRONMENTAL**       |                                                                                  |                                                                                                                                                                                                                  |                                                                                                                                                                                                                |
| Protecting our environment | We are mindful of our environmental footprint and endeavour to be a responsible corporate citizen by mitigating our environmental impact | • Invested in initiatives to better manage our electricity and water resources, and continued with our e-Waste disposal practice | • To enhance our environmental initiatives, reflecting our commitment towards a sustainable future | Refer to pages 143 to 145, Environment |
CONTENT

CHAMPIONING LOCAL CONTENT AND ASEAN ORIGINALS
The breadth and depth of our content slate has always been our key differentiator. We continue to capture the imagination of our viewers through riveting and engaging content. Being not merely content aggregators but also content producers, we provide a unique proposition for our demographically diverse customers, represented by multiple ethnic groups speaking various dialects.

Our FY18 viewership share stood at 77%, and on average we have over 13 million daily TV viewers spending almost four hours per day watching our content.

We produced over 12,000 hours of content to meet the consumption palette of our diverse audience base, including original IPs monetised in a 360° manner beyond Malaysian shores. 50 of our original IPs surpassed the one million viewership mark. Our movie with Skop Productions, Abang Long Fadil 2 recently emerged as the highest grossing local movie of all time. On digital, we ramped up on production of digital-first content which are essentially short-form videos to cater for the growing demand for viewing on personal devices. We are humbled by the positive response from our fans as Astro Gempak and Xuan have emerged as the No.1 digital entertainment portal and No.1 local Chinese entertainment portal respectively in Malaysia.

Original IPs with regional appeal

As we expand into the ASEAN region to drive opportunities to scale, we seek to excite and refresh regional communities with our content verticals featuring compelling storylines and high production quality. We collaborate with like-minded industry players to produce and distribute differentiated content genres focusing on Nusantara, Horror, Kids and eSports, premised on the commonalities we share with our regional neighbours - be it language, culture or values.

We licensed 14 channels and distributed several thousand hours of content to partners across the region including Singapore, Indonesia, the Philippines, Myanmar, Vietnam, Thailand, Brunei and Australia.

**Nusantara**

- Our first Nusantara premium series, Do[s]a was recently released on Astro First and On Demand, featuring a star-studded cast from Malaysia, Indonesia and Singapore. We collaborated with top Indonesia talent on Do[s]a, including acclaimed screenwriter Salmon Aristo.
- Our original mini-series, Gantung is a drama set against the backdrop of an elite boarding school. Gantung premiered on Tribe and quickly emerged as a top title among Tribe’s Indonesian users.
• In the pipeline is the sequel to our hit movie *Polis Evo* slated for release later this year. *Polis Evo 2* is produced in collaboration with Emtek, Indonesia’s leading media conglomerate. The cast and crew are from the Nusantara region, expanding our addressable market beyond local shores.

• We recently entered into a JV with Karangkraf, a local publisher with an extensive library of IPs and a household name among the Malay audience. This JV will leverage on Karangkraf’s proven storytelling capabilities and our production expertise to produce content catering for the local market as well as the broader Nusantara region.

**Horror**

In FY18, we launched our first original horror series, *3 A.M. Bangkok Ghost Stories* (*“3 A.M.”*) in conjunction with the first anniversary of BOO, our self-packaged channel featuring horror content from across the Asian region. BOO has gained huge traction with horror genre buffs locally, and we will be unlocking opportunities for regional export of BOO in the coming year.

• Premiered a 13-episode original series in October 2017, *3 A.M.* which was produced in collaboration with a top production company in Thailand. The rights for *3 A.M.* has been licensed to media companies in Indonesia and Cambodia. This IP premiered in local cinemas and has been sold to nine countries across the Asian region including Indonesia, Hong Kong and Macau.

• *Doors*, another original series, is a Philippines horror anthology released in February 2018.

