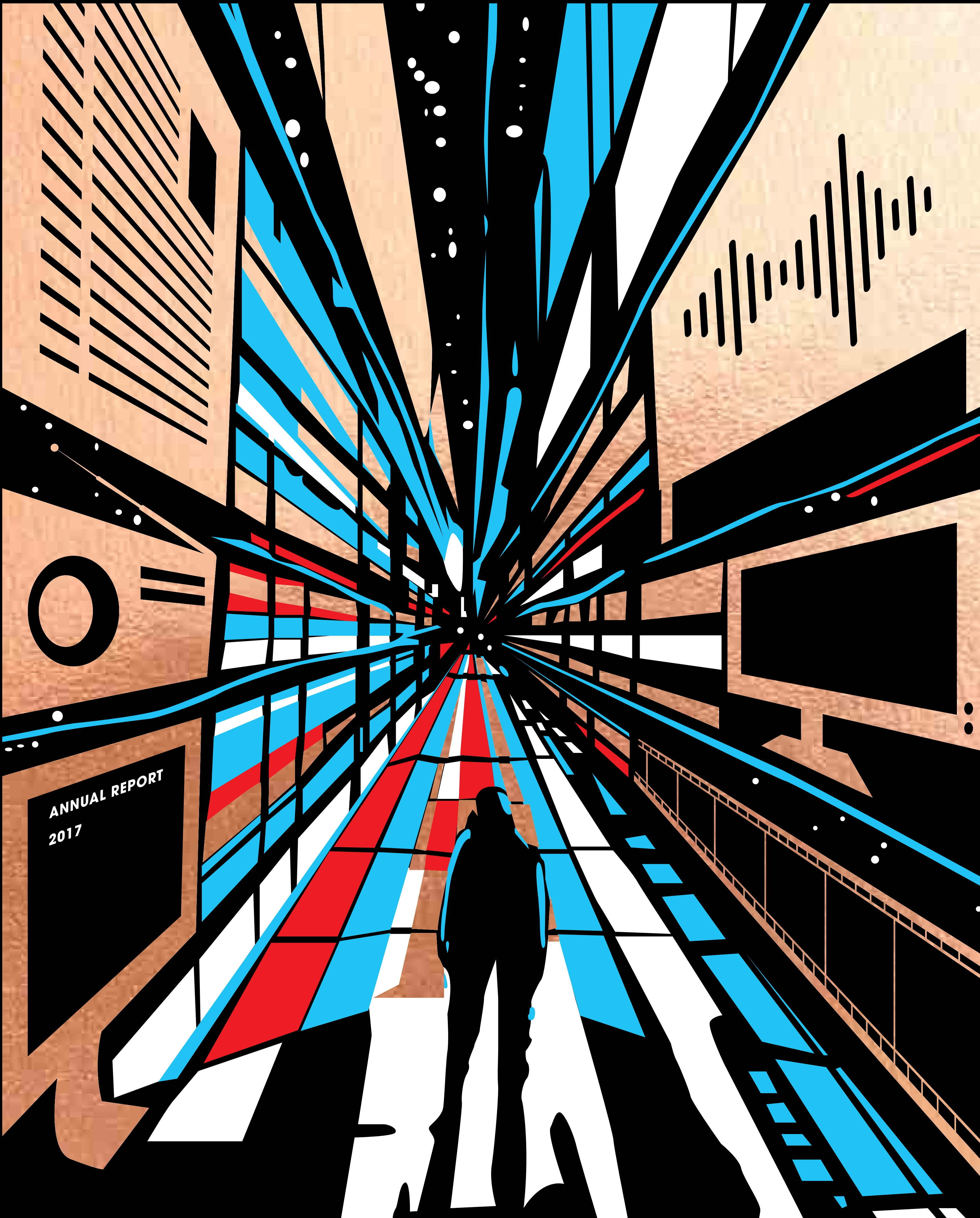
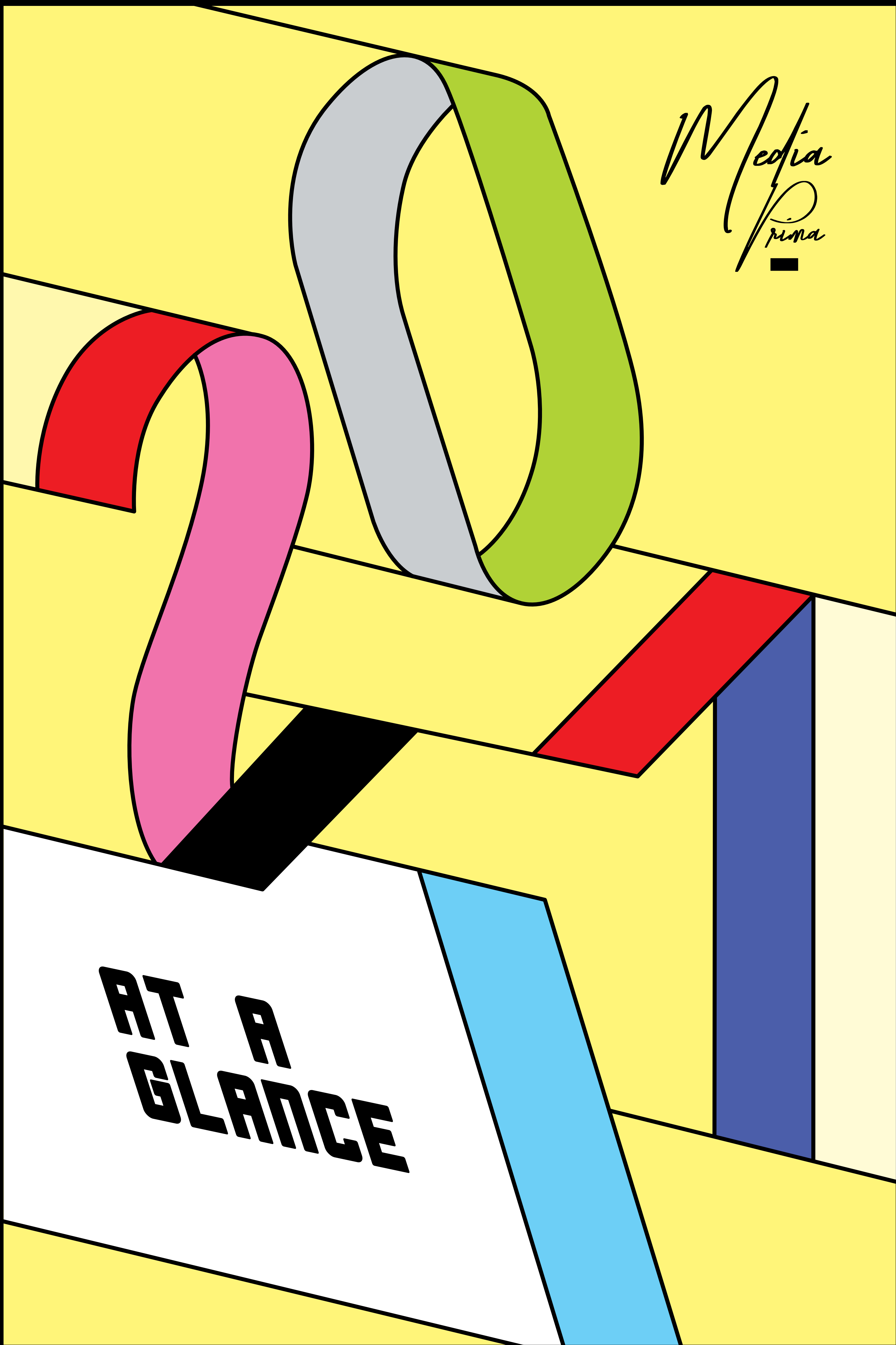


media prima

OUR ODYSSEY


Media Prima
AT A GLANCE

CONTENTS

OUR ODYSSEY

As digital disruption takes full form, we at Media Prima aim to embrace the many opportunities that come with it. In 2017, Media Prima embarked on our Odyssey Transformation Plan – a strategic initiative to reinvent the Group to become the leading digital-first content and commerce entity. In doing this, we will continue to enrich lives by informing, entertaining and engaging across all media, just as how we have been doing for decades. The only difference is that we are doing them all with a strong focus on digital platform. This annual report tells the story of our digital journey.

AT A GLANCE

Media Prima

MEDIA PRIMA'S POSITION AND CHALLENGES

6 GLOBAL CHALLENGES - MARKET RESHAPING DRIVEN BY DIGITAL & E-COMMERCE

DECLINE IN PRINT AS PREFERRED MEDIA
-10% p.a.

GROWING VIDEO CONSUMPTION
+20% p.a.
growth of online video

SHIFT IN ADEX TO DIGITAL
Digital Adex
2X
by 2020

MOBILE FIRST CONSUMPTION PATTERN
Mobile
> 50%
of digital ads by 2020

CONSUMER ENGAGE VIA MULTIPLE PLATFORMS
Multi-platform to
strengthen further
by 2020

E-COMMERCE AS A WAY OF LIFE
e-commerce to grow
> 2X
by 2020

- Malaysia's #1 infotainment champion
- Malaysia's #1 publisher
- Diversified commerce player, powered by integrated media
- Leading Malaysian content producer, with global sales and distribution
- Regional Out-of-Home player in ASEAN
- Integrated, customer-centric and agile

5 STRATEGIES TO BECOME AN OUT-OF THE-BOX MEDIA PLAYER

- Revamp operations & organisation
- Unlock dormant assets
- Create localised and relevant content
- Focus on B2C segments
- Move to digital

BEYOND TRADITIONAL, BEYOND MEDIA, BEYOND MALAYSIA

Initiatives guided by:

- Strengthen broadcast leadership & build sustainable video/OTT model for future
- Build position and monetise as leading digital publisher
- Grow commerce powered by integrated media
- Expand footprint regionally
- Maximise "current value"
- Build right operations and organisations to support transformation

NET REVENUE FYE 2017 & TARGETS

	COMMERCE AND NON-ADVERTISING REVENUE	INTERNATIONAL REVENUE	DIGITAL REVENUE
FYE 2017	20%	1%	3%
TARGET 2017	19%	1%	3%
TARGET 2020	40%	10%	20%

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OUR ODYSSEY

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5-YEAR FINANCIAL HIGHLIGHTS

	Year ended 31 Dec 2017 RM'000	Year ended 31 Dec 2016 RM'000	Year ended 31 Dec 2015 RM'000	Year ended 31 Dec 2014 RM'000	Year ended 31 Dec 2013 RM'000
OPERATING RESULTS					
Revenue	1,195,672	1,289,008	1,427,693	1,506,981	1,722,943
(Loss)/Profit Before Taxation	(605,528)	(65,909)	200,068	101,441	289,981
Net (Loss)/Profit After Taxation	(669,665)	(69,783)	138,708	76,622	216,416
Net (Loss)/Profit Attributable to Owners of the Company	(650,611)	(59,198)	138,717	75,528	214,165
Net (Loss)/Profit Attributable to Non-Controlling Interests	(19,054)	(10,585)	(9)	1,094	2,251
KEY DATA OF FINANCIAL POSITION					
Total Assets	1,582,262	2,151,777	2,330,054	2,478,521	2,606,662
Total Borrowings	314,157	300,108	300,108	453,092	499,366
Share Capital*	1,524,735	1,109,199	1,109,199	1,109,107	1,100,529
Shareholders' Equity**	766,650	1,461,629	1,620,655	1,592,577	1,656,429
(Loss)/Earnings Per Share (sen) (Basic)***	(58.66)	(5.34)	12.51	6.83	19.62
FINANCIAL RATIOS					
Return on Shareholders' Equity (%)	-85%	-4%	9%	5%	13%
Return on Total Assets (%)	-42%	-3%	6%	3%	8%
Net Assets Backing Per Share (RM)	0.69	1.34	1.46	1.44	1.51
Gearing Ratio	0.41	0.20	0.18	0.28	0.30
Interest Cover Ratio	(40.3)	(3.9)	21.3	10.1	15.6
Dividend Per Share (sen)****	-	8.0	10.0	11.0	14.0
Number of Employees	3,919	4,149	4,236	4,171	4,654

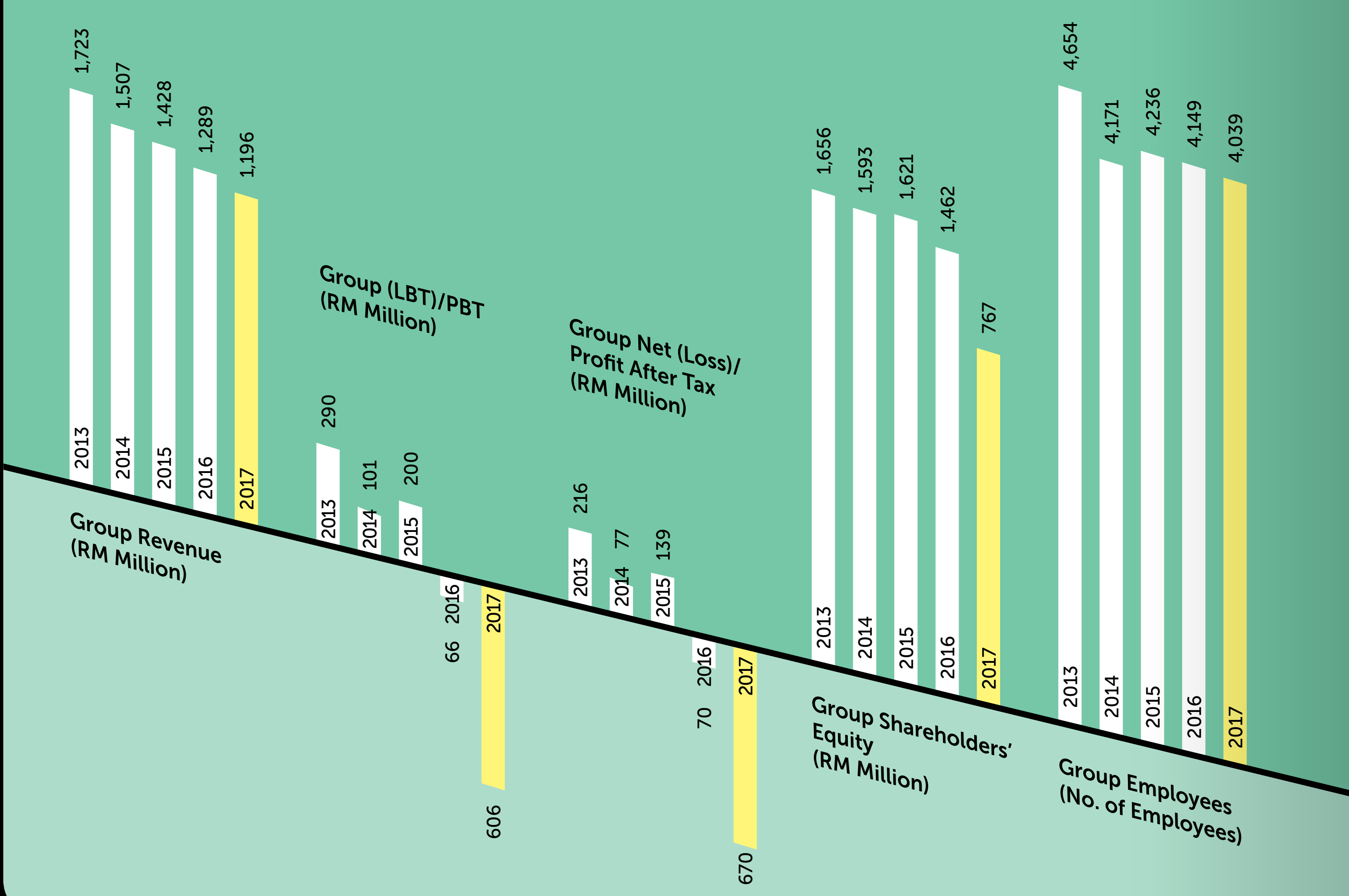
* The Companies Act 2016, which came into effect from 31 January 2017, has repealed the Companies Act 1965. Companies Act 2016 has abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of MPB's share capital pursuant to transitional provisions set out in Section 618(2) of the Companies Act 2016.

