Astro Malaysia Holdings Berhad
(Company No. 201101004392 (932533-V))
(Incorporated in Malaysia)

Minutes of the Eighth Annual General Meeting of ASTRO MALAYSIA HOLDINGS BERHAD ("AMH" or "Company" or "Astro") conducted on a fully virtual basis on Wednesday, 29 July 2020 at 2.00 p.m. at Studio 1, Ground Floor, All Asia Broadcast Centre, Technology Park Malaysia, Lebuhraya Puchong-Sungai Besi, 57000 Kuala Lumpur.

PRESENT	:	YBhg. Tun Dato' Seri Zaki bin Tun Azmi *(Independent Non-Executive Chairman)* YBhg. Datuk Yau Ah Lau @ Fara Yvonne *(Senior Independent Non-Executive Director)* Mr. Renzo Christopher Viegas *(Independent Non-Executive Director)* Mr. Lim Ghee Keong *(Non-Independent Non-Executive Director)* Mr. Simon Cathcart *(Non-Independent Non-Executive Director)* (participated remotely from Sydney, Australia) YM Tunku Alizakri bin Raja Muhammad Ali *(Non-Independent Non-Executive Director)* Pn. Mazita binti Mokty *(Non-Independent Non-Executive Director)* En. Nik Rizal Kamil bin Nik Ibrahim Kamil *(Non-Independent Non-Executive Director)*
MEMBERS AND PROXIES	:	As per Attendance List
BY INVITATION	:	Mr. Henry Tan Poh Hock *(Group Chief Executive Officer)* En. Shafiq bin Abdul Jabbar *(Group Chief Financial Officer)* Mr. Euan Daryl Smith (*Group Chief Operating Officer / Chief Executive Officer, TV)* Others as per the Attendance List
IN ATTENDANCE	:	Ms. Sharon Liew *(Company Secretary)*

1.0 CHAIRMAN

YBhg. Tun Dato' Seri Zaki bin Tun Azmi chaired the Meeting and called the Eighth Annual General Meeting ("8th AGM" or "Meeting") of the Company to order at 2.00 p.m.

2.0 QUORUM

Pursuant to Rule 92 of the Company's Constitution, two members present in person or by proxy or by authorised representatives shall constitute a quorum while Rule 95 of the Company's Constitution stipulates that members are deemed to be present in person where adequate audio-visual facilities are in place. At the commencement of the Meeting, 192 members, proxies and authorised representatives have logged-in to the online meeting platform. Having met the requisite quorum, the Chairman declared the Meeting duly convened and constituted.

3.0 INTRODUCTIONS

3.1 The Chairman explained that the 8th AGM is convened on a fully virtual basis to safeguard all individuals, and is conducted in accordance with the guidelines issued by the Securities Commission and the Standard Operating Procedures on safe distancing and other precautionary measures directed by the Malaysian National Security Council. In addition, Section 327 of the Companies Act 2016 and the Company's Constitution also allow the use of technology that enables members to participate, and to exercise their right to speak and vote at a general meeting. The Board of Directors of the Company ("Board") also took cognisance of Practice 12.3 of the Malaysian Code on Corporate Governance that encourages boards to leverage on technology to promote shareholders' participation at general meetings.

3.2 The Chairman introduced the Directors, Astro Senior Leadership Team and corporate advisers, and thanked all the stakeholders, especially Astro customers and shareholders who remain loyally invested in Astro's growth journey. The Chairman also expressed gratitude to two former directors who had resigned during the past financial year on 1 September 2019 namely, Mr. Richard John Freudenstein and En. Shahin Farouque Jammal Ahmad.

3.3 The Chairman briefed on the key initiatives that Astro has implemented during the period since the Movement Control Order ("MCO") was imposed on 18 March 2020.

3.4 Despite the impact from COVID-19, the Company delivered resilient earnings and a strong free cash flow to consistently pay dividends to its shareholders on a quarterly basis. To conserve liquidity and strengthen the Company's financial position, the total dividends declared for the financial year ended 31 January 2020 ("FY20") moderated to 7.5 sen, equating to a dividend payout ratio of 60%. A short video presentation showcasing the Company's achievements to-date was shared.

4.0 GROUP CHIEF EXECUTIVE OFFICER'S REPORT

4.1 The Chairman then invited Mr. Henry Tan Poh Hock (Group Chief Executive Officer) ("GCEO") to deliver Astro's performance review in FY20 and some of the key priorities for the financial year ending 31 January 2021 ("FY21").

4.2 Amongst others, the GCEO shared that despite total revenue moderating to RM4.9 billion in FY20 primarily due to competitive and consumer headwinds, Earnings Before Interest and Depreciation ("EBITDA") rose by 7% to RM1.7 billion as strict cost control and improved operational efficiencies led to EBITDA margins expanding by 6% to 35%.

4.3 Profit After Tax and Minority Interest ("PATAMI") correspondingly grew by 42% to RM655 million, sustained by improved forex movements and better tax efficiencies arising from streamlined operations. Free cash flow was recorded at RM1.2 billion.

4.4 The GCEO shared that Astro is braced for a challenging FY21 given that COVID-19 uncertainties are expected to prevail in the near term. The key FY21 priorities are to strengthen Astro's position as the "Entertainment Destination for Malaysians", accelerating efforts to serve individuals through streaming, while deepening engagement in homes. Astro will continue to protect the core TV business, offering connectivity for Pay TV customers through broadband. Additionally, Astro will continue to proactively engage with the authorities, regulators and content industry players in respect of anti-piracy.