**Kids**

• Our first original animation IP, *Didi and Friends* (*“Didi”*) was licensed to Singapore’s MediaCorp, and deals were inked with two airlines for in-flight entertainment. *Didi*, nominated for the Best Preschool Programme at the Asian Television Awards 2017, logged 502,000 TV viewership, 794,000 On Demand downloads and doubled its digital views to 880 million cumulatively to become among the top three most watched YouTube channels in Malaysia. We are encouraged by the strong interest from audiences outside Malaysia with more than 50 million digital views originating from abroad, mainly from Indonesia. To cater for this demand, we developed the *Didi* YouTube channel in Bahasa Indonesia. *Didi* was further monetised through licensing and merchandise sales, franchising, brand partnerships and branded content.

• We premiered another animation IP, *Cam & Leon*, which is our co-production with Giggle Garage, an award-winning animation studio. *Cam & Leon* was screened at MIPCOM 2017 held in Cannes, France and has been licensed to Indonesia and USA.

• *Omar & Hana* (*“Omar”*), our first Islamic sing-along animation IP has quickly built a large following among local viewers. *Omar* has amassed 149 million digital views and 487,000 TV viewership, including a sizeable foreign viewership on YouTube.

Launch of BOO’s first original horror series: *3 A.M. Bangkok Ghost Stories*
Digital-first content (“DFC”) in trend

FY18 witnessed the growth of DFC to facilitate continuous engagement with our digital natives, driving online views and simultaneously creating buzz around the original IP to boost TV viewership. DFC are short-form videos which populate online sites and apps, such as Gempak, our digital asset which has emerged as the No.1 digital entertainment portal in Malaysia with 10 million average monthly page views and 3.1 million average monthly unique visitors. Underpinning Gempak’s popularity is DFC such as 3 Gadis Manis, Dari Hati, Undercover Selebriti, Matacinta and exclusive digital-only live streams of Akademi Fantasia Live+ and Gegar Vaganza Live+. The House and Matacinta garnered 26 million and 10 million views respectively on Gempak, emerging as our top DFC in FY18.

Xuan, Malaysia’s No.1 local Chinese entertainment platform, was rebranded in May 2017, with its content proposition anchored on entertainment and lifestyle. To drive traffic to Xuan, we created DFC to complement signature TV shows, as well as exclusive web dramas such as May I Love You. The existing format of popular reality shows Miss Astro Chinese International Pageant (“MACIP”), Asia BattleGround and Call Me Handsome were given a digital makeover to deliver a new online viewing experience and engage digital fans. MACIP and Call Me Handsome garnered 7.5 million and 4.1 million digital views respectively.

Following the success of last year’s Guinness World Record for the Longest Live-Streamed Festival, we continued to capture the 2017 Thaipusam celebration on the Astro Ulagam website and Facebook page. During the 48-hour live streaming, the kaleidoscope of vibrant festivities included live crossovers of Thaipusam celebrations from India and Sri Lanka. Similar to previous years, we hosted global audiences from countries including the US, the UK, India, Canada, Sri Lanka and Singapore, achieving 1.5 million Facebook video views.
Signature IPs

We continue to delight and engage our customers with our signature IPs catering to the different preferences of our diverse customer base. From comedies to dramas and reality shows, we are humbled by the continuous support shown by our fans, evidenced by the consistently high ratings and viewership garnered.

Comedy and reality shows

Maharaja Lawak Mega 2017, our highest rated comedy show continues to win the hearts of our Malay audience and achieved 4.9 million TV viewership, 120,000 On Demand downloads and 29 million digital views. Gegar Vaganza Season 4 ("Gegar"), our popular reality singing competition, recorded 4.0 million TV viewership, 52,000 On Demand downloads and 13 million digital views. Gegar’s spin-off, Gema Gegar Vaganza (“Gema”) is singing competition with an Islamic twist featuring renowned singers. Gema emerged as Malaysia’s No.1 Islamic show with 2.6 million TV viewership.

Anugerah MeleTOP Era 2017, a people’s choice award show, hit 3.6 million TV viewership. MeleTOP’s video, Wanita Terakhir emerged as the No.1 trending Malaysian video of 2017 on YouTube. Akademi Fantasia, in its record breaking 14th season, was recognised by Malaysia Book of Records as the longest-running singing reality TV show in Malaysia, garnering 2.4 million TV viewership and 9 million digital views.