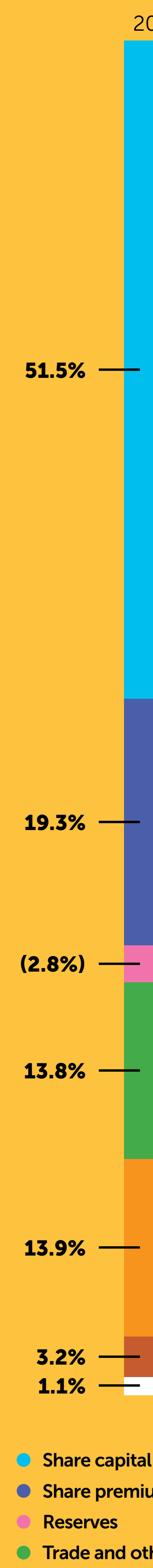
** Shareholders' Equity: Share Capital + Share Premium + Other Reserves + (Accumulated Losses)/Retained Earnings

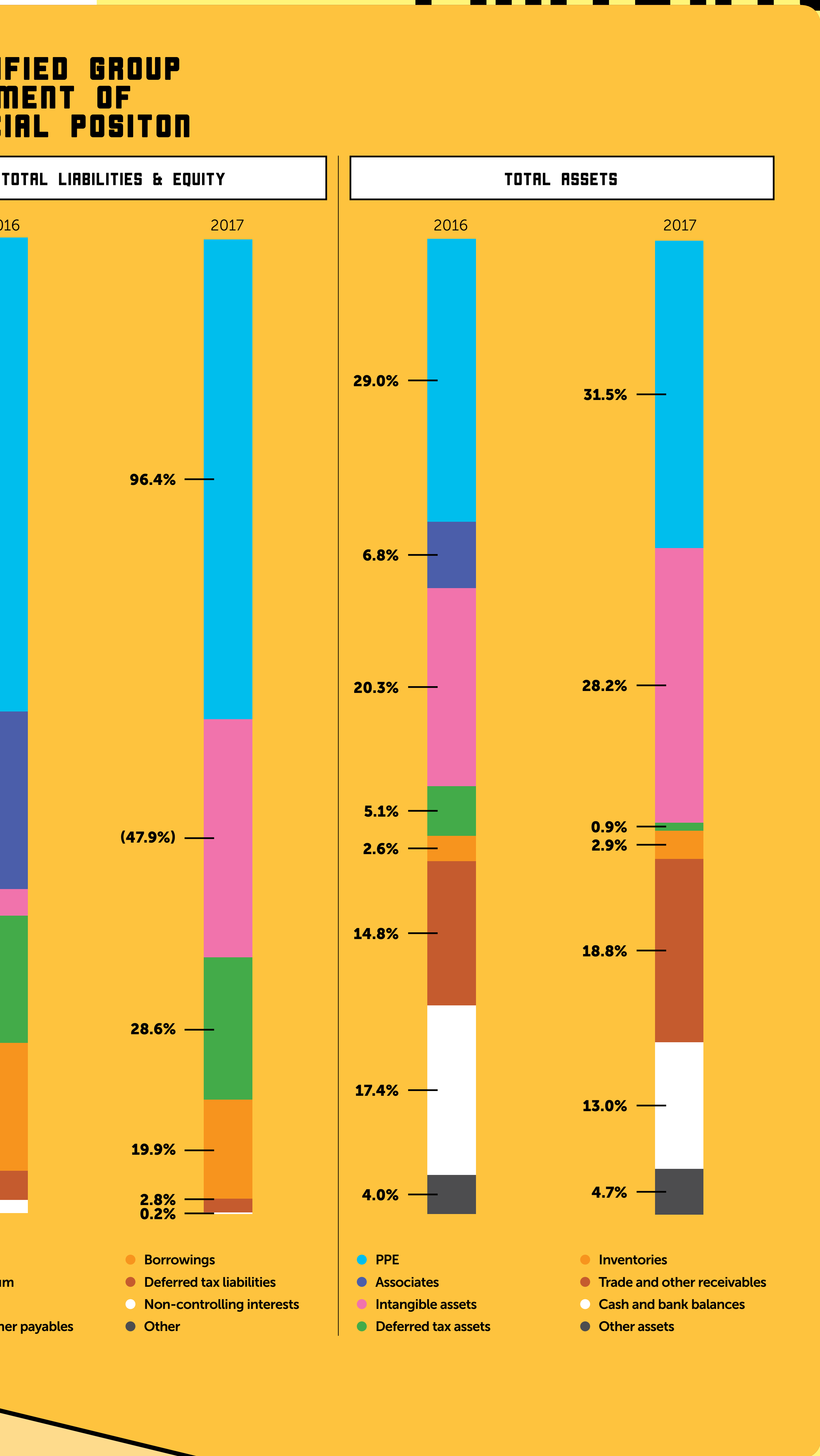
*** (Loss)/Earnings Per Share (Basic): Net (loss)/profit attributable to the owners of the Company of RM650,611,000 (2016: RM59,198,000) and the weighted average number of ordinary shares in issue of 1,109,199,000 (2016: 1,109,199,000)

**** Dividend per share is the total dividend declared for the respective financial year

5-YEAR GROWTH SUMMARY







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SSEY

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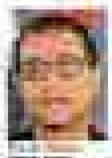
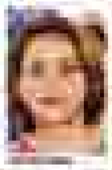
TO BE THE LEADING DIGITAL-FIRST CONTENT AND COMMERCE COMPANY

TO ENRICH LIVES BY INFORMING, ENTERTAINING, AND ENGAGING ACROSS ALL MEDIA

EJEN ALI FLIES WITH AIRASIA





CJ WOW SHOP BEATS SALES TARGET

ONE OF 'BEST COMPANIES TO WORK FOR'

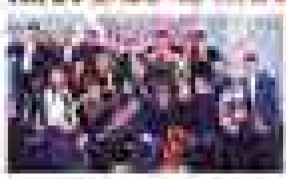
Najib gives NSTP e-papers the thumbs up

PROPERTY SHOW IN MORE CITIES

VIDEO CONTEST TO BOOST UNITY

NST sambut 2017 dengan wajah baharu

MEDIA PRIMA BAGS 12 AWARDS



Families of 2 kids who drowned in Aquatic store sue landowner

12 NEWS / Nation

MEDIA PRIMA WINS 2 AWARDS IN TOKYO

CORPORATE

TELEVISION

Media Prima owns and operates four Free-To-Air television stations, which include TV3, Malaysia's No.1 station by audience share; TV9, the country's top station dedicated to Young Mass Malays; as well as ntv7 and 8TV, the two leading channels for the country's Chinese and Urban demographics. The group is also home to tonton, Malaysia's 1st and largest home grown video streaming that recently expanded to Singapore and Brunei Darussalam, Studio8, a YouTube-based content platform targeted at Malaysian millennials, and CJ Wow Shop, an innovative home shopping network that is accessible across television, online and mobile platforms.

PRINT

Media Prima owns more than 98% equity interest in The New Straits Times Press (Malaysia) Berhad, which publishes three of Malaysia's most recognised national newspapers, New Straits Times, BH and Harian Metro, as well as their respective weekend editions. This platform also offers digital reach of its content beyond imaginable growth via social media vehicles such as Facebook, Twitter, Instagram, online videos via Youtube, digital newspapers and learning portal *FullAMark*.

RADIO

Media Prima Radio Networks ("MPRN") owns 4 radio stations namely Fly FM (English), Hot FM (Malay) and One FM (Chinese) to reach out to listeners aged below 30 while Kool FM (Malay) caters to the lucrative 25 to 44-year-old segment via multiple platforms - on-air, activation, social media and digital platform. MPRN continues to evolve by being a content curator for music, lifestyle and entertainment, combining both traditional and digital platforms to stay relevant to the rapid landscape change in digital and new media. MPRN launched audio podcasts brand *Ais Kacang* to fulfill the demands of the listeners who consume content on digital platform. Presenting a variety of topics in three major languages namely English, Malay and Chinese, each topic is designed based on lifestyle and interests of Malaysians.

PROFILE

OUT-OF-HOME

Big Tree is the leader of Malaysia's Out-of-Home ("OOH") advertising industry along with Kurnia, UPD, TRC, Gotcha and BTSJ. Big Tree offers integrated OOH advertising solutions across multiple concessions in cities, expressways, transit network, retail hubs and airports which include static and digital media formats, together with on-ground experiential strategies. The business of Big Tree incorporates creativity and innovation in beautifying cityscapes and public amenities to enhance liveability, upgrade the eminence of localities and ultimately to engage the target audience of advertisers.

CONTENT

Media Prima owns and operates Primeworks Studios Sdn Bhd, an award-winning and highly established content creation arm and among Malaysia's biggest production houses with more than 5,000 hours of annual content output in diverse categories covering television, cinema and digital platforms. Primeworks Studios sells content around the world with the tagline "Asian Stories for The World".

DIGITAL MEDIA

Media Prima Digital spearheads innovation, digital marketing and technology within the Media Prima Group via an integrated and agile approach. We understand the art and science of creating an enduring bond between consumers and brands from a digital perspective, hence we strive to offer a holistic and end-to-end digital solution encompassing performance marketing, mobile app development, data analytics, social media listening and many more from a 360° perspective. With the recent acquisition of Rev Asia Holdings Sdn Bhd, Media Prima Digital aims to strengthen its online presence as the digital content mogul in this region. Our group's rich intellectual properties and diversified media platforms also allow brands access to mass audience in a unique and comprehensive manner digitally.

OUR

1845 **15 July**

The Straits Times Singapore Journal Commerce is published in Singapore. It is an eight-paged folio-sized paper published every Thursday with circulation of less than 200 copies and sold at 10 cents each.

1957 **1 July**

The Straits Times Ltd produces Berita Harian, the first romanised Malay newspaper in the country.

1972 **14 October**

The Straits Times Press (Malaya) Berhad transfers the Malaysian newspaper business, and its related assets and liabilities to a wholly-owned subsidiary, The New Straits Times Press (M) Sdn Bhd ("NSTP"). This marks the birth of the company in its current form.

1973 **4 April**

NSTP is listed on the Main Board of the Kuala Lumpur Stock Exchange.

1976 **4 October**

The first local financial newspaper, called Business Times ("BT") is published by Financial Publications Sdn Bhd, a subsidiary of NSTP. Today, BT is part of New Straits Times ("NST").

1984 **1 June**

Sistem Televisyen Malaysia Berhad is incorporated as Malaysia's first private commercial television station. Transmission starts six months ahead of schedule, making it the fastest station ever established in the East.

1988 **25 April**

TV3 is listed on the Main Board of the Kuala Lumpur Stock Exchange, the first station to be publicly traded in Malaysia.

31 August

TV3 begins transmission in Kuching and Sibu, Sarawak.

1991 **25 March**

Harian Metro, Malaysia's first Malay daily afternoon newspaper is published.

1998

ntv7 is launched on 7 April 1998 as Malaysia's third private free-to-air television station. The station specialises in urban and international content and catalyses profound growth in the media industry across the country.

2003

To celebrate its 19th anniversary, TV3 organises the Karnival TV3 2003 Sure Heboh which travels to Johor Bahru, Melaka, Kuantan, Pulau Pinang, Ipoh and Kuala Lumpur. It is now known as Karnival Jom Heboh and is visited by an estimated 5 million people every year.

2004 **8 January**

8TV begins operations on January 2004 and is transmitted to the entire West Coast of Peninsular Malaysia and Kuantan on the UHF band carrying the tagline "We Are Different".

2005 **30 December**

Media Prima completed the acquisition of the highly popular ntv7, strengthening its position in the lucrative urban market.

2006 **6 February**

Hot FM begins transmitting nationwide with the "Lebih Hangat Daripada Biasa" tagline.

22 April

TV9 begins broadcasting carrying the tagline "Dekat Dihati".

2008 **8 August**

Primeworks Studios is launched.

2009 **19 January**

Media Prima Radio Networks ("MPRN") expands with the addition of one FM.

2010 **6 August**

tonton, Malaysia's premier video portal is launched.

2012 **15 September**

The first LED trimmed lightboxes in the country are rolled-out at the KLCC Convention Centre – KL Pavilion Elevated Walkway.

2013 **27 June**

Big Tree launches its first synchronised digital screens in Bukit Bintang.

2014 **28 May**

BH organises the first *Bicara BH* to provide a platform for intellectual discourse regarding business, economic and social issues.

18 August

Grand Brilliance's feature films sweep all top 5 nominations for Best Film, Best Directing, Best Screenplay, Best Editing and Best Sound at the *26th Malaysia Film Festival*.

22 August

First ever breaking news via live streaming on out-of-home digital boards; related to the tragic airline incident; at Jalan Maarof Bangsar, Kuala Lumpur.

1 September

Media Prima Digital ranks No.1 in the Top 20 Web Properties visited from Mobile Devices in Malaysia with 1.9 million unique visitors.

20 September

Media Prima is selected as one of the few Malaysian companies that met the globally-recognised standards for inclusion in the FTSE4Good Bursa Malaysia Index.

2015 **10 April**

Big Tree registered its CuBig Digital Series design with Perbadanan Harta Intelek Malaysia as a significant milestone towards the digital era of outdoor advertising.

3 June

MPRN bagged Gold and Silver awards for the Public Service Radio category in Domestic Violence during Summit Creative Awards held in the USA.

MILESTONES

12 June
Big Tree acquired Nu Sentral Shopping Centre havens as part of its Big Buy advertising opportunities with a newly crafted out-of-the box media designs in line with Nu Sentral's image of being Urban, Fresh & Agile!

15 June
NST celebrated its 170th anniversary, launching a series of low key but highly impactful activities engaging readers and stakeholders.

21 October
NSTP launched its mobile applications to enable readers to access the contents of the latest news in the NST, BH and Harian Metro newspapers.

31 October
Media Prima was ranked Best Corporate Governance (Media Category) in Asia by UK-based Ethical Boardroom magazine.

2016 **3 March**
MPRN launched its newest radio station, Kool FM.

1 April
Media Prima Television Networks ("MPTN") launched CJ WOW Shop.

8 April
Ejen Ali: MATA Training Academy mobile game is made available at Playstore and App Store by MP Labs.

11 May
Media Prima Berhad bags 2 Golds and 2 Silver on Intermedia-Globe Awards in World Media Festival in Hamburg, Germany.

19 May
NSTP launched *FullAMark* (An Education's Mobile Apps and Portal).

1 June
NSTP launched Galeri Prima at Balai Berita Bangsar.

29 June
Hot FM awarded Silver button from YouTube for 100,000 followers.

1 July
Prasarana Malaysia Berhad appointed Big Tree as its outdoor agency in managing RapidKL's two Light Rail Transit ("LRT") lines – the Ampang and Kelana Jaya lines.

28 September
Mass Rapid Transit Corp awarded three 10-years advertising packages for the MRT Sungai Buloh-Kajang Line (SBK Line) to Big Tree-Seni Jaya consortium and Titanium Compass Sdn Bhd. Big Tree and its partner Seni Jaya Sdn Bhd bagged the Package B concession for exterior advertising.

2017 **12 January**
Media Prima's Out-of-Home segment team up with Seni Jaya to provide advertising format along the MRT Line.

13 January
GOASEAN enters the fast growing OTT space with strategic partners, tonton.

8 March
MPRN launches a new podcast and ecommerce platform together with new "icons".

11 April
MPTN launched *Mak Cun Mart*.

27 April
tonton Malaysia partners singtel to expand content reach.

8 May
Media Prima strengthens position as Malaysia's leading digital publisher; acquires Rev Asia Holdings Sdn Bhd in a landmark deal.

22 June
Media Prima's Annual Report recognised in Australasian with Bronze award.

14 August
tonton Malaysia partnered with Singtel to expand content to Singapore. Media Prima's tonton expands reach to Brunei via DST.

16 August
MDEC and Media Prima Digital team up to push digital game industry.

18 August
MDEC and Media Prima Digital partner to champion the development of local games.

13 October
Media Prima announced as one of the best companies to work for in Asia.

14 October
Media Prima was honoured with two wins at the international ARC Awards Gala Dinner.

28 October
Media Prima won 12 major awards at the Marketing Excellence Awards 2017.

6 November
Garena and Media Prima announced a collaboration to boost eSports In Malaysia.

23 November
MPRN launched their new trade website.

8 December
MPTN launched tonton Xtra.


Whether left-brained
Or right-brained,
YOU'LL FIT RIGHT IN
TELEVISION
PRINT
RADIO
OUT-OF-HOME
CONTENT
DIGITAL MEDIA
media prima
www.mediaprima.com.my