4.5 Upon conclusion of the GCEO's presentation, the Chairman on behalf of the Board and Management, thanked the Ministry of Communications and Multimedia, the Ministry of Domestic Trade and Consumer Affairs, the Malaysian Communications and Multimedia Commission and other government bodies, business and content partners for their support, as well as Astro front-liners for their dedication and commitment to ensure uninterrupted Astro services during the MCO.

5.0 NOTICE OF MEETING

5.1 The Notice of 8th AGM was issued on 30 June 2020, which was 28 clear days' prior to the Meeting.

5.2 The Secretary explained the voting procedures, whereby shareholders may vote on 17 Ordinary Resolutions as set out in the Notice of 8th AGM by way of poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5.3 Boardroom Share Registrars Sdn Bhd and Boardroom Corporate Services Sdn Bhd were engaged by the Company as the poll administrator and independent scrutineer for verification of the poll results, respectively.

5.4 At this juncture, the Secretary informed that the voting session has commenced and will be closed upon declaration by the Chairman.

6.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS

The Chairman explained that the Company is required to lay its audited financial statements (comprising the profit and loss account, balance sheet and reports of the Directors and Auditors thereon) (collectively, "Financial Statements") at the annual general meeting ("AGM") pursuant to Section 340 of the Companies Act 2016. However, there was no requirement for the Financial Statements to be approved by the shareholders. Shareholders were nevertheless given an opportunity to submit their questions via the messaging platform provided in the online meeting facilities.

The Chairman proceeded to explain the rest of the Agenda items.

7.0 RESOLUTIONS NO. 1 AND 2
RE-ELECTION OF DIRECTORS PURSUANT TO RULE 126 OF THE COMPANY'S CONSTITUTION

Ordinary Resolutions 1 and 2 as set out in the Notice of 8th AGM were read. Datuk Yau Ah Lan @ Fara Yvonne and Mr. Renzo Christopher Viegas retired by rotation in accordance with Rule 126 of the Company's Constitution, respectively and being eligible, had offered themselves for re-election as Directors of the Company.

8.0 RESOLUTION NO. 3
RE-ELECTION OF DIRECTOR PURSUANT TO RULE 115 OF THE COMPANY'S CONSTITUTION

Ordinary Resolution 3 as set out in the Notice of 8th AGM was read. En. Nik Rizal Kamil bin Nik Ibrahim Kamil retired in accordance with Rule 115 of the Company's Constitution and being eligible, had offered himself for re-election.

9.0 RESOLUTION NO. 4
APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES AND BENEFITS

Ordinary Resolution 4 as set out in the Notice of 8th AGM was read. The Chairman explained that approval is being sought for the payment of fees and benefits to the Non-Executive Directors of the Company for the period from 30 July 2020 until the next AGM to be held in 2021 in accordance with the remuneration rates set out under Explanatory Note 3 of the Notice of 8th AGM on page 310 of the Integrated Annual Report 2020 as and reproduced below, subject to a maximum amount of RM3.54 million, payable on a monthly basis and/or as and when incurred.

Type of Fees/Benefits	Proposed (RM)
Board Chairman	520,000 per annum
Non-Executive Director	280,000 per annum
Audit and Risk Committee ▪ Chairman ▪ Member	 ▪ 50,000 per annum ▪ 25,000 per annum
Remuneration Committee ▪ Chairman ▪ Member	 ▪ 40,000 per annum ▪ 20,000 per annum
Nomination and Corporate Governance Committee ▪ Chairman ▪ Member	 ▪ 40,000 per annum ▪ 20,000 per annum
Strategy and Business Transformation Committee ▪ Chairman ▪ Member	▪ 40,000 per annum ▪ 20,000 per annum
Meeting Allowance	1,000 per day
Other Benefits	▪ Company car, petrol and driver for Board Chairman

10.0 <u>RESOLUTION NO. 5</u>
RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY

Ordinary Resolution 5 as set out in the Notice of 8th AGM was read. The Chairman explained that an auditor of a public company shall be appointed for each financial year to hold office until the conclusion of the next AGM of the company pursuant to Section 271 of the Companies Act 2016. PricewaterhouseCoopers PLT ("PwC") was re-appointed as the Auditors of the Company at the Seventh AGM held on 27 June 2019 and they have consented to be re-appointed for FY20.

The Board, through the Audit and Risk Committee, had reviewed PwC's performance and assessed their independence during the last financial year, and being satisfied with the outcome, recommended that PwC be retained as the Auditors of the Company to hold office until the conclusion of the next AGM and the Directors of the Company be authorised to fix their remuneration.

11.0 <u>RESOLUTION NO. 6</u>
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

Ordinary Resolution 6 as set out in the Notice of 8th AGM was read. The Chairman explained that the proposal was in relation to granting authority to the Directors of the Company, pursuant to Section 75 and 76 of the Companies Act 2016, to issue new ordinary shares in the Company up to an aggregate number not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. Ordinary Resolution 6, if passed, will renew the authority that was granted at the Seventh AGM held on 27 June 2019 and continue to empower the Directors of the Company to issue ordinary shares in the Company. Details of the proposal have been set out under the Statement Accompanying the Notice of 8th AGM.