Popular Malay dramas

Our 2017 hit dramas, Sayang Papa Saya Tak and Hero Seorang Cinderella each garnered 3.1 million TV viewership. Riding on the Korean phenomenon, we premiered My Coffee Prince, our first Korean drama series adaptation which recorded 2.2 million TV viewership and 6.2 million digital views.

Featuring renowned singers, Gema Gegar Vaganza received overwhelming response among the Malay audience.
Engaging Chinese audiences locally and regionally
The country’s two top-rated current affairs and news programmes, *Evening Edition* and *Prime Talk* registered TV viewership of 312,000 and 260,000 respectively, outperforming local FTAs for three consecutive years. *Classic Golden Melody Singing Competition 2017*, our No.1 Chinese entertainment IP continued its third year of collaboration with MediaCorp in Singapore, capturing 332,000 TV viewership as the highest local Chinese content in FY18. This highly popular singing competition has attracted participants from across the region including Singapore, Brunei, Thailand and Indonesia.

We introduced *The Voice*, our first cross-border international format reality show in collaboration with Singapore’s mm2 Asia and StarHub. This singing competition piqued the interest of individuals, young and old, across both Malaysia and Singapore, registering 308,000 TV viewership and 16 million digital views. *Hua Hee Mega Star*, a spinoff from the *Hua Hee Karaoke* franchise was ranked No. 4 among Hokkien variety content on Singapore’s Starhub. It also featured as a Chinese New Year special on a Taiwan TV station.

*Topping Malaysian box office records*
FY18 was another record breaking year for our movies at the local box office. Our co-produced comedy, *Abang Long Fadil 2* grossed RM19 million to emerge as the top local movie of all time, surpassing *Polis Evo*’s takings of RM18 million in 2015. *Tombiruo*, our big screen adaptation of a Karangkraf novel came in as second in FY18 with RM8 million gross takings and has since been sold overseas. To date, Astro has released four of the five highest grossing local movies in the Malaysian box office.

*Home of live sports*
As the home of live sports, we continue to enthrall customers with an array of exclusive sports and sporting events such as the Premier League, NBA, the Cricket World Cup, and golf including the Ryder Cup and PGA Tour.

As the host broadcaster of the KL2017, we provided round-the-clock coverage via four dedicated TV channels, and another four channels exclusively on Astro GO and NJOI Now. KL2017 garnered a total of 11 million TV viewers, a 34% increase compared to the previous event in 2015. The highly-anticipated football final between Malaysia and Thailand attracted 3 million TV viewership. On our OTT platforms, KL2017 attracted total of 1.5 million views, and over 616,000 unique visitors to Stadium Astro website.
Day/Date and On Demand content

Our Day/Date titles sourced from Asia and Hollywood increased to an all-time high of 205 titles, a growth of 46% from FY17. These latest titles were made available On Demand, including Game of Thrones Season 7, Strong Woman Do Bong Soon, Nothing Gold Can Stay, Eternal Love, Victoria Season 2, Gotham Season 4 and The Voice Season 13.

As the go-to destination for Korean entertainment, we continue to strengthen our Korean content offering. Top Korean titles include the highly popular Running Man, Law of the Jungle, and While You Were Sleeping. Korean content accounts for over 20% of total On Demand consumption across STBs and Astro GO. In FY18, we partnered tvN Asia and tvN Movies to enhance our line-up of Korean content by bringing in hundreds of On Demand movies and the latest series and variety shows.

Honing our production capabilities

Following our successful stint as host broadcaster at KL2017, we secured a three-year deal with Football Malaysia LLP to produce the Malaysian Super League, Malaysian FA Cup and Malaysia Cup commencing 2018, and a two-year production deal for T2 Asia Pacific Table Tennis League. We were also involved in the production of international IPs such as The Voice Asia and Asia’s Got Talent Season 2.