CORPORATE STRUCTURE

Company
Brand

TELEVISION

100% Sistem Televisyen Malaysia Berhad

100% Ch-9 Media Sdn Bhd

100% Metropolitan TV Sdn Bhd

100% Natseven TV Sdn Bhd

51% MP CJ O Shopping Sdn Bhd

PRINT

98% The New Straits Times Press (Malaysia) Berhad

RADIO

100% Max - Airplay Sdn Bhd

100% Synchrosound Studio Sdn Bhd

99% One FM Radio Sdn Bhd

100% Kool FM Radio Sdn Bhd

OUT-OF-HOME

100% Big Tree Outdoor Sdn Bhd

100% Kurnia Outdoor Sdn Bhd

100% Gotcha Sdn Bhd

100% The Right Channel Sdn Bhd

100% UPD Sdn Bhd

60% Big Tree Seni Jaya Sdn Bhd

CONTENT

100% Primeworks Studios Sdn Bhd

100% Primeworks Distribution Sdn Bhd

100% Alternate Records Sdn Bhd

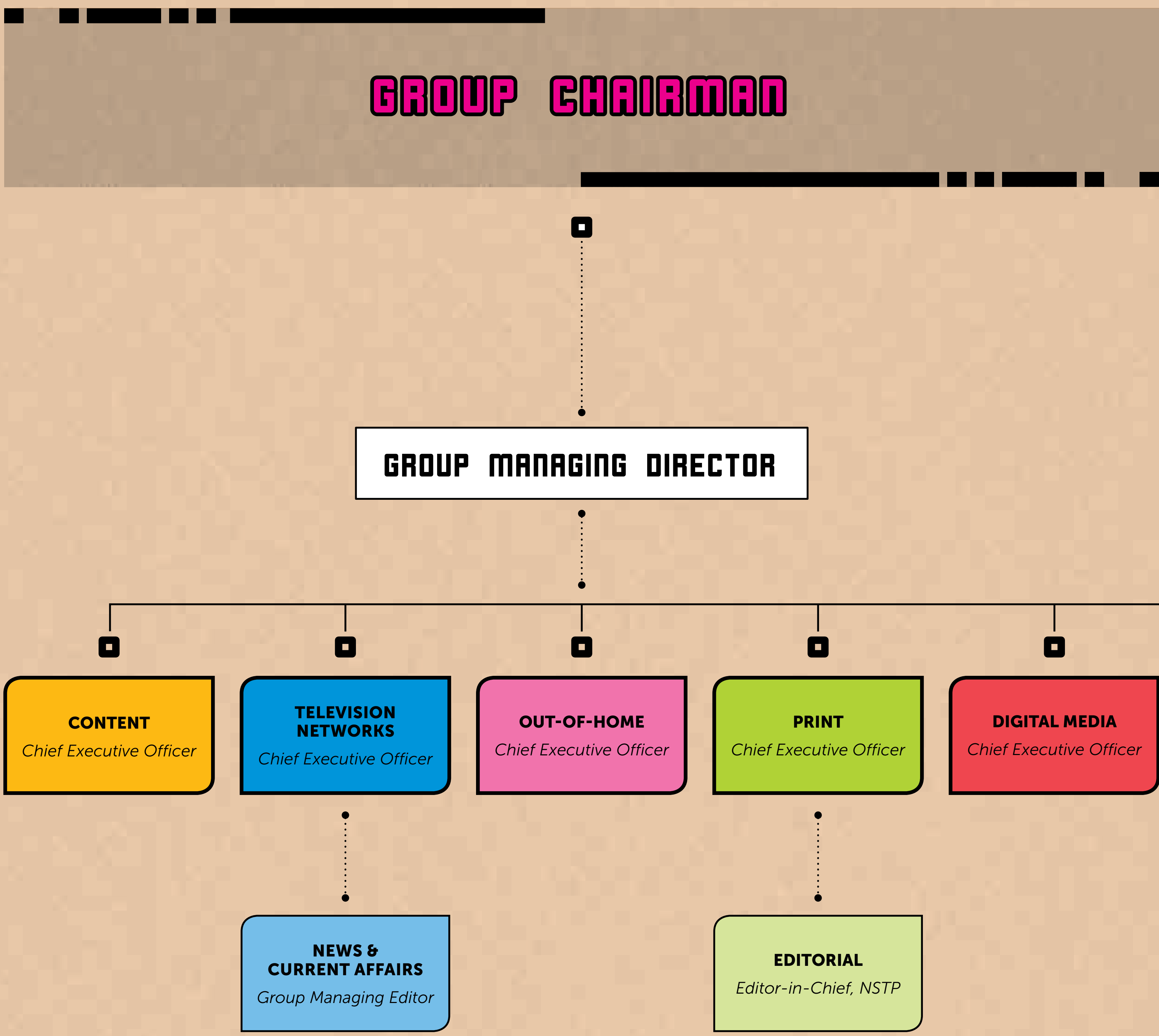
100% The Talent Unit Sdn Bhd

DIGITAL MEDIA

100% Media Prima Digital Sdn Bhd

100% Rev Asia Holdings Sdn Bhd

ORGANISATION



STRUCTURE

MEDIA PRIMA BOARD OF DIRECTORS

GROUP CORPORATE GOVERNANCE
Group General Manager

GROUP RISK MANAGEMENT
Group General Manager

RADIO NETWORKS
Chief Executive Officer

Group Chief Financial Officer

INTEGRATED MARKETING
Head of Key Account Management and Media Sales Planning

GROUP INFORMATION TECHNOLOGY
Chief Technology Officer

GROUP MANAGEMENT SERVICES
Group General Manager

GROUP FINANCE
Group General Manager

GROUP LEGAL
General Manager

GROUP SECRETARIAL
Group Company Secretary

CHIEF TRANSFORMATION OFFICER

REGULATORY AFFAIRS/ STAKEHOLDER MANAGEMENT
Group General Manager

GROUP HUMAN RESOURCES
Group General Manager

GROUP CORPORATE COMMUNICATIONS
Group General Manager

media prima SNAP

The winners of AJL31, Dayang Nurfaizah, Misha Omar, Hafiz Suip and Projektor Band at PWTC

The team behind Hanyut showing their trophy after they won 5 categories at Anugerah Skrin ("ASK") 2017

Team Fantastic Gaming crowned as the Champion of the Dota 2 Challenge, broadcasted on ntv7

The happy faces of Sekolah Kebangsaan St. John students during *FullAMark* School Attack

Zul Ariffin, receiving an award for Popular Film Actor for his role in Primeworks Studios' blockbuster action thriller *J Revolusi* during ABPBH30

HRH Sultan of Selangor graced the opening ceremony of an exclusive showcase of his private art collection at NSTP's Galeri Prima

SHOTS OF 2017

Datuk Seri Abdul Jalil Hamid (NSTP's CEO) alongside Rafiq Razali (MPD's CEO) at the launching of the new face of *FullAMark*'s application in MIECC, The Mines

Tan Sri Dato' Seri Utama Haji Ismail Haji Omar (NSTP's Chairman) and Datuk Seri Abdul Jalil Hamid (NSTP's CEO) during the launch of the first showcase of My Rumah at Balai Berita, Bangsar

Datuk Seri Abdul Jalil Hamid (NSTP's CEO) introduced the new challenging application, Spell-It-Right ("SIR")

After five intense rounds, Karrthik Sathiyamoorthy emerged as the champion of the Spell-It-Right Challenge ("SIR") high school category, organised by RHB and New Straits Times

Celebrity host Naz Habibur Rahman was present during the launching of the 'JJCM Eating Awards' through the Road Search Finds ("JJCM") application at Empire Damansara

Yang Hyun Kim (MP CJ O's CEO) and his team receive an award during the PR Marketing Awards 2017 in Singapore

Bringing a local twist to game portals, Media Prima Labs launched its latest portal, *MyGameOn*

Ejen Ali at *FullAMark*'s launch

Seelan Paul (MPRN's CEO) with Anida and Tan Leng Ean during the launch of *Ais Kacang*, the first podcast platform

Kool FM launched its campaign 'Kool Kan Ada' to help its listeners in need of aid

Ili Ruzanna Iqbal (second from right), the winner of Fly FM's Flydol 2017

Team Cikanos crowned the champion of *Lawak Vaganza* second season

The Exposed by Big Tree event was held on 8 November 2017 in Ruyi & Lyn, Bangsar Shopping Centre, to reveal research insights to guide media planning

Primeworks Studios' team and The Pokemon Company's team during the screening of *Pokemon The Movie: I Choose You!*

J Revolusi's cast enliven the premier screening of *J Revolusi* with fans

The MRT External Media Launch: A New Frontier was held on 12 January 2017, befitting the exclusivity of media formats along the MRT line

AWARDS &

I MPB

1. **ARC Awards International**
   International Grand Award for Non-Traditional Annual Report (Asia/Pacific category)

   Gold Award for Non-Traditional Annual Reports (Media Company: Other Country category)

2. **Best Corporate Governance – Media Company, Asia 2017 by Ethical Boardroom UK**

3. **HR Asia Best Companies to Work For in Asia 2017**

4. **NACRA 2017**
   The Certificate of Merit

5. **The Spark Awards 2017**
   Media Owner of The Year

II MPTN

1. **Marketing Events Awards 2017**
   Best Event- Digital Integration – The Haha Metre - Bronze Award

2. **227th National Prisons and Anti-Drug Day**
   Wanita Hari Ini: Pingat Bakti Setia (Mesej Dari Penjara)

3. **Anugerah Kewartawanan MPI-Petronas 2016**
   - Anugerah Dokumentari Video Terbaik – Majalah 3
   - Anugerah Wartawan Muda A. Samad Ismail (Nurwanah Kiramli) – Majalah 3

4. **Intermedia Globe, World Media Festival 2017**
   - Gold: #cantiknyaMalaysia Promo (Category: Documentaries – Station/Network I.D.)
   - Gold: Happy Deepavali Promo (Category: Documentaries – Station/Network I.D.)
   - Gold: Tabung Bersamamu Documentary aired on TV3 (Category: News – Station Image Promotion)
   - Silver: Anugerah Juara Lagu 31 (Category: Sales Promotions – Events)
   - Silver: Jom Singgah (Category: Sales Promotions – Station I.D., Trailers)
   - Silver: Parodi Anugerah Melodi on TV3 (Category: Web – Virals)

5. **Anugerah Media Kesihatan 2017**
   - Majalah 3 (Wolbachia: Merencat Zika): Anugerah Kewartawanan Kesihatan Terbaik Televisyen Bahasa Melayu (Saguhati)
   - Majalah 3 (Tsunami Otak): Anugerah Program Kesihatan Terbaik Televisyen

6. **The Spark Awards 2017**
   Best In Show Title:
   Gold:
   1. Best Media Solution – TV / Online Video
   2. Best Media Solution – Social Media
   3. Best Media Solution – Integrated Media
   4. Best Collaboration between Media Owner & Agency
   5. Best Creative Team.
   6. Best Sales & Marketing Intelligence Solution (Wow 1st Anniversary Campaign)

7. **PR Marketing Awards 2017, Singapore**
   Bronze – Best Direct To Consumer PR Campaign (Wow Your Life! Campaign)

8. **Marketing Excellence Awards 2017, Malaysia**
   Bronze – Excellence in Marketing to a Female Audience (Wow 1st Anniversary Campaign)

Media Prima won Media Owner of the Year award at 2017's Spark Awards for Media Excellence

RECOGNITIONS 2017

MP CJ O and TBWA Team at MEA 2017

III NSTP

1. **16th Annual World Association of Newspapers and News Publishers ("WAN-IFRA") Asian Media Awards**
   Best Newspaper : Feature Article – Silver
   - Farrah Naz Karim (NST)
   - Aliza Shah (NST)

   Best Newspaper : Breaking News Article – Bronze
   - Yusri Abd Malik (HM)
   - Mohd Firdaus Ibrahim (HM)

2. **Malaysian Press Institute ("MPI")-Petronas Journalism Awards 2016**
   Best Columnist
   - Farrah Naz Karim (NST)

   Best Infographic
   - Mohd Azam Shah Yaacob (HM)
   - Nor Salim Mohamed Dawam (HM)

   Best Environmental Reporting
   - Azrul Affandi Sobry (BH)

   Best International Reporting Category
   - Mohd Alzahrin Alias (BH)

   Excellent Reporting Category
   - Aliza Shah (NST)
   - Wan Muhammad Amin Mokhtar (NST)

   Excellent Photo Essay Category
   - Mohamad Sairien Mohamad Nafis (NST)

   Best Investigative Report
   - Syed Azwan Syed Ali (BH)

3. **Health Ministry's Media Awards**
   Top Award
   - Farrah Naz Karim (NST)
   - Aliza Shah (NST)

   Best Malay Language Newspaper (Main Prize)
   - Osman Lisut (BH)
   - Halina Mohd Noor (BH)
   - Ilah Hafiz Aziz (BH)

   Consolation Prize
   - Tharanya Arumugam (NST)

4. **Istiadat Penganugerahan Pingat Kebesaran Jabatan Bomba dan Penyelamat**
   Pingat Cemerlang Bomba (PCB)
   - Wan Noor Hayati Wan Alias (BH)
   - Raja Noraina Raja Rahim (HM)
   - T N Alagesh (NST)

5. **Melaka Media Night 2017**
   Best Bahasa Malaysia Article
   - Fairuz Zaidan (BH)

   Best Photograph for Personality
   - Muhammad Rasul Azli (NSTP)

   Special Sports
   - Nazri Abu Bakar (HM)

6. **Malam Anugerah Kewartawanan Kelantan ("MAKK") 2016**
   Anugerah Berita Sukan Terbaik - Tempat Pertama
   - Nor Amalina Alias (BH)

   Anugerah Rencana Terbaik – Tempat Kedua
   - Hazira Ahmad Zaidi (HM)

   Anugerah Berita Am - Tempat Keempat
   - Siti Nor Hidayatidayu Razali (HM)

   Anugerah Berita Am - Tempat Kelima
   - Siti Rohana Idris (BH)

   Foto Terbaik - Tempat Ketiga
   - Nik Abdullah Nik Omar (NSTP)

7. **Sambutan Jubli Emas BERNAMA**
   Anugerah Khas
   - Datuk Seri Abdul Jalil Hamid (NSTP)

8. **Malam Perbadanan Kemajuan Negeri Selangor**
   Anugerah Laporan Sukan Terbaik – Tempat Pertama
   - Mazizul Dani (HM)

   Anugerah Laporan Sukan Terbaik – Tempat Kedua
   - Ajitpal Singh (NST)

   Anugerah Gambar Terbaik – Tempat Pertama
   - Muhammad Sulaiman (HM)

   Anugerah Gambar Terbaik – Tempat Ketiga
   - Abdullah Mohd Yusof (HM)

9. **Majlis Anugerah Permotoran Malaysia SIC-MAM 2016**
   Anugerah Wartawan Terbaik
   - Saiful Affendy Sapran (HM)

10. **Majlis Penghargaan Program Kerjasama Awam Swasta Kementerian Pendidikan**
    Anugerah Penghargaan Penajaan Kementerian Pendidikan
    - NSTP

11. **Construction Industry Development Board Media Appreciation Night**
    Photography Category – Second Place
    - Mohamed Sairien Mohamed Nafis (NSTP)

12. **Asian Hockey Federation ("AHF") Special Recognition**
    Asian Hockey Federation ("AHF") Special Recognition

13. **Asian Digital Media Awards**
    Best Digital Advertising Campaign (including Branded Content)

14. **Majlis Anugerah Sastera dan Media 2017 Negeri Sembilan**
    Anugerah Kewartawanan Sri Sembilan
    Anugerah Rencana Cemerlang
    Anugerah Wartawan Cemerlang Bahasa Inggeris
    Anugerah Jurufoto Cemerlang

15. **Anugerah Cemerlang Keselamatan dan Kesihatan Pekerjaan Kebangsaan ("MNKKP") 2017**
    Anugerah Media MNKKP (BH)

16. **Majlis Makan Malam Penghargaan Malaysian Pavilion Ekspo 2017**
    Anugerah Penghargaan Media (HM)

AWARDS & RECOGNITIONS 2017

17. Kinabalu Shell Press Award 2017
Anugerah Utama Berita Bahasa Melayu
- Mohd Izham Unnip Abdullah (BH)
- Poliana Ronnie Sidom (BH)

Anugerah Berita Kategori Stringer
- Abdul Rahemang Taiming (BH)

Anugerah Kewartawanan Foto
- Malai Rosmah Tuah (NSTP)

Anugerah Foto Stringer
- Mohd Adam Arinin (NSTP)

Anugerah Utama Berita Bahasa Inggeris
- Avila Geraldine Samuel (NST)
- Roy Goh (NST)

Anugerah Utama Alam Sekitar Bahasa Melayu
- Norasikin Daineh (HM)

18. Johor Media Award 2016
Berita Sukan Terbaik
- Mohd Fahmi Mohd Yusof (BH)

Kategori Berita Pembangunan Terbaik
- Mohamed Farid Noh (BH)

Fotografi Alam Sekitar Terbaik
- Muhammad Syarafiq Abd Samad (NSTP)

Berita Pembangunan Terbaik
- Halim Said (NST)

Fotografi Minat Insani Terbaik
- Zulkarnain Ahmad Tajuddin (NSTP)

20. Anugerah Kewartawanan Industri Filem Malaysia 2017 (AKIFMA)
Kolumnis Hiburan Terbaik
- Adam Salleh (HM)

Anugerah Kewartawanan Cemerlang 2017
- Rozdan Mazalan (BH)

Penulis Pojok Terbaik
- Raja Nurfatimah Mawar Mohamed (BH)

21. Anugerah Kewartawanan Kenyalang 2016
Kewartawanan Penyiaran
- Rabi'Atul 'Adawiyah (HM)

Kewartawanan Perniagaan dan Ekonomi
- Ekhwan Haque Fazlul Haque (HM)

Anugerah Kewartawanan Ketua Menteri Sarawak
- Hardi Effendi Yaacob (BH)

Kewartawanan Rencana dan Berita Rencana
- Hardi Effendi Yaacob (BH)

Anugerah Kemampanan Kewartawanan.
- Hardi Effendi Yaacob (BH)

Anugerah Laporan Berita
- Kandau Sidi (BH)
- Mohd Amirul Faiz Ahmad (BH)

22. Anugerah "Fotografi Perdana Menteri Prihatin Rakyat"
Pemenang Utama
- Ghazali Kori (NSTP)

23. Anugerah Media Kreatif Tranformasi Terengganu Baharu
Best Print news
- Rosli Zakaria (NST)

Online News
- Baharom Che Bakar (BH)

Best Photo of General Segment
- Mohd Shafiq Ridzuan Ambak (NSTP)

24. Sabah Tourism Awards
Best Tourism Article
- Roy Goh (NST)

25. Anugerah Media Pahang DRB-HICOM 2017
Laporan Berita Bahasa Melayu
- Amin Ridzuan Ishak (BH)
- Mohamad Azim Fitri Abd Aziz (HM)

Laporan Berita Bahasa Inggeris
- Hidir Reduan Abdul Rashid (NST)
- T N Alagesh (NST)

Laporan Berita Jenayah
- Mohamad Azim Fitri Abd Aziz (HM)

Penulisan Rencana Bahasa Melayu
- Raja Norain Hidayah Raja Abdul Aziz (HM)

Laporan Berita Sukan
- T N Alagesh (NST)
- Mohd Fauzi Abdullah (HM)

Fotografi Berita
- Zulkepli Osman (NSTP)

Fotografi Berita Sukan
- Muhammad Farizul Hafiz Awang (NSTP)

26. Anugerah Kewartawanan Eastern Pacific Industrial Corporation Berhad (EPIC)
Jurugambar Terbaik
- Rozainah Zakaria (NSTP)

NSTP scored big at 16th Annual WAN-IFRA Asia Media Awards

IV MPRN

1. Anugerah Drama Festival Kuala Lumpur 2017 (Drama Radio Pilihan)
Terima Kasih Ex (Kool FM) - Zuraida

2. Summit International Award 2017 (Bronze Award for Public Service Awareness Radio)
"Alam Sekitar dan Bumi Kita" by Muizzuddin Abd Mutablib