12.0 <u>RESOLUTION NO. 7</u>
RENEWAL OF AUTHORITY FOR THE COMPANY TO ISSUE SHARES PURSUANT TO THE DIVIDEND REINVESTMENT PLAN

Ordinary Resolution 7 as set out in the Notice of 8th AGM was read. The Chairman explained that the Dividend Reinvestment Plan was approved at the Seventh AGM on 27 June 2019, to provide the shareholders with an option to reinvest their cash dividends in new ordinary shares in the Company. Ordinary Resolution 7, if passed, will renew the authority that was granted at the Seventh AGM held on 27 June 2019 and continue to empower the Directors of the Company to issue ordinary shares in the Company in respect of any dividends to be declared.

13.0 <u>RESOLUTION NO. 8</u>
PROPOSED ESTABLISHMENT OF A LONG TERM INCENTIVE PLAN

Ordinary Resolution 8 as set out in the Notice of 8th AGM was read. The Chairman explained that the Proposed Long Term Incentive Plan ("Proposed Share Scheme") is intended to replace the existing Management Share Scheme that is expiring in September 2022. The objectives are also to align the interests of the employees with the AMH Group's strategic goals to drive longer-term shareholder value enhancement; incentivise existing employees; and attract skilled and experienced talent to join Astro. The maximum number of shares that can be issued shall not exceed 10% of the total number of issued shares (excluding treasury shares) when aggregated with the shares already issued under the existing Management Share Scheme. Detailed information regarding the Proposed Share Scheme is set out in Part A of the Circular to Shareholders dated 30 June 2020.

14.0 <u>RESOLUTION NO. 9</u>
PROPOSED OFFER, ISSUANCE, ALLOTMENT AND/OR TRANSFER OF ORDINARY SHARES IN THE COMPANY TO THE GROUP CHIEF EXECUTIVE OFFICER OF THE COMPANY PURSUANT TO THE PROPOSED LONG TERM INCENTIVE PLAN

Ordinary Resolution 9 as set out in the Notice of 8th AGM was read. The Chairman explained that Ordinary Resolution 9 is conditional upon the passing of Ordinary Resolution 8 and if approval is granted, the Company may offer to Mr. Henry Tan Poh Hock, the GCEO, such number of ordinary shares in the Company equivalent to an amount of up to RM9.72 million comprising an amount up to (a) RM4.86 million at any time during the financial year ending 31 January 2021; and (b) RM4.86 million at any time during the financial year ending 31 January 2022.

The issuance, allotment and/or transfer of the shares offered to the GCEO will be subject to satisfaction of the performance targets set by the Remuneration Committee or any other scheme committee established by the Board to implement and administer the Proposed Share Scheme.

15.0 <u>RESOLUTIONS NO. 10 TO NO. 17</u>
PROPOSED SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolutions 10 to 17 as set out in the Notice of 8th AGM were in relation to the mandate to be granted to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business ("RRPTs") with the following related parties:

(i) Usaha Tegas Sdn Bhd and/or its affiliates
(ii) Maxis Berhad and/or its affiliates
(iii) MEASAT Global Berhad and/or its affiliates
(iv) Astro Holdings Sdn Bhd and/or its affiliates
(v) Sun TV Network Limited and/or its affiliates
(vi) GS Home Shopping Inc. and/or its affiliates
(vii) SRG Asia Pacific Sdn Bhd and/or its affiliates
(viii) Ultimate Capital Sdn Bhd, Ultimate Technologies Sdn Bhd, Kotamar Holdings Sdn Bhd and/or Dato' Hussamuddin bin Haji Yaacub and/or their affiliates

Approval was sought for a renewal of the mandate in respect of RRPTs and also for the grant of a new mandate for additional RRPTs, details of which are set out in Part B of the Circular to Shareholders dated 30 June 2020.

Ordinary Resolutions 10 to 17, if passed, will enable the Company and/or its subsidiaries to enter into RRPTs which are necessary for the AMH Group's day-to-day operations, and based on terms not more favourable to the related parties than those generally available to the public. Such mandate shall lapse at the conclusion of the next AGM in 2021 unless authority for its renewal is obtained from the shareholders of the Company at a general meeting. The Chairman noted that interested Directors of the Company have abstained from deliberating and deciding on the resolutions, of which they are deemed interested and such Directors and persons connected to them shall also abstain from voting on such resolutions.

16.0 QUESTIONS AND ANSWERS

At this juncture, Encik Shafiq bin Abdul Jabbar was invited to read the Company's responses to the questions posed by the Minority Shareholders' Watchdog Group prior to the 8th AGM. A summary of the questions and responses is appended as **Appendix I**. This was followed by questions from the floor that were submitted prior to the 8th AGM as well as via the online meeting portal. A summary of the questions and responses is appended as **Appendix II**.

17.0 CLOSURE OF POLLING

The Questions and Answers session was followed by the final voting session and verification of the poll results. The Chairman then declared that the 8th AGM was adjourned until such time that the poll results have been duly verified by the independent scrutineers, estimated at 4.30 p.m.