3. Malaysia Media Award 2017 (Silver Award for Best Use of Audio)
Zenith Media Sdn Bhd (Petronas)

Primeworks and MPTN won 2 major awards at the Anugerah Kewartawanan MPI-Petronas 2016

AWARDS & RECOGNITIONS 2017

V PRIMEWORKS STUDIOS

1. **Hadiah Wartawan Muda A. Samad Ismail**
   Hadiah Kewartawanan Malaysia MPI-Petronas 2016 (Nur Wanah Kiramli - Majalah 3)

2. **Dokumentari Video Terbaik**
   Hadiah Kewartawanan Malaysia MPI-Petronas 2016 (Majalah 3 - Najib Razak : 40 Tahun Dalam Politik)
   - Zainal Ariffin Ismail
   - Nurul Fariha On

3. **Dokumentari Video Terbaik**
   Hadiah Kewartawanan Malaysia MPI-Petronas 2016 (Saguhati) (Majalah 3 – Wira Wira Dasar Laut)
   - Abdullah Sidek Majin

Jordan Voon and Karena Teo won best actor and best actress at the Golden Awards 2017

4. **Dokumentari Video Terbaik**
   Hadiah Kewartawanan Malaysia MPI-Petronas 2016 (Saguhati) (Majalah 3 – Berakhirnya Penantian Dakota)
   - Mohd Izzul Iswat
   - Nurul Fariha On

5. **Mob-Ex Awards 2017 (*EJEN ALI*)**
   a. MATA Training Academy
      i. Best App – Creativity (Gold)
      ii. Best App – Media Owner (Gold)
      iii. Best App – Tablets (Gold)
   b. Emergency
      i. Best App – Games & Entertainment (Gold)
      ii. Best App – Tablets (Bronze)

6. **Anugerah PROFIMA 2017**
   a. Best Documentary: **A New Journey** - Season 4-Metropolitan TV/8TV
   b. Best Editing: **A New Journey** - Season 4-Metropolitan TV/8TV
   c. Best MCP: **I Wanna Be A Model** : 2016 Grand Finals-Metropolitan TV/8TV
   d. Best Stuntman/Stunt Team: **Gila Baby** - Wong Choon Meng
   e. Best Prop Master: **Rock Bro** - Nasrim Fahmie Mohd Nasir
   f. Best Make Up : **Rock Bro** - Mohamad Khalil Md Yusof
   g. Best Costume Design: **Rock Bro** - Norbiana Nordin Ahmad
   h. Best Cinematography: **Girlfriend Kontrak** - Wan Chun Hung
   i. Best Assistant Camera: **Girlfriend Kontrak** - Lesly Leon Lee
   j. Best Key Grip: **Gila Baby** - Amirudin Shan
   K. Best Audio: **Rock Bro** - Mohd Rashid Othman
   L. Best Gaffer: **Girlfriend Kontrak** - Wong Kim Leong
   M. Anugerah Khas Juri : (Film) **Rembat** - Shamyl Othman Hafsham
   N. Best Editing : **Persona** - Chow Yee Kun
   O. Best Director : **The Precedents** - Kok Tzyy Haw

VI BIG TREE

1. **Spark Awards for Media Excellence 2017**
   - Most Innovative Technology (Bronze)
   - Best Launch/Re-Launch by a Media Owner (Bronze)

2. **OOH Media Company of the Year**
   - Advertising + Marketing Magazine Malaysia

Big Tree was announced as OOH Media Company of the year by Advertising & Marketing Magazine Malaysia

VII MPD

1. **Mob-Ex Awards 2017**
   1. Best App – Media Owner (Gold)
   2. Best App – Games/Entertainment (Bronze)
   3. Best App – Creativity (Gold)
   4. Best Campaign – Tablets (Gold)
   5. Best App – Games/Entertainment (Gold)
   6. Best Campaign – Tablets (Bronze)

MPD won 4 Gold and 2 Bronze at Mob-Ex Awards 2017

GROUP CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

IT IS MY PLEASURE AND PRIVILEGE TO PRESENT MEDIA PRIMA BERHAD'S ("MEDIA PRIMA" OR THE "GROUP") ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017.

GROUP CHAIRMAN'S STATEMENT

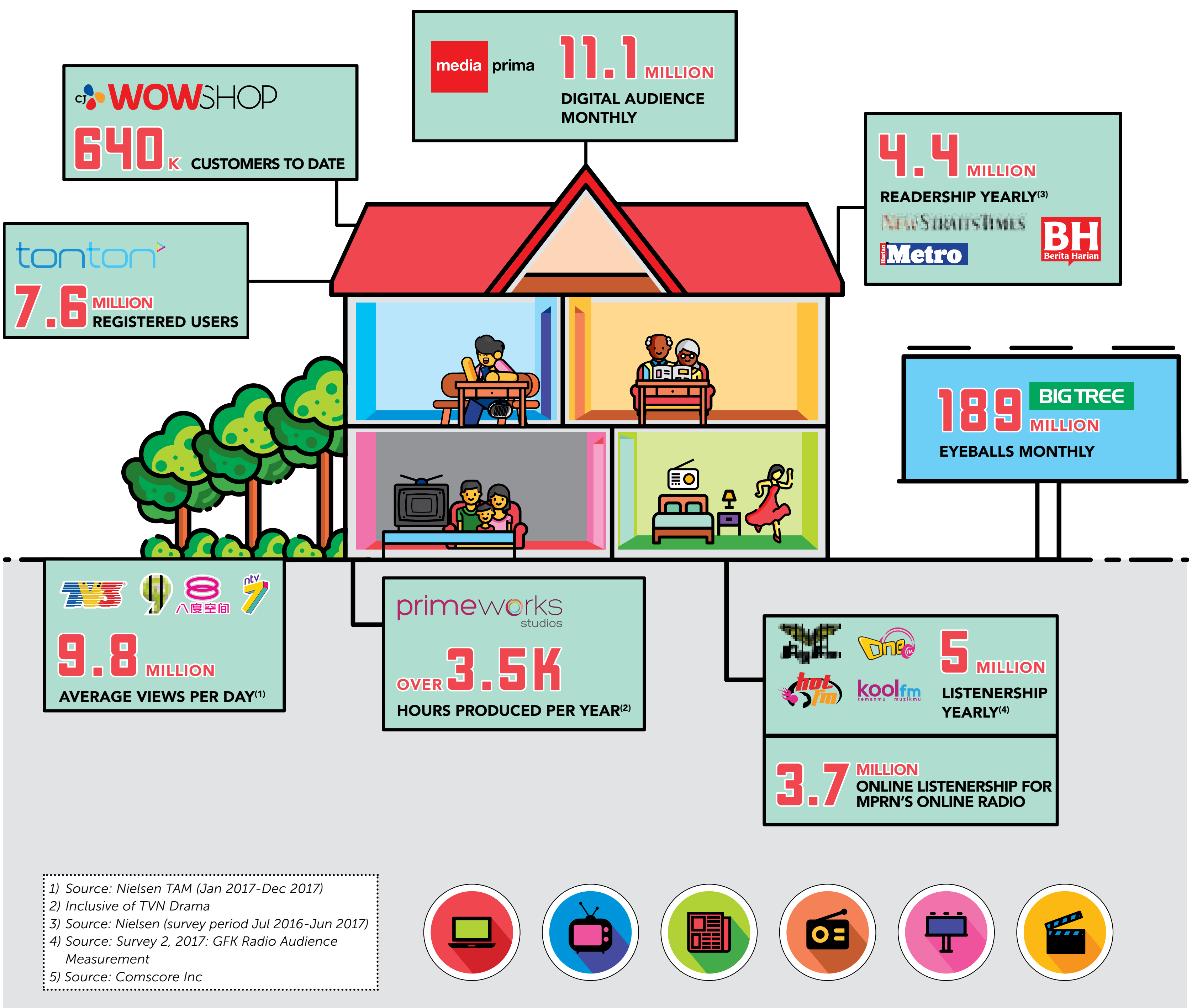
INDUSTRY TRENDS

2017 was a challenging year for the media industry in Malaysia, as unfavourable domestic and global economic conditions led to weak consumer sentiment and lower advertising expenditure ("adex"). According to the Malaysian Institute of Economic Research, Consumer Sentiment Index closed at 82.6 points in the fourth quarter of 2017, well below the optimism threshold as consumers remained cautious with their spending due to rising costs of living. Nielsen's latest report shows that the total adex for 2017 declined by 14% compared to the previous year.

Concurrent with the economic conditions, our industry was also affected by changes in consumer preferences for all things digital. This includes demand for digital content which impacted traditional media platforms significantly. The decline in newspaper circulation globally reflects how the industry has changed as consumers switch to online news portals for information. Similarly, in broadcasting, the rising penetration of high-speed internet and affordable data plans offered by telecommunications companies expedited consumer migration towards digital video consumption.

These significant changes resulted in a 15% digital advertising revenue growth in Malaysia, benefitting media companies that have strong digital reach. Radio and Out-of-Home Advertising ("OOH") continued to register revenue growth in 2017. For Radio, growth was aided by the medium's popularity among consumers. According to GFK Radio Audience Measurement, listenership and time spent listening in Malaysia remained relatively unchanged for the year. Meanwhile, the global market for OOH is projected to improve further, driven by the increasing popularity of digital advertisement screens in this segment. Asia-Pacific represents the largest and fastest growing market worldwide driven by the growing urban population, increase in time spent outdoors by consumers, the growing number of malls, airport and metro rail networks.

MEDIA PRIMA REACH



1) Source: Nielsen TAM (Jan 2017-Dec 2017)
2) Inclusive of TVN Drama
3) Source: Nielsen (survey period Jul 2016-Jun 2017)
4) Source: Survey 2, 2017: GFK Radio Audience Measurement
5) Source: Comscore Inc

GROUP CHAIRMAN'S STATEMENT

NEW HORIZONS

Two years ago, the Group launched several business initiatives aimed at generating new revenue streams by capitalising on the increased demand for e-commerce and digital content among consumers. These include the launch of our home shopping service, CJ Wow Shop, the revamp of our popular over-the-top ("OTT") service, tonton, and a strong foray into the digital publishing segment with the acquisition of Rev Asia Holdings Sdn Bhd.

We also launched consumer-based digital applications such as *FullAMark* (online education portal), *Ais Kacang* (podcast platform) and mobile applications targeted directly at consumers. Media Prima also expanded into new markets through the distribution of content abroad across multiple platforms. The potential to generate new revenue from content sales is tremendous. For instance, our popular animated series, *Ejen Ali,* was sold to over 45 countries and growing while our locally produced content has attracted the likes of Disney, Nickelodeon India and Netflix.

We are encouraged by the performance and potential of our new business initiatives. Media Prima's total digital and commerce revenue recorded a 5-year compound annual growth rate ("CAGR") of 69%. Our home shopping and OTT service doubled their sales compared to the previous year while income from digital advertising increased by 138% propelled by aggressive digitalisation efforts across all our media platforms. The new revenue generated helped cushion the impact of the decline in traditional advertising income.

Media Prima has implemented measures to improve cost structures and increase operational efficiency. The cost management measures which began in 2014 are still in place. Difficult decisions were made, which includes the closure of our newspaper production plants and the scale down of the Group's workforce. We also revamped our organisational structure with the aim of 'doing more with less' and this was made possible with the increased utilisation of better technologies.

We will stay the course with regards to our business transformation efforts. The strategy for your company moving forward is to grow our commerce and non-advertising revenue, monetisation of digital initiatives and expansion into new markets while maintaining our dominant positions in traditional media.

The year 2017 saw Media Prima adopt a new vision statement – to be the leading digital-first content and commerce company – which better reflects the Group's business strategies moving forward. Our vision is to enrich lives by informing, entertaining and engaging across all media. In-depth details of our transformation plan will be outlined in the Group Managing Director's statement of this annual report.

FINANCIAL RESULTS

Media Prima's revenue for the financial year declined by 7% against the previous corresponding financial year, attributed to lower advertising and newspaper sales as consumers increasingly shift to digital media. The Group recorded a Loss After Tax ("LAT") of RM669.7 million against a LAT of RM69.8 million in the corresponding year. This is mainly due to impairments and scaling down of workforce in line with the Group's direction and focus to become a digital-first content and commerce company. If these were excluded, the Group would post a lower LAT of RM172.3 million.

tonton - the popular OTT service which has over 7.6 million registered users to date and continues to grow by 15,000 users weekly

GROUP CHAIRMAN'S STATEMENT

DELIVERING PURPOSE

For over a century, we played an essential role in providing society with the latest news that impacts their lives. At Media Prima, this is a responsibility that we take very seriously and with our many media platforms available, we remain the essential source for consumers to get accurate information.

TV3's Buletin Utama is still the number one prime-time news programme in the country with an audience reach of over two million people daily. Similarly, the online versions of our newspaper brands, New Straits Times, BH and Harian Metro, record an average of 15.2 million monthly unique visitors. In entertainment, we remain the number one choice for consumers as we provide the best content on all platforms. We will continue to invest sensibly in content that is compelling and relevant to our audience.

The nature of Media Prima's business has enabled your company to build a strong bond with the communities we serve. It is the foundation on which we base our Corporate Responsibility efforts. We utilise our media platforms to raise awareness on the hardships faced by the community.

Through generous public donations to the Media Prima Humanitarian Fund, we help people who require assistance for medical treatment, victims of poverty and those affected by natural disasters. More than 50 people have received financial assistance for medical treatment while over 1,580 families affected by natural disasters received financial aid. The fund is tightly governed to ensure it is delivered to the intended cause or individuals. Details of the various programmes are highlighted in the Donor's Report on Media Prima's website.

CORPORATE GOVERNANCE

Moving forward, Media Prima will continue to make strategic and prudent investments that add value for the Group. Proper check and balance mechanisms are in place to ensure that your company only commits to risks and investments that are commensurate to the potential returns and benefits that would accrue. To do this, the Board ensured that the Risk Management Committee refined the risk management framework to be more holistic and quantifies impacts clearly while our Audit Committee ensures solid and ethical business practices are constantly adhered to. Both committees report directly to the Board of Directors. These sound practices were recognised by the UK-based Ethical Boardroom journal when it awarded "Best Corporate Governance (Media Category) – Asia" to Media Prima in November 2017.

OUR HOME SHOPPING AND OTT SERVICE DOUBLED THEIR SALES COMPARED TO THE PREVIOUS YEAR WHILE INCOME FROM DIGITAL ADVERTISING INCREASED BY 138% PROPELLED BY AGGRESSIVE DIGITALISATION EFFORTS ACROSS ALL OUR MEDIA PLATFORMS

IN GRATITUDE

On behalf of the Board of Directors and Management of Media Prima, I would like to take this opportunity to express the deepest gratitude to my predecessor, Datuk Seri FD Iskandar. During his tenure as Chairman and Board member, he contributed greatly to Media Prima's success as the leading integrated media company in Malaysia. I would also like to thank Dato' Sri Amrin Awaluddin, our former Group Managing Director who served with distinction in various capacities for 16 years. The Board wishes them well in their future endeavours.

My sincere appreciation to the Board members for their invaluable support and guidance. I would like to thank the Senior Management team of Media Prima led by our Group Managing Director, Datuk Kamal bin Khalid. I wish to express gratitude to all employees for their contributions and I trust we will continue to intensify our efforts to realise our vision as the leading digital-first content and commerce company.

Many thanks must also be recorded to the Ministry of Communications and Multimedia, the Malaysian Communications and Multimedia Commission, Government Ministries, Regulatory Bodies and agencies that Media Prima works closely with throughout the year.

Thank you to all our shareholders, clients and business partners for your continued support of Media Prima.

Tan Sri Ismee bin Haji Ismail
Group Chairman

GROUP MANAGING DIRECTOR'S STATEMENT

DEAR SHAREHOLDERS

HISTORY IS FILLED WITH CASES OF BUSINESSES BEING DISRUPTED BY NEWER ALTERNATIVES. TYPEWRITERS ARE NOW HARDLY USED DUE TO THE WIDESPREAD RISE OF WORD PROCESSING SOFTWARE. MOBILE TELEPHONY HAS RENDERED PAYPHONES ALMOST OBSOLETE. AND DIGITAL PHOTOGRAPHY HAS CONFINED THE USE OF PHYSICAL FILM TO A SMALL, SELECT BAND OF DIEHARDS.

LATTER DAY EXAMPLES SURROUND US. RIDE-HAILING APPS HAVE BECOME POPULAR ALTERNATIVES TO CONVENTIONAL TAXI SERVICES. ONLINE HOSPITALITY BOOKING SITES PROVIDE TRAVELLERS WITH GREATER CHOICE AND FLEXIBILITY WHEN LOOKING FOR ACCOMMODATION.

GROUP MANAGING DIRECTOR'S STATEMENT – MANAGEMENT DISCUSSION AND ANALYSIS

Improvements in technology, connectivity and humankind's boundless capacity for innovation will continue to shape and change the way we consume and behave. The tide of advancement will continue to proliferate and disrupt.

Our industry thus currently finds itself in the middle of a disruptive whirlwind. Specifically, broadband connectivity has become cheaper and more accessible; and devices have become more powerful and more affordable. These factors have combined to increase media consumption online and through mobile devices. Consumers expect content to be available on demand regardless of time and location. These are changes that have radically altered the landscape in which we operate.

As a consequence, competition for attention and advertising revenue has become highly fragmented and atomised. And it follows that our business model required updating.