18.0 POLL RESULTS

At 4.30 p.m., the 8th AGM was re-convened by the Chairman upon completion of the polling and validation process for the announcement of the poll results. The Chairman read out the results of the poll and declared that Ordinary Resolutions 1 to 17 were carried. A summary of the polling results is attached as **Appendix III**.

19.0 CLOSURE

There being no other business, the Chairman declared the Meeting closed at 4.35 p.m.

Confirmed by,

YBhg. Tun Dato' Seri Zaki Bin Tun Azmi
Chairman
27 August 2020

Appendix I

Astro Malaysia Holdings Berhad
(Company No. 201101004392 (932533-V))
(Incorporated in Malaysia)

8th ANNUAL GENERAL MEETING – 29 JULY 2020

MINORITY SHAREHOLDERS' WATCHDOG GROUP
QUESTIONS & ANSWERS

Strategy & Financial Matters

1. **Go Shop, ASTRO's 24/7 multilanguage, multiplatform home shopping proposition has over 2.2 million registered customers. (Page 14 of Integrated Annual Report - IAR). Registered members totalled 1.8 million in FY2019. However, home shopping registered lower revenue of RM368 million in FY2020 (FY2019: RM374 million) and continued to show losses before tax, increasing from RM7 million in FY2019 to RM16 million in FY2020. (Pages 30 and 32 of IAR).**

   a. **Why does the segment continue to show losses and when is it expected to turn around?**
   Go Shop is a 60:40 joint venture between Astro and GS Korea. On a consolidated basis, Go Shop has been contributing positively to the Group's profit for several years now.

   Go Shop's FY2020 performance was impacted by the soft consumer sentiment. Even though number of buying customers increased by 5%, it saw an 11% reduction in basket sizes leading to a 2% drop in overall revenue.

   Go Shop's performance improved in Q1 FY2021 where it achieved a break-even result at the entity level for the quarter. We remain cautiously optimistic that this trend will sustain as more consumers embrace online shopping.

   b. **What are the strategies to improve its performance?**
   Go Shop differentiates itself by leveraging on Astro's production capabilities and talent to create highly engaging content, and is catalysed by its proven ability to respond to changing market needs. During the MCO, Go Shop's supply chains were disrupted. The Go Shop team pivoted quickly to offer health-related products, fresh food and daily essentials in tandem with rising market demand for such products. This contributed to Go Shop's commendable Q1 FY2021 performance.

   In addition, Go Shop extended its reach to all Malaysians via a dedicated channel on a free-to-air platform. It will continue to expand product offerings and reach digital natives through social media including daily hosted Facebook live sessions, Instagram as well as TikTok. Go Shop will also continue to explore win-win partnerships with vendors to offer greater value proposition to customers while exercising stricter cost discipline to further improve performance.

2. **With current spend on local and regional content accounting for approximately 40% of its total content investments, ASTRO will continue to invest in vernacular content, which is highly valued by Malaysians. (Page 17 of IAR).**

   a. **What is the targeted % spend? What is the incremental advertising spend expected to be generated?**
   Vernacular content remains our key differentiator underpinning robust viewership share and correspondingly steady advertising revenues. Vernacular content is responsible for over 70% of our advertising revenues across TV, radio and digital. Malaysians are very engaged with vernacular content and we intend to increase content investments in local and regional IPs to 50% of content spend over the medium term.

b. How is the content monetised through regional and global licensing deals, on-ground events, merchandising and commerce, including their contributions?

Our 360-degree monetisation strategy enables us to monetise content through various means. For example, our popular animation Didi and Friends was dubbed into multiple languages and exported overseas via licensing deals, to cater to its increasing fan base globally. The IP was also monetised locally through on-ground ticketed events such as Konsert Hora Horey LIVE! Didi & Friends and merchandise sold on Go Shop.

Contributions from the above is a small percentage of the Group's total revenue as the primary mode of content monetisation is via subscription and advertising. Nonetheless, we are encouraged by the promising export potential of local content and will continue to invest in this area.

3. ASTRO's strategic partnership agreement with Maxis announced in August 2019 enables it to offer value-for-money bundles featuring the best of Astro content and high-speed broadband with speeds ranging from 30Mbps to 800Mbps. (Page 19 of IAR).

a. What incremental value or added contribution have been achieved since the collaboration?

Broadband is a natural ancillary to our business. The bundling of content with broadband not only results in better customer retention rates, but also elevates customers' viewing experience by providing connectivity for customers. This connected experience enables customers to enjoy the full functionality of our new Ultra Box, including access to our On Demand library of over 51,000 titles and fresh features such as Cloud Recording and Play From Start.

b. What is the status of collaborating with other local Internet Service Providers ("ISP") in this space?

We recently announced our partnership with Allo Technology Sdn Bhd ("Allo") to offer competitive content-broadband bundles with speeds of up to 1Gbps in Melaka, Cyberjaya and Bangsar South. Allo plans to extend its coverage to over 150,000 home passes by 2022. We will continue to explore value adding tie-ups with other local ISPs and will make the necessary announcements as and when deals are completed.

4. Revenue from Television segment decreased from RM4,811 million in FY2019 to RM4,270 million in FY2020. However, its profit before tax (PBT) increased from RM539 million to RM744 million. (Page 32 of IAR).

a. What were the main causes for the revenue decline? What is the outlook in FY2021?

The decline in TV segment revenue was partly due to our focus on quality customer acquisition, as well as external factors such as piracy and softer consumer sentiment.