Your company identified these headwinds in 2014 and this past year, we accelerated our transformation programme, with a view to becoming a media organisation better equipped to capitalise on the opportunities and confront the challenges of the digital world.

Our results show we have not managed to fully escape the effects of disruption. But we are cautiously encouraged by the early fruits of our efforts and we are taking the opportunity to make the necessary changes and deal with legacy assets and practices so that we can live up to our vision of being a leading digital-first content and commerce company.

Our transformation programme is named Odyssey, a reference to our journey to bring about growth and deliver value to our shareholders. This year's Annual Report will provide you with an insight of what we have achieved thus far.

OUR ODYSSEY

Odyssey will deliver three important targets. Firstly, to increase revenue contributions from commerce and non-advertising sources. Secondly, to generate income from digital initiatives and thirdly, to expand our revenue source beyond Malaysia.

Growing Commerce and Non-advertising Revenue

Our business model traditionally entails monetising our massive audience through advertising revenue. We have further leveraged this strength to grow a new revenue stream by capitalising on the growing demand for home and online shopping. We launched our home shopping business CJ Wow Shop in 2016, and in less than two years, it has managed to build a customer base of 640,000. Today, it is a significant contributor to Media Prima's revenue, with total sales of over RM129.6 million in 2017. We are greatly encouraged by this early success and will be allocating more broadcast hours for CJ Wow Shop programming.

Media Prima Radio Networks ("MPRN") has also explored e-commerce opportunities by introducing Superdeals in 2017. This service enables MPRN to function as a virtual storefront where clients can advertise their products through the official websites of Fly FM, Hot FM, One FM and Kool FM. Merchants would be able to optimise sales by riding on the popularity of the digital and social media platforms of the four radio stations.

Combined Video Views on Tonton Online and Mobile

Rank	Programmes	Video Views	Channel
1.	*Titian Cinta*	211,226	TV3
2.	*Lelaki itu Pemilik Hatiku*	92,016	TV3
3.	*Dekatkan Jarak Kita*	91,081	TV3
4.	*Naagin*	73,451	TV3
5.	*Ejen Ali (Season 2)*	67,101	TV3
6.	*Kelip-Kelip Di Kota London*	35,303	tonton
7.	*Goblin*	26,931	八度空间
8.	*Growth Behind The Sun*	26,689	八度空间
9.	*Ejen Ali*	21,233	TV3
10.	*Muzium Misteri*	18,776	TV3

CJ WOWSHOP	Q4'17	Q3'17
Total quantity of item sold	216,182	185,233
Total new customer	107,608	94,552
Total new Stock-Keeping Unit ("SKU")	60	42

GROUP MANAGING DIRECTOR'S STATEMENT – MANAGEMENT DISCUSSION AND ANALYSIS

Rev Asia Holdings' Brands

We have generated new income through consumer subscription services. Subscription revenue from our over-the-top ("OTT") service, tonton, increased by more than 100% compared to the previous year. It currently has over 7.6 million registered users, and clearly leads the crowded OTT market in Malaysia based on active usage in 2017, recording an 84% increase in hours watched and a 104% increase in average watch time. Media Prima Television Networks ("MPTN") will continue to grow the service by investing in new content offerings and continuously enhancing the user experience.

Another consumer subscription-based service that is gaining traction is our education portal *FullAMark*. We have a long history of providing effective educational tools for schoolchildren to prepare for major examinations via our newspaper publications. Banking on our strength in educational content, we launched *FullAMark* in 2016. We are pleased to report that this service has recorded over 5,000 subscribers, achieving double-digit growth in revenue compared to the previous year.

Also central to Odyssey is the generation of non-advertising based revenue in areas like intellectual properties and mobile applications. Over the years, MPTN and Primeworks Studios ("PWS") have developed programmes that are firmly entrenched in the hearts and minds of Malaysian consumers. Titles such as *Anugerah Juara Lagu, Jalan-Jalan Cari Makan, Jejak Rasul* and *Majalah 3* remain popular while newer titles like *Ejen Ali, Mentor, Mak Cun, Da'i* and *Clever Girl* have joined their ranks as modern pop culture icons. We have started to optimise the value of these properties by creating extensions such as mobile applications and by creating consumer merchandise product lines.

> **WE ARE CONTINUOUSLY ENCOURAGED BY THE EARLY FRUITS OF OUR EFFORTS AND WE ARE TAKING THE OPPORTUNITY TO MAKE THE NECESSARY CHANGES AND DEAL WITH LEGACY ASSETS AND PRACTICES SO THAT WE CAN LIVE UP TO OUR VISION OF BEING A LEADING-DIGITAL FIRST CONTENT AND COMMERCE COMPANY**

Digital Initiatives

As a media company, we go where the audience is and increasingly, audiences are consuming digital content. Your company has therefore implemented a 'digital-first' model across all our media platforms. This has enabled The New Straits Times Press (Malaysia) Berhad ("NSTP") to increase its digital revenue by over 100%. NSTP's online news portals enjoy a large following, with Harian Metro ranked the number one in Malaysia based on average unique visitors per month. BH ("Berita Harian") followed at number two. We also took the bold step to go fully digital in Sabah and Sarawak, a move that has enabled us to offer customised content for the two states.

We clearly signalled our ambition to be the country's leading digital publisher with the acquisition of Rev Asia Holdings Sdn Bhd ("Rev Asia Holdings") in August 2017. The purchase of Malaysia's highly successful digital media company has enabled Media Prima to include established online portals such as *Says.com*, *Juice*, *OhBulan!*, *Rojaklah* and *Siraplimau* under our portfolio. The acquisition builds on NSTP's strong digital presence and extended our digital reach to over 10.2 million a month – the third highest in Malaysia, behind only Google and Facebook.

MPRN further augmented its already strong digital presence with the launch of *Ais Kacang*, a podcast platform that features thematic talk segments that listeners can stream digitally. Via *Ais Kacang*, listeners can listen to original programming content with 30 different weekly podcasts in Malay, English and Chinese.

Finally, to tie all of our digital efforts together, we created an initiative called audience+: a service launched by Media Prima Digital ("MPD") to provide solutions for advertisers who aim to reach their specific target segments using the rich data mined from across our digital properties. Advertisers can thus use a digital marketing tool that utilises high quality data and importantly, is brand safe.

Beyond Malaysia

Our content production arm, PWS, is at the forefront of our regional expansion efforts. PWS has achieved success in the production and distribution of local content to markets outside Malaysia. Our clients include local and regional broadcasters, OTT service providers and airline companies acquiring content for their in-flight entertainment service. Last year, PWS sold over 400 hours of Malay and Chinese content to Netflix, the leading OTT service provider in the world. Other notable achievements include the distribution of *Ejen Ali*, an animated cartoon series produced by PWS and WAU Animation, to over 45 countries.

Our strategy to go beyond Malaysia also involves tonton. We extended the popular OTT service to Singapore and Brunei through our collaboration with Singtel Telecommunications Limited and Datastream Technology Sdn Bhd. MPTN plans to further expand tonton into new markets in the region.

STRENGTHENING OUR CORE

While we are steadfast in our commitment to expand our digital reach, our traditional media platforms are expected to deliver substantial revenue contributions to the Group. Traditional media still offers unparalleled reach to a mass audience and as such, will remain attractive to advertisers. We have reinforced our traditional core businesses further with our efforts centred on managing the changing patterns in newspaper circulation, strengthening broadcast leadership and growing yield in our Out-of-Home ("OOH") business.

Given the increasing demand for digital news content, we made a conscious decision to selectively scale back our printed newspaper operations. While circulation for New Straits Times ("NST") and BH increased by 24% and 0.3% respectively, we anticipate that circulation numbers will at best stabilise. Conversely, the number of unique visitors to our online news portals have increased exponentially and is expected to grow. The monthly average unique visitors for NSTP's news portals grew from 10 million in 2016 to 15.2 million in 2017. The e-paper circulation for the three dailies also recorded double digit-growth.

In broadcasting, MPTN maintained its dominant position in Malaysia where our four television channels command a combined viewership share of 34.2% across all free-to-air and pay television channels. Our stations dominated the top 30 programmes for the year, a reflection of our ability to provide compelling content that Malaysian audiences want to watch. We will continue to concentrate on producing quality programming, while making efforts to cater to younger audiences. For example, we have introduced e-sports content via a combination of television broadcasts, ground activation and social media extensions. Early results have been encouraging, so we will be allocating more resources in this area.

In radio, we remain hugely popular among urban listeners. Hot FM led the way with over 2.9 million listeners daily, followed Fly FM (850,000 listeners), One FM (816,000 listeners) and Kool FM (453,000 listeners). MPRN's ability to combine its radio broadcasts with digital media engagement has enabled them to generate a strong following among the younger audience.

In OOH advertising, our subsidiary Big Tree, continues to lead the market with its dominant share of 44%. Big Tree has expanded its OOH inventory through the rollout of new advertising assets under the Mass Rapid Transit ("MRT") and Light Rapid Transit concessions secured in 2016. It also rolled out new digital advertising screens under the Cubig brand in USJ, LDP highway and a total of 10 digital screens along the MRT line in Taman Tun Dr Ismail. Big Tree is also significantly investing in new billboard designs and technologies, a move that has enabled us to stay ahead of our competitors. The new digital screens and non-conventional billboards are central to Big Tree's growth moving forward as they will provide higher yields compared to traditional OOH assets.

Ejen Ali, an animated cartoon series produced by PWS and Wau Animation was sold to over 45 countries

THE MONTHLY AVERAGE UNIQUE VISITORS FOR NSTP'S NEWS PORTALS GREW FROM 10 MILLION IN 2016 TO 15.2 MILLION IN 2017. THE E-PAPER CIRCULATION FOR THE THREE DAILIES ALSO RECORDED DOUBLE DIGIT-GROWTH.

In OOH advertising, our subsidiary Big Tree, continues to lead the market with its dominant share of 44%

New Straits Times	BH Online	Metro
8.0 MILLION MONTHLY AVERAGE PAGE VIEWS	38.1 MILLION MONTHLY AVERAGE PAGE VIEWS	76.8 MILLION MONTHLY AVERAGE PAGE VIEWS
2.6 MILLION MONTHLY AVERAGE UNIQUE VISITORS	7.3 MILLION MONTHLY AVERAGE UNIQUE VISITORS	10.4 MILLION MONTHLY AVERAGE UNIQUE VISITORS

TRANSFORMATION ENABLERS

Another key component of our transformation strategy is the reorganisation of our business operations and development of the 'digital first' mind set among our workforce. Central to this is Media Prima's organisation restructuring, continuous process improvements and human capital development. We will continue to improve our internal processes and manage resources with greater efficiency. We also executed a workforce rightsizing exercise in October through our #terimakasih mutual separation scheme, allowing us to optimise and channel our human capital resources towards crucial growth areas like digital and commerce. Finally, we invested significantly in providing adequate training and developing the right talents to support our new business objectives.

OUR PROGRESS

We are happy to report that we have made positive headways in our efforts. Commerce and Non-Advertising Revenue, and Digital Revenue contributed 20% and 3% respectively to Media Prima's total revenue for 2017. Our total digital and commerce revenue increased by 69% in the last five years.

MOVING FORWARD

The business of media is largely dependent on reach and the ability to effectively monetise that reach. Digital disruption has affected our business model but the progress that we have made to date on our new initiatives instil us with a confidence in Media Prima's future. We have taken the painful decision to reorient the Company by shedding legacy resources and investing in areas we believe can provide a platform for us to move forward.

On a personal note, I am genuinely humbled to be given the opportunity to continue the work of my predecessor Dato' Sri Amrin Awaluddin and our previous CFO, Encik Mohd Ariff Ibrahim who laid the foundations for our transformation. I am deeply grateful to the Board of Directors and shareholders for the trust you have placed in the senior leadership team of Media Prima. We look forward to your continued support.

Datuk Kamal bin Khalid
Group Managing Director

GROUP MANAGING DIRECTOR'S STATEMENT – MANAGEMENT DISCUSSION AND ANALYSIS

PLATFORMS	AMONG 2017 INITIATIVES	RESULTS/STATUS
Media Prima Television Networks ("MPTN") • TV3 • ntv7 • 8TV • TV9 • CJ Wow Shop • tonton	Strengthen MPTN's digital assets and reach	• tonton expanded to Singapore and Brunei through smart partnerships with Singtel and DST respectively • Revenue from tonton increased by 38% • tonton remains Malaysia's top OTT service provider and has over 7.6 million registered users
	Increase commerce revenue	• CJ Wow Shop grew its customer base to 640,000 shoppers and total sales of RM130 million • Capitalised on the strong following of MPTN's programmes such as *Mak Cun* and *Da'i* through licensing and merchandising
	Solidify position as the most watched broadcasting network across multiple platforms	• MPTN channels commands an overall audience share of 34.2% • The top 30 programmes with the highest viewership in 2017 were on MPTN channels
The New Straits Times Press (Malaysia) Berhad ("NSTP") • New Straits Times • Harian Metro • BH • *FullAMark*	Implement digital-first strategies for NSTP news brands	• Harian Metro and BH are Malaysia's top online news portals with 4.7 million and 3.9 million monthly unique visitors respectively • NSTP stopped print circulation in Sabah and Sarawak; thus only digital publications available there
	Capitalise on demand for digital products	• Education portal *FullAMark* reached over 5,000 subscribers with a 52% conversion rate from registered to paid users
	ePaper strategic partnerships	• Collaboration with ATX as our distribution partner at retail points, covering more than 10,000 outlets and agents nationwide • Consumers can now purchase ePaper via prepaid vouchers directly from cash terminals
	Continuous consumer engagement with programmes like Spell-It-Right competition and the MyRumah exhibition	• A new online spelling format and mobile application were introduced for 2017 Spell-It-Right Challenge • MyRumah reached out to 15,000 visitors in 2017 and recorded over RM60 million in transactions
Media Prima Radio Networks ("MPRN") • Hot FM • One FM • Fly FM • Kool FM • *Ais Kacang*	Expand MPRN's digital assets and reach	• Launch of *Ais Kacang* podcast platform which can be accessed online and on mobile
	Consolidate MPRN's offerings to clients	• Launch of Radio+, a service designed to enhance value via three pillars: Radio+ Talent, Radio+ Activation and Radio+ Digital
	Expand revenue stream to commerce	• SuperDeals was launched as MPRN's first e-commerce platform
	Built-up intellectual properties	• Roll out of new "icons" for all radio stations
Out-Of-Home • Big Tree	Growth through product innovation	• Introduction of first digital format as part of the suite of Premium Street Furniture on Jalan Damansara, TTDI • Rejuvenated tunnel crossing connecting KLCC LRT Station to Suria KLCC achieved 100% occupancy throughout 2017
	Expand reach and secure dominant market position	• Acquired the new sites along the the Besraya Expressway Extension that serves as the main link for KL City Centre to Kajang, Putrajaya, Cyberjaya and Seremban
	Drive intelligence in OOH landscape	• Big Tree commissioned IPSOS, a reputable third party organisation to research the strength of OOH advertising
Content Creation • Primeworks Studios Sdn Bhd ("PWS")	Expand distribution rights	• Secured deals with Netflix which bought over 400 hours of content from PWS • *Ejen Ali* was sold to over 45 countries
	Strategic collaborations to build PWS brand beyond Malaysia	• Collaborated with Japan's Nippon Television Network Corporation to co-produce *Ho Chak! Japan* • Collaboration with Seoul Metropolitan Government to produce *Jalan-Jalan Cari Makan* in South Korea
	Expand intellectual properties	• Opportunities through licensing and merchandising of *Ejen Ali* through corporate partnerships with AirAsia and Mamee Biskidz
	Solidify position as Malaysia's top production house	• *J Revolusi* was released in 122 cinemas in Malaysia, Singapore and Brunei; generated RM7.2 million in box office sales making it the third highest Malaysian grossing movie in 2017
Digital Media • Media Prima Digital ("MPD") • MP Labs • Rev Asia Holdings	Acquisition of Rev Asia Holdings	• Media Prima ranked third in Malaysia behind Google and Facebook in digital reach
	Generate new revenue through extending Media Prima's intellectual properties into mobile apps	• Mobile games and apps reached more than 4 million downloads
	Generate more revenue from digital advertising	• audience+ allows marketers to create target audiences based on a combination of in-depth first party and third-party audience data
	Establish presence in Malaysia's gaming community	• Launch of *MyGameOn* in November 2017 reached over 300,000 unique visitors

REVIEW OF OPERATIONS

More Than
JUST TV

TV AUDIENCE SHARE

20.8%	5.5%	3.1%	4.8%
Sistem Televisyen Malaysia Berhad	Metropolitan TV Sdn Bhd	Natseven TV Sdn Bhd	CH-9 Media Sdn Bhd

640 THOUSAND WOWSHOP Shoppers	7.6 MILLION tonton Users
MP CJ O Sdn Bhd	tonton

Source: Nielsen Audience Measurement

REVIEW OF OPERATIONS

TV3's Anugerah Juara Lagu, an exciting extravaganza of hit songs, remains the top live entertainment programme among FTA television channels

ANUGERAH JUARA LAGU 31 CAPTURED OVER 6 MILLION VIEWERS, ATTAINING A MARKET SHARE OF 51.2% AS OPPOSED TO OTHER TV STATIONS IN MALAYSIA. ON TONTON, A TOTAL OF 150,000 VIEWERS LIVE STREAMED THE AWARD CEREMONY IN HD

The growing competition for audiences is impacting broadcasters globally. The media industry in Malaysia is as fragmented as ever as consumers, especially the younger audience, gravitate towards digital content encouraged by the availability of affordable data plans and mobile devices. Often referred to as digital disruptors, the increasingly fragmented nature of our industry affected our audience share and advertising revenue. The growth in digital advertising to the realities faced by traditional broadcasters today.