The COVID-19 pandemic has brought about unprecedented social and economic disruption to both businesses and households. The uncertainties around COVID-19 remain, and the Group expects headwinds in its advertising and commercial business segments as well as potentially elevated collection risks.

b. What were the reasons for a higher PBT despite a revenue decline and is the profitable trend sustainable?

The higher PBT is underpinned by disciplined cost optimisation and improved operational efficiencies stemming from a strategic review of our business conducted towards the end of FY2019. Content costs also moderated in FY2020 as FY2019 was a huge sporting year featuring the 2018 FIFA World Cup.

We will continue to cost optimise, undertake active capital management and reprioritise capex to further strengthen our balance sheet, ensuring financial headroom to weather current headwinds.

5. **Group investment in unit trusts amounted to RM647.2 million as at end of FY2020. Such investment can be purchased or liquidated with one day's notice. (Page 229 of IAR).**

   Why does the Group maintain such substantial investment in unit trusts? What is the average total rate of return?
   The Group's policy is that up to 100% of its total cash balance can be invested in unit trusts. We invest in unit trusts for its favourable risk-return profile which provides post-tax returns of circa 3.50% per annum.

6. **Group deposits, cash and bank balances amounted to RM338.1 million as at end FY2020, earning interest rates ranging from 1.90%p.a. to 3.72%p.a. For USD deposits, effective interest rate is Nil%. Total borrowings were RM3,521.5 million with rates charged ranging from 4.19%p.a. to 5.3%p.a.**

   Is there a need for the Group to hold such substantial deposits, cash and bank balances earning relatively lower interest rates, especially since the Group still has significant investment in unit trusts?
   The borrowing rates ranging from 4.19% p.a. to 5.3% p.a. are pre-tax rates. As mentioned in Question 5 above, the Group's investment in unit trust generates post-tax returns of circa 3.5% per annum, which is comparable to the Group's post-tax borrowing rates.

   The cash and bank balances as at end FY2020 was slightly elevated due to the timing of certain outgoing payments which were delayed as a result of prolonged negotiations with vendors. Given the current market uncertainties, we will conserve cash to strengthen our balance sheet.

7. **As at end of FY2020, impairment of trade receivables stood at RM39.3 million constituting 9.9% of current trade receivables of RM397.7 million. Out of RM39.3 million, an amount of RM3.5 million was made for trade receivables still current (not past due). (Pages 235 and 259 of IAR).**

   a. **Why was impairment made for receivables still current?**
      Effective FY2019, the Group applied the accounting standard MFRS 9 (Financial Instruments) "simplified approach" to measure expected credit loss (ECL) ("Simplified ECL"). The Simplified ECL uses a lifetime ECL for trade receivables, on the basis of actual historical loss experience. This loss experience is then applied across all trade receivables aging buckets. The method and approach adopted has been reviewed by the external auditors.

   b. **How much are impairments made in respect of receivables due from related parties, if any?**
      Impairment of receivables due from related parties for FY2020 is RM0.2 million, as disclosed on page 260 of IAR.

c. **Why is there such a significant amount of impairment made; does it not warrant a review of the Group's credit risk management policy?**
Impairment of receivables is part and parcel of the ordinary course of business. The lower impairment charge in FY2019 is due to a one-off recovery of debts for production revenue billed and impaired in previous years. Excluding this, the impairment trend for FY2020 is largely consistent with FY2019.

The Group's credit risk assessment and management policy remains robust. These are regularly evaluated and enhanced, with periodic reviews performed by both internal and external auditors.

8. **Page 208 (Note 6a) of IAR shows that Group impairment made for receivables during FY2020 was RM51.5 million whilst the outstanding amount as at end FY2020 amounted to only RM39.3 million (Page 235 of IAR).**

   How can the impairment be greater than the outstanding amount of RM39.3 million?
   The former is an income statement charge and the latter is a balance sheet position as at end of FY2020. Outstanding amount as at end FY2020 of RM39.3 million is derived after netting off bad debts written off amounting to RM56.4 million, as disclosed on Page 260 of IAR.

9. **Given the COVID-19 pandemic, how has the Group's business been affected and how is the Group preparing itself to face the new business landscape?**
   As an essential services provider, Astro activated its Business Continuity Plan (BCP) to deliver uninterrupted service during the MCO whilst safeguarding the health and safety of our employees. Astro acted quickly and took a series of action to support customers, and Malaysians in general:

   a) We provided complimentary viewing of selected content for all our customers across Pay-TV, NJOI, and to all Malaysians through our streaming service, Astro GO. By doing so, we sacrificed the potential upselling of our movies, news and other packs.
   b) Customer acquisitions were impacted as we were not allowed to install our service at customers' premises. Installations have since resumed in mid-May.
   c) We saw an uplift in NJOI's content buys by 20% during MCO underpinned by an expanded content menu and digital touchpoints.
   d) As live sports came to a standstill, we opened viewing of all channels to our Sports Pack customers and proactively provided a one-off RM40 rebate.
   e) For our residential and business customers, we suspended disconnections, allowed temporary suspension of accounts, provided goodwill rebates and offered instalment payment plans to those eligible.
   f) With cinemas closed nationwide, we partnered local producers to premiere their movies on our Pay-Per-View channel Astro First, achieving record sales.
   g) Go Shop's swift response to pivot into health-related products, fresh produce and daily essentials even as supply chains were disrupted led to record monthly sales in April.
   h) As advertisers pulled back on spends, we innovated and introduced new advertising formats including sponsorships of COVID-19 related public service announcement for corporates.

   Astro's swift response to support customers and Malaysians during the MCO was made possible because of the critical building blocks put in place thus far, to strengthen both our household and individual offerings.

Astro is more than just a platform, we are Malaysia's No.1 content producer. Going forward, our focus is to produce more winning and compelling content; and concurrently innovate and simplify our offerings and customer experience. We will aggregate more OTT services to be the digital content provider of choice, and reach more individuals through home shopping, digital and radio brands.

Efforts to deepen household engagement will continue through the rollout of the Ultra Box, offering customers connectivity through content-broadband bundles, and increasing prepaid options for NJOI.

Corporate Governance Matters

1. **The non-independent non-executive director Encik Nik Rizal Kamil bin Nik Ibrahim Kamil, a member of Strategy and Business Transformation Committee (SBTC), attended only 2 out 4 meetings (50%) of SBTC held during the financial year. (Page 123 of IAR).**

   What were the reasons for his absence at two of the meetings as a director needs to show more time commitment towards attending meetings especially in the important area of strategy?
   The meeting dates for Astro's Board and Board Committee Meetings for FY2020 were fixed prior to Encik Nik Rizal's appointment as a director on 1 September 2019. Due to short notice, he was unable to attend 2 of the monthly SBTC meetings held in October and November 2019.

   For the 5-month period from his appointment till January 2020 (end of FY2020), Encik Nik Rizal attended a total of 5 Board and Board Committee meetings. In addition to attending meetings, he also discharges his responsibilities through regular engagements with other Board members and the Group Chief Executive Officer to provide his views on the matters deliberated.

Appendix II

Astro Malaysia Holdings Berhad

(Company No. 201101004392 (932533-V))
(Incorporated in Malaysia)

8th ANNUAL GENERAL MEETING – 29 JULY 2020

KEY QUESTIONS & ANSWERS

I. VIRTUAL ANNUAL GENERAL MEETING

Question 1:
Suggestion to the Board to consider giving door gift/vouchers to the shareholders who attended the virtual annual general meeting ("VAGM").

Answer:
Consistent with market practice, no door gifts or vouchers are given for the participation of the VAGM in light of the uncertainties that continue to affect businesses globally and in Malaysia, including Astro.

Question 2:
The virtual AGM is convenient to shareholders living outside of Klang Valley or have limited time. Will Astro provide the option of online participation in future AGMs? Please advise the cost of the virtual AGM.

Answer:
The participation rate of the VAGM doubled to nearly 700 attendees compared to approximately 300 to 400 individuals in the meeting hall at the physical AGM in 2019. The cost of the VAGM is approximately RM150,000 against c. RM1.5 million for the physical AGM in 2019. As such, the savings is more than RM1 million. With the encouraging increase in participation and cost savings the Company will consider holding the AGM virtually in future years.

II. PIRACY, ILLEGAL STREAMING SERVICES AND ANDROID TV BOX

Question 1:
Many people are seen migrating to Android TV Box. Are there anti-piracy awareness campaign and please explain the competitive advantage of Astro vs. illegal TV box? What is Astro's strategy to create more value to win back these customers to ensure that the Company continues to maintain its existing profit/revenue?

Answer:

(i) The illegal streaming of content via illegal Android TV boxes is an act of theft which should not be supported. Astro is constantly engaging with the regulators and recognises the Government's commitment in fighting piracy. A more concerted effort and quick action are required for anti-piracy measures to be more effective. Another challenge faced is with the regulations and enforcement being vested across multiple ministries. Recently, the Minister of Communications and Multimedia gave his assurance to tackle piracy and to streamline the responsibility under a single governmental body to enhance the anti-piracy enforcement. The media industry is also working jointly through advertisements and campaigns on anti-piracy awareness.

(ii) As part of its customer win back strategy, Astro will resume ground engagements and live events and concerts when the COVID-19 pandemic condition improves. In addition, Astro Rewards provides exclusive privileges to customers via its webpage which has over 200,000 views per month. The combination of these efforts adds value to Astro customers.

III. DIVIDEND PAYOUT AND DIVIDEND REINVESTMENT POLICY

Question 1:
Dividend payout has been reduced to 60% for FY2020 and 71% for Q1 FY2021 amid Covid-19 uncertainties. Will the payout ratio to revert to the usual dividend policy as the situation improves?

Answer:
Given the unprecedented uncertainties caused by COVID-19, the Board and Management are finding ways to balance between rewarding shareholders through dividends and preserving liquidity to strengthen the balance sheet. At the same time, Management is actively optimising cost and pursuing capital management. Astro hopes to normalise the dividend payout once the situation improves.

Question 2:
Why is the Company not proposing dividend reinvestment policy?

Answer:
The Company had obtained shareholders' approval for the Dividend Reinvestment Plan ("DRP") in 2019. The DRP has not been implemented and the Company is seeking a resolution to continue to empower the Directors to issue shares under the DRP at this AGM.