The fragmentation impacted Media Prima Television Networks ("MPTN"). Compounded by the lukewarm consumer sentiments experienced over the last three years, our revenue dropped by 18% on the back of lower advertising expenditure. Nonetheless, our results were helped by income generated from our new business initiatives under the Group Odyssey transformation plan. We are encouraged by the growth in revenue for CJ Wow Shop (>100%) and tonton (>620%) compared to the year before.

Television's Odyssey

Odyssey initiatives for television include home shopping, over-the-top ("OTT"), and intellectual properties licensing and merchandising initiatives. Though all the new businesses are still in gestation period, the significant results indicate that they will continue to contribute revenue for MPTN.

In 2016, we launched our home shopping business CJ Wow Shop, a strategy aimed at generating new income while capitalising on our current available infrastructure and proven expertise in television broadcasting and digital media. CJ Wow Shop, a joint venture initiative with South Korea's home shopping giant CJ O Shopping, has been a major success for MPTN, generating more than RM130 million in revenue and building a customer base of over 640,000 shoppers. The home shopping programmes are available on all four of MPTN's channels in both Bahasa Malaysia and Mandarin.

Two years ago we relaunched our hugely popular OTT platform, tonton, which today, is a combination of a full-fledged video on demand subscriber platform and advertising based streaming platform attracting users in search of quality local and regional content. tonton currently has a user base of more than 7.6 million users that grows between 15,000-18,000 new

CJ Wow Shop generated more than RM130 million in revenue and a customer base of over 640,000 shoppers

REVIEW OF OPERATIONS

users weekly. The service has expanded its reach in 2017 and can now be accessed in Singapore and Brunei through our smart partnerships with telecommunication giants, Singtel and DST, respectively. We also partnered with Air Asia to offer tonton content inflight via Rokki – a Wi-Fi-based entertainment service offered by the airliner that reaches 1.5 million passengers monthly across 50 aircrafts.

With over 30,000 hours of content, tonton's users have consumed 11.4 million hours of content in 2017 with the engagement growing by 67% compared to previous years. The year saw us increasing our revenue by 620% compared to 2016 fuelled by our investment in quality content on the platform.

MPTN capitalised on the strong following of our programmes to promote consumer products through our licensing and merchandising initiatives. These include *Mak Cun* (clothing line and shopping mart), *Da'i* collaboration with *Siti Khadijah* (limited edition *Da'i* prayer outfits) and *Ejen Ali* combo meals on Air Asia flights. Our programmes have also been revitalised and reintroduced in the forms of mobile applications and games to cater for the demand for quality content. In partnership with our sister company, Media Prima Digital, various applications based on popular television programmes which included *Ejen Ali, Jalan-Jalan Cari Makan, Kita Juara, Syukur Selalu* and many others. The success of these applications will be detailed in Media Prima Digital's section of this annual report.

Our Strengths

The ways in which our audiences watch our content have evolved and MPTN has successfully catered for their preference. Audiences enjoy our broadcasts through the conventional terrestrial antennas and satellite/broadband pay-tv subscriptions. For consumers who prefer content online, MPTN offers the popular OTT service, tonton, and via our multichannel network on Youtube. We are proud to report that MPTN's audience reach remained strong even with the digital disruptions and audience fragmentation.

We work with some of the most talented people in Malaysia to deliver the best content across our television and digital platforms. From the on-screen personalities you see every day to the people who worked behind the scenes, we share one common objective – to keep our audience informed and entertained. For over three decades, we have delivered news and award-winning documentaries that provide intelligent and meaningful analysis of current affairs through programmes like *Buletin Utama, Soal Jawab* and *Majalah 3*. We gave our audience the best in local and international entertainment ranging from the

2-3 million visitors thronged Karnival Jom Heboh which was held at Bukit Jalil, Kedah, Melaka, Terengganu and Johor

TONTON HAS EXPANDED ITS REACH IN 2017 AND CAN NOW BE ACCESSED IN SINGAPORE AND BRUNEI THROUGH OUR SMART PARTNERSHIPS WITH TELECOMMUNICATION GIANTS, SINGTEL AND DST

tonton performance

10.2 MILLION
MONTHLY PAGE VIEWS

684 MILLION
MINUTES STREAMED

7.60 MILLION
REGISTERED USERS +15K-18K NEW USERS WEEKLY

1 MILLION
AVERAGE MONTHLY VISITS

awards and reality shows to movies and dramas featuring the biggest names in Malaysia and the World.

MPTN remains the most watched broadcasting network across multiple platforms – terrestrial, satellite and digital. MPTN's overall audience share for our four television channels combined is currently at 34.2%, leading the competition across all stations/channels available for Malaysian viewers. The top 30 programmes with the highest viewership throughout 2017 were on our television channels. Award and reality shows continued to attract large audiences with *Mentor Milenia, Anugerah Juara Lagu, Anugerah Skrin, Anugerah Bintang Popular BH and Anugerah Drama Festival Kuala Lumpur* occupying the top five spots. *Anugerah Juara Lagu* viewership peaked at six million and garnered an audience viewing share of 51% while 150,000 viewers streamed the award shows via tonton. Last year, we innovated *Anugerah Skrin* through the introduction of augmented reality technology for branding our main sponsor, Olay, during the award show. These shows evoked strong emotional responses based on the conversations amongst our six million followers on social media. The huge following of these shows attracted the biggest advertisers seeking maximum exposure of their products and services.

In sports, our live-broadcasts of the Malaysia Super League, Malaysia Cup and FA Cup continued to enjoy ratings higher than those of telecasts of English football matches. Since 2016, TV3 and TV9 have been the official free-to-air broadcaster for the country's top football games. The weekly league matches earned average reach of more than four million viewers. The FA Cup final garnered more than five million viewers while the Malaysia Cup final drew more than six million viewers.

REVIEW OF OPERATIONS

Another sports spectacular that was aired over our networks was the KL SEA Games which enjoyed a strong viewership.

Our drama slots *Akasia, Samarinda, Seramedi,* and *Lestary Drama* continued to attract large audience numbers. Exclusive titles like *Mak Cun* Season 3 (cumulative reach of 11 million viewers), *Misteri Wan Peah* (cumulative reach of 10.1 million viewers) and *Titian Cinta* (cumulative reach of 11 million viewers) were among the most followed dramas for the year. Our popular dramas are further developed into branded capsules or drama spin-offs by our advertisers such as Lipton and *Menanti Februari*, Nivea and *7 Hari Mencintaiku*, Coca-Cola and *Mak Cun*, leveraging on the popularity of the dramas and characters.

The #dramasangat Bus Tour travelled across Peninsular Malaysia to meet and greet their fans

Our dramas are not confined solely to television screens but are extended to on-ground activations such as the *#dramasangat* Bus Tour. For the third year, the *#dramasangat* Bus Tour met fans across several regions in Peninsula Malaysia where they were able to meet and greet their favourite stars. The East Coast leg of the tour saw more than 13,000 visitors over the three-day event, the Southern tour was thronged by more than 30,000 fans over the two-day event whereas the Northern recorded more than 41,000 fans over the three-day event in November 2017.

In News and Documentary, *Buletin Utama, Berita TV9*, 7 Edition News and 8TV's Mandarin news continued to be the preferred choice amongst Malaysians, based on viewership ratings in 2017. *Buletin Utama*, for instance, reaches an average of two million viewers nightly. Staple documentaries and magazine programmes like 999 and *Majalah 3* maintained its popularity, reaching an audience of above 1.7 million viewers every episode.

MPTN's Chinese content remains hugely popular among Malaysians. The reality show *I Can See Your Voice Malaysia* attained an average Chinese viewership of 494,000. The programme follows the format of the original title from CJ E&M in South Korea. In each episode, a guest artist assisted by five panellists will need to distinguish between the good singers against the imposters. A total of six mystery singers will appear in each episode and it is up to the guest artist to eliminate and reveal the last man standing of the episode.

Other shows that enjoyed high viewership include *Sing! China Season 2*. Chinese dramas and movies broadcasted on 8TV and ntv7 continued to enjoy strong following. These include *Growth Behind the Sun* (496,000 viewers), *Revolving Heart* (284,000 viewers) and *The Memoir of Majie* (353,000 viewers). 2017 also saw the return of the *Golden Awards*. Returning for the third edition, a total of 37 awards in four categories (Drama, Non-drama, Viewers' Choice Awards and Media's Choice) were given out at the awards ceremony. The biennial Golden Awards are held to recognise and honour the outstanding works of those who have contributed to the Malaysian Chinese TV industry. Broadcast live on ntv7 (603,000 viewers), the event was hosted by radio personality, host and singer Cheryl Lee; while the red carpet segment was hosted by singer-host Orange Tan and actress Emily Chan. Among those who graced the event were Hong Kong TVB artistes Ben Wong, Katy Kung, Elaine Yiu and Joyce Tang.


The Memoir Of Majie attained an average viewership of 377,000

Apart from broadcasting, our ground events continued to attract millions of visitors. *Karnival Jom Heboh* was held in several locations including Kuala Lumpur, Kedah, Melaka, Terengganu and Johor to entertain fans and allow participating advertisers to promote their products and services. Our fan engagement activities are also done through social media where we currently have over 8.9 million followers.

Branded Content Sponsorship

MPTN goes the extra mile to seek unique collaborations, develop engaging content and bring to life the most creative content with brands. We do this through a variety of formats such as product placement on our drama series (*Ketupat Rendang Brownie Coklat* with Panasonic), reality shows (*Mama Terer* with Darlie), cooking shows (*Dapur Bonda* with Coca-Cola), documentaries (*2 Negara 1 Rasa* with McDonald's), branded capsules, public service announcements and many more.

We introduced 10-minute prime time shows on TV3 which include a four-episode drama created for McCafe called *Mocha Kau Bahagia* which aired through October and November last year. The drama series garnered a 2.1 million viewership.

Moving Forward

MPTN expects that the challenges faced in the past three years will continue into 2018. Several key events like the Malaysian General Elections and 2018 FIFA World Cup will provide some respite to broadcasters. The growth of OTT platforms and increased competition from content providers across all media will provide us with stiff competition. Nonetheless, we are cautiously optimistic that the ventures in motion under the Odyssey initiative and continued investments in quality content, will enable us to continue delivering value.

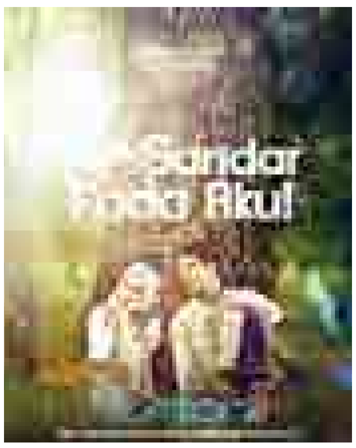
REVIEW OF OPERATIONS

tonton

A QUICK LOOK AT TONTON'S JOURNEY IN 2017

2017 TOP 10 PROGRAMMES

No	Top 10	Channel	Remark
1	*Titian Cinta*	TV3	279,851
2	*Meh, Sandar Pada Aku*	TV3	155,103
3	*Carmela*	TV3	106,836
4	*Ejen Ali*	TV3	105,833
5	*Lelaki Itu Pemilik Hatiku*	TV3	92,016
6	*Dekatkan Jarak Kita*	TV3	91,081
7	*Suamiku Paling Sweet*	TV3	87,417
8	*Naagin*	TV3	73,451
9	*Pinggan Tak Retak, Nasi Tak Dingin*	TV3	70,625
10	*Andainya Takdir*	TV3	63,293



TONTON IN NUMBERS

10.2 MILLION MONTHLY PAGE VIEWS

1 MILLION AVERAGE MONTHLY VISITS

84% INCREASE IN HOURS WATCHED

584 MILLION MINUTES STREAMED

7.60 MILLION REGISTERED USERS

104% INCREASE IN AVERAGE WATCH TIME IN 2017

REVIEW OF OPERATIONS

2017 TONTON MILESTONES

- Content Big Shout Out
- Partnership
- Technology
- Brand/Event
- Sales/Subscriptions/Numbers

- **ESL Dota 2 Championship** — 6,7,8 JAN
- **Mia Ahmad's Wedding** — 13,14,15 JAN
- **AJL31** — 22 JAN
- **HITS Channel launch** — 24 FEB
- **Partnership with GoAsean** — 7 MAR
- **1st Anniversary – Konsert #Jomtonton** — 22 APR
- **Strategic Partnership** with Google Play & Apple's App Store during Ramadan – subscription growth of over 300% — RAMADAN / RAYA 2017
- **Partnership with Singtel Singapore** Signing at APOS Bali — 27 APR
- **Singapore launch with Singtel** — 22 MAY
- **Google Play Ramadhan Campaign** — 25 MAY
- **Campaign – Singapore Celebfest** — 16,17,18 JUN
- **Campaign – RamadanRaya #driveMacamVIP** — 22,23 JUN
- **Partnership DST Brunei** Launch & Carnival — 12,13 AUG
- **International** – Content Asia Summit Conference Singapore — 6,7 SEP
- ***By My Side* the Movie** In 20 cinemas nationwide lasting for 5 weeks — 16 SEP
- **DRM implementation** – Marvel Inhumans — 29 SEP
- **Launch of Outdoor Channel Asia** — 6 OCT
- **Premier of Marvel Series** – Inhumans, Runaways and Cloak & Dagger — 8 OCT
- **Superhero 50% discount** — 1 NOV
- **International** – Tech In Asia Jakarta — 1,2 NOV
- **AirAsia ROKKI** Available on 50 aircrafts and growing with over 1.5 million potential viewers monthly — 7,8 NOV
- **Maxis campaign** 30day free trial and charge RM5 on the second month — 8 NOV
- **Campaign** – Singapore Celebfest — 11,12 NOV
- ***By My Side*** – Available in iTunes worldwide, became the #1 movie on iTunes SG & MY in the first-two weeks of release. — 8 DEC
- **#ratedxtraparty** – www. xtra.com.my portal launch / Camment partnership / EROS NOW launch / Dimsum partnership / TM partnership — 8 DEC
- **Total VIP subscriptions sold – 131,018** — 2017
- **Total hours consumed – 11,401,576** growth of over 300% — 2017
- **Total registered users - 7.6 million** — 2017

REVIEW OF OPERATIONS

TRANSFORMING

OUR PRINT BUSINESS

The year 2017 marked another interesting chapter in the rich history of The New Straits Times Press (Malaysia) Berhad ("NSTP"). While embarking aggressively into the digital realm as a response to the challenges facing the print industry worldwide, the year in particular saw several radical or landmark steps taken.

In line with the Group's Odyssey transformation plan which is to be the leading digital-first content and commerce company, NSTP focussed on three main pillars as a way to ensure synergy between protecting its traditional business and growing new revenue streams, and remain relevant within this digital age.

Being the Market Leader in Digital Publishing

With an eye on expanding its digital reach within the nation's ever-growing population, NSTP has undertaken several key changes within its editorial offerings. Foremost on the agenda is the integration of the traditional newsroom into a more fluid and dynamic news gathering engine.

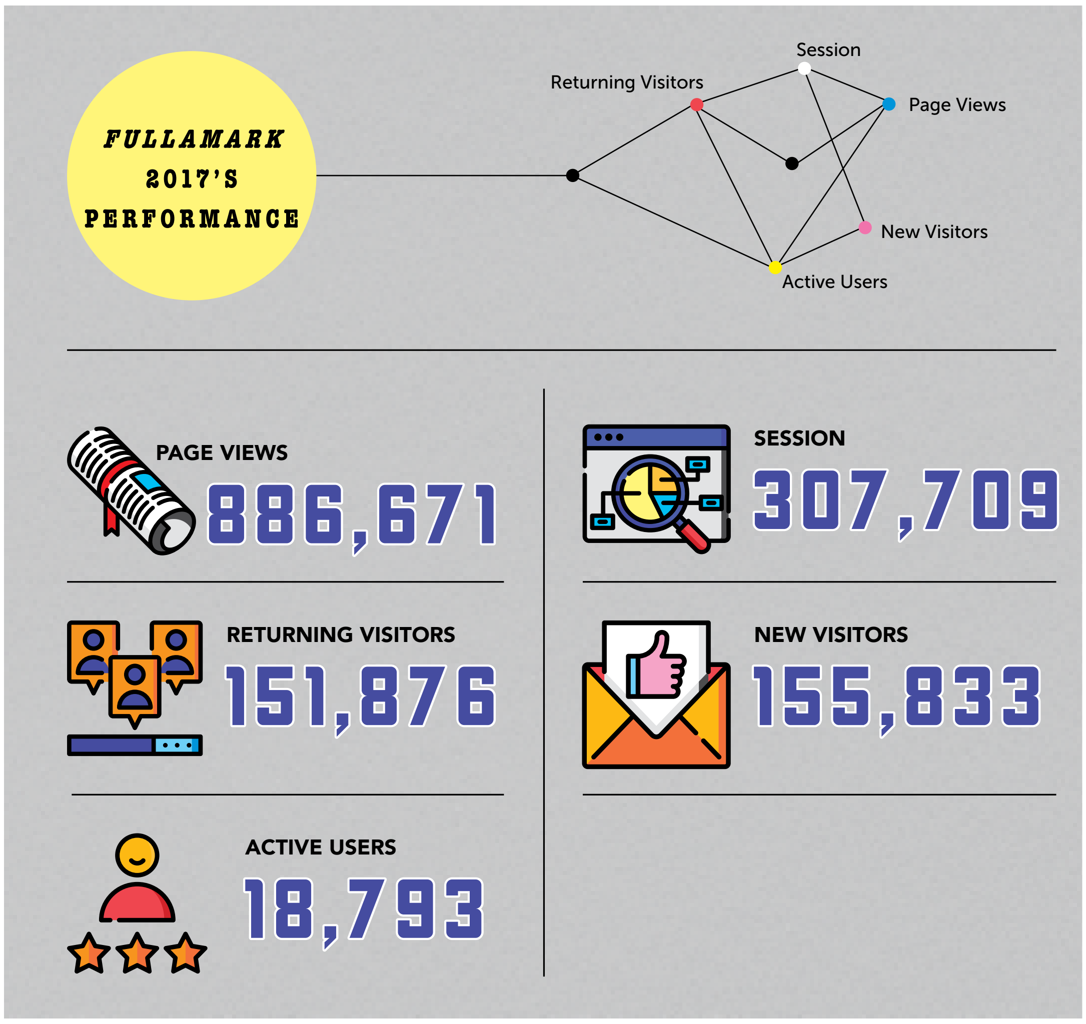
Starting with the integration of Sports Desks in conjunction with the 29th Southeast Asian Games (SEA Games) in Kuala Lumpur in August 2017, the idea is not just meant as a cost-saving exercise but more as a way to increase NSTP's content output and delivery by optimising all of its available resources. With the successful implementation of the first phase with Sports Desk, other desks are expected to follow suit.