IV. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2020

Question 1:
As stated in Note 20, the compound revenue growth rate used in impairment testing as at 31 January 2020 was 26.76% which is double the growth rate of 8.5% - 12.3% used for the previous year. Can the Management explain the grounds for increasing the revenue growth rate?

Answer:
The question relates to Nu Ideaktiv Sdn Bhd ("NISB"), a joint venture ("JV") established in mid-2018, which owns intellectual properties ("IPs") that have strong affinity with the Malay audience. FY19 was the first year of NISB's operation, hence the assumption of a lower growth rate. The business, which aims to transform IPs from print to TV and digital IPs, has shown encouraging trends in FY20. The good growth potential of the investment in the medium to long-term, led to the increase in the revenue growth rate used in impairment testing in FY20.

Question 2:
As stated in Note 15, the Group's effective interest in NISB is only 34%. However, it is stated at 51% subsidiary of ADSB as per Note 41. Kindly explain why NISB is deemed a subsidiary when its shareholding is at 34%.

Answer:
The effective interest of NISB is 34%. However, based on the Shareholders' Agreement, Astro has rights to exercise voting on the board, to nominate board members and appoint both the chief executive officer and chief financial officer. Astro's exposure to economic returns is up to 34%, but will accrete to 51% as its shareholdings increase over time. Based on the accounting standards, Astro is deemed to have control over NISB and hence, it is consolidated as a subsidiary.

Question 3:
The interest rate has been trending lower, does the Group plan to refinance its debts or increase its debt in equity ratio to take advantage of the trend? What are the criteria that will guide such decision?

Answer:
Notwithstanding that the interest rate in the market has dropped, the Company's gearing ratio and net debt to EBITDA ratio are healthy. Management is continuously monitoring the situation and is

in discussions with lenders on re-financing. The relevant announcements will be made at the appropriate time.

Question 4:
RM360 million was invested in local production and commissioning. What is the investment basis and expected timeline for returns?

Answer:
Local content is the new premium and key differentiator for Astro. It has contributed significantly in terms of viewership and average revenue per user (ARPU), and the return on investment is among Astro's best. In the near future, the Company intends to increase the investment in productions and commissioning of local content.

Question 5:
Subscription revenue has been in downtrend over the past years. What causes this downward trend in subscription revenue and does Management expect this downward trend to continue?

Answer:
Quarter 1, FY21 is not the best year-on-year comparison as the said quarter was in the middle of the Covid-19 pandemic during the lockdown period, which was a challenging period. In addition, piracy is a significant issue and the Company's dedicated anti-piracy team is working together with MCMC, regulators and other authorities to combat piracy.

Question 6:
Given household penetration is already over 70%, what are the possible new sources for growth in the medium term?

Answer:
Astro enjoys 70%+ penetration of households, which is a combination of Pay TV and NJOI customers. The company sees a healthy traction of customers upgrading from NJOI to Pay TV and aims to grow the remaining market via NJOI.

The Company has also been steadily growing its advertising share in the last few years, and is looking at offering total media solutions across its platforms - be it TV, Radio, digital, events, talents, IPs and home shopping. A key focus area is reinventing the way it sells marketing solutions by focusing on addressable advertising for additional revenue growth.

V. TECHNOLOGY, OVER-THE-TOP AND DIGITAL

Question 1:
What are the strategies to effectively exploit the new 5G technology?

Answer:
5G is a good opportunity which helps to deliver content at better speed and a better experience. The issue today is the economics of the 5G business. The technology is improving rapidly and Management is exploring some concepts to roll out to the market. Management has also been in discussions with telcos on digital content creation, including virtual reality and more immersive gaming content. These discussions are still in the early stages.

Question 2:
Please update on the developments on Over-the-Top ("OTT") partnerships to allow customers to enjoy more content on a single platform.

Answer:
Discussions with OTT providers on aggregating their services on our platform are ongoing. The Company will make the relevant announcements at the appropriate time.

Question 3:
Can Management share more on Astro TV Beta App?

Answer:
There are several projects in the pipeline. Among others, the Company is undertaking testing of the content look & feel and the content format in the marketplace; and re-assessing the backend system to ensure it has the capability to deliver. Management is re-evaluating the customer value proposition to include products targeting the millennials who consume content on their mobile devices.

Question 4:
Does the Company plan to edge out DTH to deliver content as the delivery is more expensive? Netflix would not be around if it stayed with the DVD business.

Answer:
Netflix focuses on a niche market that primarily caters to the premium English-speaking audience. By comparison, Astro serves 70-80% of Malaysians and in the short term, is looking into means of delivering content through different mediums such as the internet, OTT and satellite. DTH is still a good delivery structure, for e.g. live sports 4K broadcast. More importantly, the transmission of content should be delivered to the customers in the best quality, regardless of the mode of transmission.

VI. IMPACT OF MCO

Question 1:
What is the take-up rate of new installation and advertising post-MCO?

Answer:
Taking into account the COVID-19 environment, the new installations are looking positive. In relation to the advertising business, radio listenership is improving post-MCO and live TV productions are gradually returning to normal, including key signature programmes are expected to resume in August and September onwards. Therefore, the advertising business is gradually recovering post-MCO.

Question 2:
What is Astro's strategy to upsell content to the overseas markets?

Answer:
Astro owned and branded content are licensed to other OTT players, including to iQiYi and Netflix, to expand our content coverage beyond Malaysia. However, only selected content is licensed to others as certain key content are reserved exclusively for the Astro platform.