Another key change within editorial came in the form of new content verticals, an idea which came about from the merger of editorial content teams with product development and brand management, with Education and Lifestyle verticals becoming the first two to be established. These content verticals were introduced to meet the new business landscape, offering new value added alternatives and customer-centric approach.

The appeal of online videos within today's communication strategy cannot be ignored. Taking cue from the massive popularity of

REVIEW OF OPERATIONS


Harian Metro launched a new mobile application called "Metro TV", in an association with Media Prima Labs ("MP Labs")



online videos these days, NSTP increased its online video offerings with the introduction of several key initiatives. Foremost is the revamp of New Straits Times ("NST") Digital on 1 March last year by focussing heavily on video offerings and prioritising the speedy breaking of news content on its website and social media platforms.

This is in addition to the launch of the *Metro TV app* in May 2017, as a way to enable followers of the tabloid newspaper to catch live news coverage directly from their mobile devices; as well as the introduction of five new live shows on Harian Metro's ("HM") Facebook page. The five new programmes, which are *Cuit Sikit, 5 Kebaboom, Cik Pang*, *Akustika* and *Apa Kata*, cover everything from entertainment, news and gossip, to public feedback and live music online.

Cutting-edge digital elements were also successfully infused within NSTP's ever-popular annual programmes and events. A new online spelling format and a mobile application were introduced in the 2017 RHB-New Straits Times National Spell-It-Right ("SIR") Challenge, enabling the nationwide spelling competition to reach an even wider audience and make it easier for primary and secondary students to enter.

The same digital approach was adopted for the 2017 *Anugerah Bintang Popular BH* ("ABPBH") when it introduced a 100% online voting system for the fans. The futuristic concept to further embrace digital technology in ABPBH 3.0 saw significant potential when the 30-year old award show registered an increase of over 71% in engagement on ABPBH's microsite, as compared with last year's event. Audiences for the show's live streaming online also increased by over 63%, with total engagements for all digital platforms reaching well over 14 million for the single event.

Another of NSTP's digital products given full focus in 2017 was *FullAMark*, an exam-based interactive e-learning portal designed to facilitate the learning process outside the classroom. The app registered exceptional performance throughout 2017, recording over 52% conversion rate from free to paid subscribers - a significant increase from a 15% conversion rate in 2016. This is in addition to the app registering a 67% subscription growth in 2017, as well as a growth in total revenue that surpasses that of the previous year by over 190%.

As a whole, NSTP's firm manoeuvre within the digital realm has contributed positively to the company's aim of expanding its digital reach, with the combined reach from all its news portals, social media and apps reaching well over 22.3 million followers, an increase of close to 25% from 2016's total reach of just under 18 million.

The following table illustrates the breakdown of NSTP's online reach throughout 2017:

Maximising Current Value

While recognising that digital is the way forward, NSTP has always been mindful of the fact that the traditional print business still accounts for the bulk of its current revenue. Continuous efforts were thus made to optimise the current business processes as a way to maximise profitability and sustain operations.

Beginning with the NST print revamp, a new print version of the flagship newspaper reached the readers in January, 2017, some five years since the last revamp was conducted in 2012. The new facelift, which was built around the newspaper's new DNA i.e. 4Es: Exclusive, Examine, Educate and Entertain, was undertaken to address the drastic changes in readers' preference and market landscape, as well as to move further towards its digital-first strategy.

REVIEW OF OPERATIONS

HM had also undertaken significant product improvements and content review, as a way to introduce a new look with a younger feel by introducing a magazine-styled second section with a cleaner and simpler layout, and a more narrative style of writing with the incorporation of bigger pictures and images to complement the story.

TOTAL DIGITAL REACH OF NSTP FLAGSHIP BRANDS ACROSS ALL PLATFORMS

	Media Platform	2017	2016
A	**Social Media***		
	Facebook	10,073,699	8,602,324
	Twitter	2,567,050	2,238,015
	YouTube	179,223	103,898
	Instagram	601,571	390,769
B	**News**& *FullAMark* Portal***** (unique visitors-monthy average)	8,373,925	6,098,300
C	**Mobile Apps****** (downloads)	554,663	265,637
	Total	22,350,131	17,698,943

*Source: *Socialbakers, Jan-Dec 2017; **comScore MyMetrix, Jan-Nov 2017; ***Google Analytics, Jan-Dec 2017; ****App Annie, March-Dec 2017.*

Anugerah Bintang Popular Berita Harian ("ABPBH") was held on 14 May 2017 at Putrajaya International Convention Centre ("PICC"), recorded an average of 5.2 million viewers

Another significant milestone for NSTP's print publication came in the form of the thematic campaign on BH ("Berita Harian") 60th Anniversary Celebrations. Introducing an anniversary campaign logo with the tagline *"Merentasi Generasi"*, various events and activities were organised to reward BH's readers as well as its past and present staff.

Among the events organised include a special exhibition entitled *"BH Khas Hari Kebangsaan"* at KL Sentral and the publishing of a coffee-table book entitled *"BH: Enam Dekad Kekal Dimensi"*, both of which were officially graced by the honourable Deputy Prime Minister of Malaysia. Other activities include the organisation of BH's 60th Anniversary Dinner at Balai Berita for past and present staff, and the reprinting of BH's first edition front page as part of its National Day Special Edition.

The Malay flagship newspaper also published a special edition supplement in July, in conjunction with its 60th anniversary. Finally, as a way to give back to society, BH undertook a total of six corporate social responsibility projects known as *Wakaf BH* to build gazebos in six primary schools nationwide, in a bid to promote the reading culture and provide conducive learning amenities for pupils.

Increasing Productivity and Efficiency

After the Plant Rationalisation exercise, which was executed within the final quarter of 2016, NSTP introduced several exciting strategies as part of its continuous business improvement programme. These were done solely to improve the company's bottom line, by increasing productivity and efficiency and to cut unnecessary costs.

One of the most significant strategies introduced was the Market Execution Partners ("MEP") programme, which was derived from the Route-to-Market ("RTM") strategy identified earlier by the Newspaper Sales and Distribution team. It aims to completely transform the newspaper copies sales business by re-assessing the previous sales and distribution model used by the company for so long.

Berita Harian's Executive Editor, Datuk Ahmad Zaini Kamaruzzaman (top centre), during the Wakaf BH programme at Sekolah Kebangsaan Murni Pok

Factors such as the current declining trend of print industry, as well as the existing best practice and standards set within the fast moving consumer goods ("FMCG") industry, formed the basis of this new programme. New tools, such as the Retail and Non-Retail Sales Force Automation ("SFA") and Channel Management Framework, were implemented to ensure focus, sustainability and success.

In short, the programme allows NSTP to still use its existing vendor network but with an upgraded system that deals directly with few large vendors, who are now called Market Execution Partners ("MEP"), instead of many smaller vendors previously. Groundwork for the new programme began mid-February 2017, while the actual programme kicked off nationwide in January, 2018.

With a view to increase the broadband penetration rate and the growing demand for digital newspapers in Sabah and Sarawak, NSTP took the bold step to offer only digital versions of its flagship newspaper titles in East Malaysia beginning October, 2017. All printed copies of NST, BH and HM were only available by special requests.

RHB NEW STRAITS TIMES SPELL-IT-RIGHT ("SIR") CHALLENGE 2017 GOES DIGITAL TO MARK ITS 10TH EDITION

The move to go fully digital proved not only to be cost-effective to both the readers and NSTP, it also allowed the digital copies of the three mainstream newspapers to be available in Sabah and Sarawak simultaneously with the rest of the markets in Peninsula Malaysia.

Moving Forward

The increase in customer reach for NSTP digital products over the past years is proof that the Group's digital strategies are on the right track. The lowest hanging fruits, in this case being refreshed content and more video offerings, are among the measures adopted by NSTP in this first phase of its digital-first transformation programme.

The next element, which NSTP has just started employing, is the ability to use big data to drive its content generation. With the digital tools now increasingly made available in the market, content or stories can be pushed based on the demands and likes of each individual reader.

While NSTP undertakes significant efforts to enhance its digital platforms, similar steps were also taken to protect its traditional print platform; the former being the biggest area of growth in terms of readership and potential stream for new revenue, while the latter still very much relevant, profitable and vital for strategic reasons, including continuity of brand awareness and recall.

New offerings, work approaches and processes, cross-platforms and cross-brand convergences, the creation of verticals, the monetisation of content, cost optimisations and new mindsets, are just some of the necessities for NSTP to meet the current challenges and move forward. Simultaneously, it also acknowledges the need to retain the strong, deep-rooted values of responsible journalism and reporting integrity which its three news titles are most recognised and celebrated for.

REVIEW OF OPERATIONS

The radio industry in Malaysia remains a lucrative media segment generating over RM487 million (as of Nov 2017) in advertising expenditure in 2017 according to Nielsen and the potential for growth remains strong. Despite digital disruptors affecting other popular forms of media, data from GFK Radio Audience measurement shows that radio listenership and time spent listening in 2017 remained unchanged compared to previous years.

Solidifying Positions

Radio's popularity bodes well for Media Prima Radio Networks ("MPRN") as we maintain our strong position in this lucrative segment. We run four radio stations, namely Hot FM, Fly FM, One FM and Kool FM – entertaining, informing and educating almost more than four million people every week. Despite operating in a highly competitive business environment, we have been very successful in establishing our presence through the execution of our business strategies. Based on market researcher GFK's 2017 radio survey, our radio stations performed well by generally maintaining our listenership numbers while improving listenership among the category of white-collar executives and professionals in addition to reaching the target audience for each station.

MEDIA PRIMA RADIO NETWORKS

REVIEW OF OPERATIONS

Ais Kacang, the podcast which can be accessed via website and download from app store that consists of three languages

Fly FM *10k Siapa tu?!* received more than 2 million reach on social media

MPRN'S TOTAL DIGITAL FOLLOWERS FOR THE FOUR RADIO STATIONS AMOUNT TO MORE THAN 10 MILLION ACCOUNTS

In 2017, our Malay station, Hot FM recorded nearly three million listeners each week. Hot FM also came in second overall for target market 15-19 years old with 465,000 listeners. The survey also showed that 88% of Hot FM listeners fall in the urban category which includes nearly two million professionals, managers, executives and businessmen ("PMEB"), other working professionals and students. Meanwhile, the result of our newest station, Kool FM, is highly promising given we have yet been granted additional frequencies to broadcast nationwide. Currently, the station broadcasts via six frequencies covering Klang Valley, Pulau Pinang, Kuala Terengganu, Kota Bharu, Alor Setar and Kuching. According to the GFK survey, Kool FM reached almost 404,000 listeners, weekly.

Our English station, Fly FM reinforced its spot as the number two radio station for the English market with a total of 853,000 listeners weekly. 91% of Fly FM listeners fall in the urban market segment with nearly 647,000 PMEB other white collar and student listeners. Meanwhile, our Chinese station One FM, recorded a total of 754,000 listeners, weekly. The station is also the number two radio station for the Chinese market aged from 10 to 29 years old with 184,000 listeners weekly for the breakfast show (6am – 10am). In addition, One FM drive show (4pm – 8pm) targeting listeners aged 15 to 29 years old, has a total of 150,000 listenership. Meanwhile, One FM's night show (8pm-12am) aimed at those under 35 years old recorded a total listenership of 121,000. One FM also recorded a total of 510,000 listeners a week for the PMEB with 90% urban listeners.

What's New?

Last year we informed our shareholders of our transformation from being only an audio medium to a more audio-video centric, curating and developing content for music, entertainment and lifestyle. 2017 saw Media Prima further expand its digital presence by introducing new services that will enable us to extend our reach and generate new revenue streams. Our decision to go digital under Radio+ has enabled us to engage our audience on a different level. With Radio+, it provided us with the opportunity to achieve greater reach and flexibility to do things we did not think possible for radio. The advancement in new video technologies and social media have enabled us to integrate visual stimulus and greater levels of engagement with our audience. We have benefitted from our continued focus to build our presence on social media by extending our content to platforms like YouTube, Facebook, Instagram, WhatsApp and Twitter. We successfully extended our reach beyond the traditional radio airwaves into the digital sphere. MPRN's total digital followers for the four radio stations combined stands close to 10 million accounts, the largest in Malaysia while our digital listenership is over four million.

REVIEW OF OPERATIONS

SuperDeals was launched as the first e-commerce Storefront of Media Prima Radio Networks ("MPRN")

MPRN also launched our very own podcast platform under the brand, *Ais Kacang*. The platform, which can be accessed online and downloaded from app stores, is the platform for original audio content in three languages. Since its debut in April 2017, more than 30 episodes of podcast with various titles have been uploaded weekly. As the home of *"Delicious Audio"*, *Ais Kacang* managed to have numerous big talents and professionals on board such as Fara Fauzana, Azwan Ali as well as Dr. Alina to share their experiences to listeners. After two months of operations, the first client-sponsored content by Q-dees was up for streaming. As at December 2017, total downloads of *Ais Kacang* is at 41,329 with 224,306 average listens per month.

MPRN decided to ride on the e-commerce bandwagon as the industry is expected to be growing at a fast pace. The commerce business is very lucrative due to fast-evolving technology changes in consumers' purchasing behaviour. SuperDeals; was launched as our first e-commerce storefront. Accessible through our radio stations' websites, SuperDeal is promoted by traditional radio reach as well as through digital assets. Lazada and Panasonic were the two earliest clients that have their products on MPRN's e-commerce platform.

MPRN is also building up its intellectual properties to capitalise on the strong presence and connection we have built with our listeners. We took the opportunity to create new icons for all four radio stations. Fly FM has *Flybot*, Hot FM has *Hang Omar Timor*, One FM has *Yat Yat* and Kool FM has *Profesor Kool*. One of our plans is to bring "life" in the digital world to engage and build a strong connection with the listeners and thus provide a potential for new revenue through merchandising and licensing.

Compelling Content

2017 saw MPRN continue to bring fresh and new content to our audience, strengthening out position at the forefront of our industry that is constantly changing and growing. Our passion to create compelling content for music, lifestyle and entertainment never stops as it is key to growing the listenership for each station and extending our audience reach. These include new digital content that aims to attract as well as to cater to our consumers' interests such as *'Bro Cuba'*, *'Weekili'* and *'Dai Sek Gar'*. In addition to this, we are constantly improving our techniques to ensure great quality content are delivered to the consumers. We are quick to capitalise on new technology such as the utilisation "MEVO", a live event camera, to broadcast Hot Kool Jam @ Johor Bahru on Facebook.

As one of the pillars under Radio+ involves talents, we are also pleased to report that the content produced by our in-house talents continue to resonate well with Malaysian listeners as reflected by the high level of engagement achieved. Among our top-rated programmes for the year include *Super Karoks*. After receiving overwhelming response for Season 1, *Super Karoks* returned this year with new line-up for karaoke battle between 5 pairs of renowned singers in the 80's, 90's and 2000's. All five teams were competing for six weeks. There were no eliminations but the team with the highest vote for each week is crowned as champion of the week. *Super Karoks* was released on air and videos can be viewed via Kool FM's digital platforms; Instagram, Facebook, Twitter, Youtube, website and station's official website. In total, *Super Karoks* garnered more than seven million votes from listeners while its videos gained more than one million views.

Super Karoks' videos on Facebook gained more than 1 million views in total

Other successful programmes throughout the year, based on social media reach included the likes of *Lawak Vaganza* (9 million), *Fantastic 4* (16 million), *Lawak Karoks Tour* (20 million), *FB Rock Hot* (3.9 million), *Hot Kool Jam* (3.4 million), *I One to Fly* (1 million), *Drama Lirik Hot* (13 million), *Fly FM 10K*, *Siapa Tu?!* (2 million) and *Gimmick Sukan Sea* (2 million).

More than just Radio

MPRN will continue to deliver great content across various media platforms. We are constantly on a roadmap to evolve and see ourselves as a trendsetter that sets new benchmarks in radio broadcasting and digital content. This has resulted in the increase and retention of our target listenership. We are able to attract and retain advertisers as demonstrated by our ability to generate revenue from both our traditional operations and digital initiatives. We are pleased to report that MPRN's digital revenue has grown by over 100% in 2017 compared to the previous year, a testament that we are ready to capitalise on the growth in demand for digital content amongst consumers.