Question 3:
Has Astro seen a higher churn rate during MCO as Malaysians are affected by retrenchments?

Answer:
As the full effects of the MCO and a potential third wave remain uncertain, it is hard to give a definitive picture now. Astro is actively engaging with its residential and commercial customers through the process, to help them during these challenging times, for example by recalibrating packages and offering instalment plans to eligible customers.

Question 4:
Is Astro looking to downsize human resource as the response to the present economic turmoil and COVID-19 through pay cut or retrenchment?

Answer:
In relation to the human resource, the Company remains agile at this time of uncertainty and is constantly reviewing employee headcount while sourcing for quality human resource. Taking into consideration the impact of COVID-19 pandemic, staff recruitment has been frozen with only selective hiring to fill critical vacancies. Staff benefits have been streamlined, for e.g. by requiring unutilised leave balances to be cleared.

Question 5:
What are the Company's key learnings from MCO?

Answer:
The key learning is to be agile and fast. Astro was among the first to respond when MCO was announced, which in turn gave rise to positive response from the market and Astro customers. Management recognised the unprecedented need for entertainment while people undergo lockdown at home. Astro made available more content on linear TV and On Demand as well as made Astro GO freely available to all Malaysians who are non-Astro customers during the MCO. Customer interaction and the ability to access content digitally are also important. In summary, the Astro mechanism is ready to respond should the same situation recur.

VII. DIRECTORS' REMUNERATION

Question 1:
As the share price has decreased, should directors also lower their fees?

Answer:
The Board had deliberated the topic and is very conscious of the share price. From an overall perspective, the benchmarking of the Directors' fees against the peers and market in 2018 indicated that the Company's Directors' fees are below the average directors' fees of the top 30 public listed companies on Bursa Malaysia.

VIII. IMPOSITION OF FINE

Question 1:
Astro was issued fines over the airing of Al Jazeera's documentary in Malaysia. Is Astro appealing against the decision and has the fine been paid?

Answer:
The Company is appealing the case and is thus unable to provide further comments.

BoardRoom
Smart Business Solutions

Astro Malaysia Holdings Berhad
Technology Park Malaysia
Lebuhraya Puchong-Sungai Besi
Bukit Jalil
57000 Kuala Lumpur

Our Ref TLH/GXY/CJ

Contact Ext 03-7890 4848
03-7890 4852
03-7890 4855

Attn: **Chairman of the Meeting**

Date: 29 July 2020

Re: **Independent Scrutineer Report for the conduct of poll for Astro Malaysia Holdings Berhad's 8th Annual General Meeting held on 29 July 2020 conducted fully virtual.**

We, Boardroom Corporate Services Sdn. Bhd. as the appointed independent scrutineers in attendance at the broadcast venue of the Annual General Meeting of Astro Malaysia Holdings Berhad held on 29 July 2020 conducted fully virtual, have performed the procedures as listed in our letter of engagement dated 12 June 2020.

The results of the poll, as casted by the shareholders and proxy holders present and voting, based on the results generated by the Polling System provided by Boardroom Share Registars Sdn Bhd are as follows:-

	VOTES FOR	NO OF RECORDS	%	VOTES AGAINST	NO OF RECORDS	%	VOTES TOTAL
RESOLUTION 1	4,416,847,240	852	95.242366	220,634,389	89	4.757634	4,637,481,629
RESOLUTION 2	4,635,096,435	852	99.946300	2,490,390	89	0.053700	4,637,586,825
RESOLUTION 3	4,587,786,199	808	99.122067	40,634,426	127	0.877933	4,628,420,625
RESOLUTION 4	4,632,866,714	752	99.949075	2,360,507	177	0.050925	4,635,227,221
RESOLUTION 5	4,636,135,562	877	99.964754	1,634,653	58	0.035247	4,637,770,215
RESOLUTION 6	3,336,597,972	834	71.943918	1,301,178,343	103	28.056082	4,637,776,315
RESOLUTION 7	4,635,763,079	843	99.956591	2,013,236	94	0.043410	4,637,776,315
RESOLUTION 8	4,488,250,210	711	97.177373	130,366,306	220	2.822627	4,618,616,516
RESOLUTION 9	4,485,897,820	692	97.166078	130,834,605	233	2.833922	4,616,732,425
RESOLUTION 10	2,483,031,703	835	99.983463	410,686	88	0.016537	2,483,442,389
RESOLUTION 11	2,021,072,927	837	99.987938	243,815	78	0.012062	2,021,316,742
RESOLUTION 12	2,483,202,770	844	99.990351	239,619	79	0.009649	2,483,442,389
RESOLUTION 13	941,479,208	840	99.974907	236,307	73	0.025093	941,715,515
RESOLUTION 14	943,297,000	833	99.970112	282,015	82	0.029888	943,579,015
RESOLUTION 15	4,636,044,628	861	99.994330	262,897	73	0.005670	4,636,307,525
RESOLUTION 16	2,483,198,474	841	99.990339	239,915	80	0.009661	2,483,438,389
RESOLUTION 17	4,635,798,599	841	99.993419	305,116	92	0.006581	4,636,103,715

Thank you,

For and on behalf of
Boardroom Corporate Services Sdn. Bhd.
Independent Scrutineer