We believe our strategies that include Radio+ have enabled us to continue growing and keeping audiences loyal to our radio stations. We will continue our mantra of being more than just radio. We have demonstrated that we can to produce new mechanics and ideas for content and raise the bar through innovative thinking and continuous efforts to strive in becoming quality content curators for music, lifestyle and entertainment. The strategies that we have employed will allow us to compete with not only other radio stations but other media players. We believe we have the ideal media platforms for advertisers to reach the highly lucrative urban market segments and this will provide the impetus for MPRN's growth moving forward.

THE LAUNCH OF *AIS KACANG*, SUPERDEALS AND NEW ICONS STRENGTHEN MPRN'S BRAND AND POSITION IN AN INDUSTRY THAT IS CONSTANTLY CHANGING AND GROWING

OUT-OF-HOME

THE STORY OF AN IMMERSIVE FRONTIER

The share of Out-of-Home ("OOH") in global net advertising revenues has been relatively stable at 6% over the last ten years despite the growth in online media advertising according to Magna and Rapport's 2017 Media Economy Report. The report also stated that within traditional (non-digital) media, the share of OOH has been growing over the same period and is currently at 10%.

REVIEW OF OPERATIONS

Given the strength of OOH in Malaysia, especially the growth of digital OOH, in 2017 Media Prima has remained the undisputed leader in Malaysia's OOH segment, attributed largely to the consistent performance of Big Tree which leads other subsidiaries of similar nature such as Kurnia Outdoor, UPD, The Right Channel ("TRC"), Gotcha, and BTSJ. Big Tree builds its business around creativity and innovation to beautify the landscape of cities and public infrastructures. This strategy is key to enhance liveability, sustainability of a balanced ecosystem, as well as upgrading the stature of localities.

Big Tree offers end-to-end OOH advertising solutions across its suite of static and digital offerings in cities, expressways, transit network, retail hubs and airports. The goals for integrated OOH advertising with Big Tree are to enrich the living experience of consumers, whilst advertisers engage audiences in daily dialogues. The Group remains the only media group that provides fully integrated OOH media solutions through Big Tree to clients at strategic and premium locations in major cities, main market centres and secondary towns across Malaysia, partnering with 23 concessions.

Redefining Creativity and Innovation

Big Tree has executed strategic brand enhancement initiatives such as revamping the official Big Tree website to provide a platform that offers augmented and effective user interface. Corporate collaterals have also been revitalised to reflect the Big Tree brand definition and remain consistent across multiple communication channels with stakeholders.

Over the last 23 years, Big Tree has striven for organic growth through product innovation which in turn has provided 50% increased rental yield. Big Tree facilitated measures in innovating and rejuvenating formats to satisfy the local aesthetic ideals and cultivate a sustainable ecosystem. In fulfilling these objectives, Big Tree consistently embarks on extensive research on current technology along with international benchmarking of format architecture. To illustrate, the prevalent upscale area of Kuala Lumpur City Centre require formats with modern designs and forefront technology. Leveraging on current amenities, Big Tree transfigured 8 units of air vents surrounding Malaysia's most renowned landmark, the Petronas Twin Towers into luminous and large light boxes signifying prime brand domination.

Additionally, the rejuvenated tunnel crossing connecting the KLCC LRT Station to Suria KLCC in December 2016, now called Tunnel Experience by Big Tree has achieved 100% occupancy rate throughout 2017. Furthermore, the pool of industries that showed interest in advertising on the Tunnel Experience had expanded by virtue of alluring aesthetics and effective usability of the rejuvenated media formats.


OUT-OF-HOME
MEDIA
OF THE
YEAR

Big Tree received the top spot in this category for nine years in a row

Big Tree has also solidified its presence in the Klang Valley by substantiating the distinction of urban living through introducing its assemblage of Premium Street Furniture on the externals of the Mass Rapid Transit ("MRT") line, after acquiring this concession in 2016. Running across dense commercial and affluent residential areas within Klang Valley such as Sungai Buloh, Damansara, KL City Centre, Cheras and Kajang, these media formats amongst others include the award-winning Beamer Series and the one-of-a-kind Adoption. Furthermore, Big Tree has introduced its first digital format as part of the suite of Premium Street Furniture on Jalan Damansara at Taman Tun Dr Ismail ("TTDI"). Named Digital Tower Series @ TTDI, these screens consist of 10 screens (5 screens in each direction), captivating the affluent society of Damansara.

In enriching the travelling experience of users of the Lebuhraya Damansara – Puchong ("LDP"), Big Tree introduced Cubig @ LDP, a towering digital display subjecting commuters between Damansara, Puchong, and surrounding areas such as Subang Jaya, Sunway, and Petaling Jaya to high-definition brand ideation.


Cubig @ LDP

Evolving with time as well as to remain relevant, the Cubig Series @ Bukit Bintang underwent a facelift; upgrade of screen resolution for a more crisp display. Also, this facelift included the addition of one set of screens, totalling to four sets, allowing wider reach and potential of multidimensional communication via consumer activation activities. Apart from upgrades of digital formats, the static format at Jalan Maarof – SPRINT Highway interchange which previously had two billboards, is now converted to one large and combined billboard. Termed as Spectacular Display, this format maximises visibility of brand ideas across high volume of vehicles at the traffic light junction at the road interchange.


Spectacular Display and Digital Tower Series @ Zenith Mall, Johor Bahru

REVIEW OF OPERATIONS

Another success story, Zenith Mall is the latest and finest lifestyle hub located at Jalan Wong Ah Fook, the most significant connecting road in Johor Bahru City Centre. The establishment of the Digital Tower Series is a part of Big Tree's key milestone this year, a series of Towering Digital Screens engaging the high volume of traffic on this key road, also through the Spectacular Lightbox; perched on the wall of this mall, visibly significant and offers a novel value to advertisers engaging the upscale local and international society of JB, Singapore and surrounding areas.

2017 also saw Big Tree acquiring new sites along the Besraya Expressway Extension that serves KL City Centre to KL East urban areas such as Pandan and Cheras. This expressway connects at key areas on the MRR1 and MRR2. Due to its strategic function of linking business districts and townships, Big Tree rolled out multiple OOH formats on this highway targeting the high traffic volume amongst urban dwellers.

Driving Intelligence in The OOH Landscape

In Big Tree's effort to constantly add value to its holistic offerings and integrated OOH advertising solutions, the Exposed by Big Tree event had been held on 8 November 2017 in Ruyi & Lyn, Bangsar Shopping Centre, to reveal research insights that would guide media planning, whilst ensuring effective reach of audiences across various demographics through campaign execution on OOH media.

Big Tree commissioned IPSOS, a reputable third party organisation to undertake three extensive research studies to understand consumers as part of a general OOH overview, consumers on the North-South Expressway ("NSE") and consumers on the LRT. A threefold-objective formed the guiding principles towards conducting this project; to gauge the attention consumers give to OOH media, to assess the effectiveness and impact of OOH media and to understand the profile, behaviour and response of consumers when it comes to OOH media.

Nearly 3,000 people were interviewed throughout this entire research project, within a duration of six weeks; across weekdays and weekends, and at various time of day, and locations. These findings conclusively prove the strength of OOH advertising and its unique propositions in establishing relationships with audiences.

The Adoption media format dominates 3 pillars and 2 spaces between these pillars for creative ambient display

FINDINGS FROM IPSOS RESEARCH STUDIES:

MALAYSIANS SPEND AN AVERAGE 9 HOURS OUT-OF-HOME DAILY

84% OF PEOPLE NOTICE OOH ADS ON A WEEKLY BASIS

A POTENTIAL CONVERSION RATE OF **40%** AMONGST CONSUMERS WOULD VISIT STORES THAT HAD BEEN ADVERTISED ON OOH

80% OF PEOPLE ARE ABLE TO RECALL SPECIFIC BRANDS ALONG THEIR PATH-TO-PURCHASE

AN AVERAGE OF **87%** OF PEOPLE ARE INTERESTED TO PURCHASE PRODUCTS/ SERVICES ADVERTISED ON OOH

One Transit Solution, Multiple Connections With Consumers

The offering of One Transit Solution engages highly networked commuters across Rapid KL transit lines managed by Big Tree; Kelana Jaya line, Ampang & Sri Petaling line, KL Monorail ("KLM") and the ERL. Furthermore, these lines converge at Malaysia's largest integrated transportation hub, Stesen Sentral Kuala Lumpur where Big Tree also offers engaging advertising opportunities for advertisers to achieve impact and brand recall. Brands could achieve extensive reach amongst young professionals who are mobile, affluent, and informed on lifestyle trends and technological innovation.

Multiple inventories experienced aesthetic and functional upgrades are part of Big Tree's product differentiation initiatives. Aesthetic and dimensional upgrade of Vertical Lightboxes (VLBs) provide advertisers with a more sleek appearance to its advertising channel, also a 60 percent larger advertising space. Digital screens in transit stations have also been enhanced from four small and joined units to one large unit with higher definition of display. Previously available only in LRT stations, availability of these media formats have now been extended to the KLM line.

REVIEW OF OPERATIONS

The extended LRT lines of Kelana Jaya line and Ampang & Sri Petaling line provide advertising opportunities on an additional 25 new stations and 34.8km of LRT track. These extensions penetrate affluent residential areas and bustling townships that were previously not reachable via transit, such as Ara Damansara, Subang Jaya, USJ, Putra Heights, Puchong and Bukit Jalil.

2017 saw the establishment of media on the extended lines, which include in-train and in-station formats, also on the pillars of the tracks. A newly developed media format named Vista Series has also been established in USJ, capturing the high-volume traffic of Persiaran Kewajipan. Consisting of five consecutive units in a series, this media instils repetitive impressions on road users.

The MRT External Media Launch: A New Frontier was held on 12 January 2017, befitting the exclusivity of media formats along the MRT line

Awards and Recognitions

Big Tree was awarded two of the most prestige awards within the OOH industry in 2017 – the Spark Awards for Media Excellence 2017 and Out of Home Media Company of the Year 2017 by Advertising & Marketing Magazine. Big Tree won The Most Innovative Technology (Bronze) for Beamer Series and the Best Launch/Re-Launch by a Media Owner (Bronze) based on MRT External Media Launch: A New Frontier at The Spark Awards.

As for the Out of Home Media Company of The Year title, Big Tree has received the top spot in this category for nine years in a row. Advertising & Marketing Magazine Malaysia developed this conclusion from a survey which included more than 900 respondents among manager-level decision makers, across a spectrum of local and international advertisers and agencies from multiple industries.

Moving Forward

Big Tree strongly believes the OOH media landscape should echo the change of cityscapes. The values of creativity, innovation and incorporating cutting-edge technology, along with international benchmarking in functional aesthetics are fundamental at every stage of architecting media formats.

Big Tree strives to be the industry leader that pays attention to the needs of its stakeholders by ensuring their revenue growth and success through Big Tree's holistic and comprehensive OOH advertising solutions. With the largest and diversified OOH media inventory comprising of advertising on roads and expressways, transit, retail, airports and on digital, Big Tree promises advertising experience that impacts consumers on multiple levels and with the most effective coverage, nationwide. Upon engaging the services of Big Tree, each client shall anticipate exclusive and personalised experience in addressing their advertising needs.

Big Tree has also boarded product differentiation initiatives, constantly exploring the possibilities of rejuvenating current media formats in premium areas, establishing new products at highly engaging sites, also combining OOH media with online media, considering the flexibility of OOH advertising.

OOH creatives play an important role to attract attention and create high brand recall. Creatives and visuals have to be simple, bright and bold. Malaysians have been found to be very visually-driven thus, design and product image have to stand out more than text.

Also, Big Tree sees great opportunity for expansion via acquisition and/or form strategic alliances with government agencies/bodies and private institutions. These efforts are not limited to local partners but also regional partners in fulfilling the vision of Big Tree to lead the regional OOH advertising industry.

BIG TREE ACQUIRED NEW SITES ALONG THE BESRAYA EXPRESSWAY EXTENSION THAT SERVES AS THE MAIN LINK FOR KL CITY CENTRE TO KAJANG, PUTRAJAYA, CYBERJAYA AND SEREMBAN

REVIEW OF OPERATIONS

Content

"ASIAN STORIES FOR THE WORLD"

CONTENT IS A BIG PART OF MEDIA PRIMA

In 2017, Primeworks Studios ("PWS") embarked on a wide variety of production projects to solidify our "Asian Stories for the World" content offering. As Malaysia's largest content production company, PWS produces over 5,000 hours of compelling content annually for a range of platforms including television, cinema and digital. Our library has over 100,000 hours of dramas, reality shows, documentaries, films, award shows and many more. This presents PWS with unique opportunities to generate new revenue streams through content distribution and intellectual properties.

REVIEW OF OPERATIONS

Misi Aspirasi AirAsia: AirAsia offered a new Kid's Meal featuring *Ejen Ali* and Season 1 of *Ejen Ali* was available for inflight viewing via tonton and ROKKI

In 2017, Primeworks Studios ("PWS") embarked on a wide variety of production projects to solidify our "Asian Stories for the World" content offering. As Malaysia's largest content production company, PWS produces over 5,000 hours of compelling content annually for a range of platforms including television, cinema and digital. Our library has over 100,000 hours of dramas, reality shows, documentaries, films, award shows and many more. This presents PWS with unique opportunities to generate new revenue streams through content distribution and intellectual properties.

Distribution Rights

In line with the Group's Odyssey transformation plan, PWS has been aggressive in our efforts to sell and distribute content beyond the Group's media platforms. We are proud to report that we expanded our customer base to not only traditional television broadcasters but across several industries that require quality content such as online video streaming companies, telecommunication providers and airline operators. Our success is a testament of our commitment to produce compelling content.

2017 was a good year for Primeworks Distribution ("PWD"). We announced a major deal with Netflix, the world's leading Over-The-Top ("OTT") streaming service provider. The agreement sees more than 400 hours of Malay and Chinese language drama series and feature films available to viewers globally. Titles already available on Netflix since August last year are films like *Sejoli (Mission: Destroy Love), KL Zombi, Rembat* the award-winning *Pekak* as well as Chinese drama series Persona and Malay dramas *Hati Perempuan, Satu Hari, Mak Cun, Ajaibnya Cinta* and *Akulah Balqis*. Apart from Netflix, PWD also secured content sales to iflix, Rokki.com, Hypp TV, Asian Food Channel, SBS Australia, Rajawali Televisi Indonesia, TV Al-Hijrah and major airliners companies like Silk Air and British Airways for their in-flight entertainment service.

REVIEW OF OPERATIONS

J Revolusi was released in over 122 cinemas in Malaysia, Singapore and Brunei on 2 March 2017

Strategic Collaborations

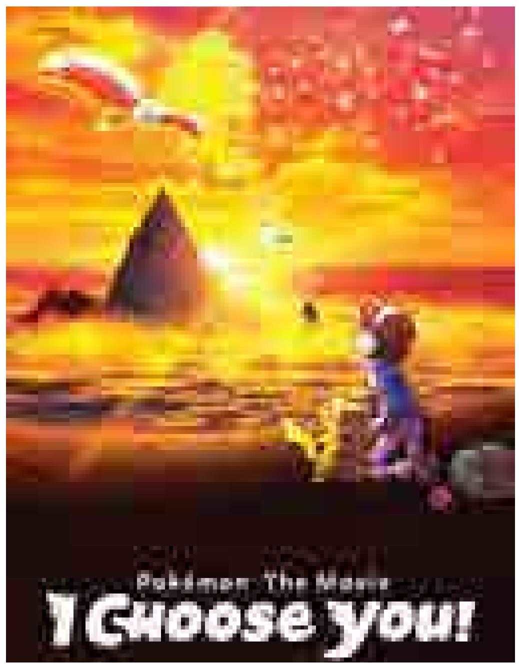
Co-productions remain a key component of our content strategy. It allowed us to build the PWS brand beyond Malaysian borders. 2017 saw the continuation of our strategic collaboration with Nippon Television Network Corporation to co-produce *Ho Chak!* Japan. The special edition of 8TV's popular food television series marks the fourth collaboration between the two companies. PWS also collaborated with Seoul Metropolitan Government in producing two special episodes of *Jalan-Jalan Cari Makan* in Seoul, South Korea. The collaboration saw Malaysia's most popular food travelogue television series taking its audience to discover halal restaurants and eateries around the city.

Flagship Programmes

PWS continues to produce exceptionally popular programmes, some of which dominated the Malaysian Top 10 Most-Watched Television Programmes in 2017 based on Nielsen Audience Management. These include the annual song competition *Anugerah Juara Lagu* (3.5 million viewers), the star-studded awards show *Anugerah Skrin* (2.9 million viewers), *Anugerah Bintang Popular BH* (2.7 million viewers) and *Anugerah Drama Festival Kuala Lumpur* (2.2 million viewers). PWS' flagship programmes, *Majalah 3, Melodi*, *Nona* and *Bersamamu*, continue to resonate well with viewers. Chinese content also represents a vital portion of PWS' portfolio, being the creative force behind productions such as *Golden Awards, Living Delights,* and *Ho Chak!*.

The year also saw the premier of the Malaysian edition of *I Can See Your Voice*, a reality show platform which offers talented singers the chance to make their dreams of stardom a reality. The original show originates from South

PRIMEWORKS STUDIOS AND *EJEN ALI* MADE ITS SECOND INTERNATIONAL DEBUT IN MIP JUNIOR 2017, THE LEADING SHOWCASE FOR KIDS PROGRAMMING IN CANNES, FRANCE



REVIEW OF OPERATIONS

PRIMEWORKS DISTRIBUTION ANNOUNCED A MAJOR DEAL WITH NETFLIX THAT INCLUDES 400 HOURS OF MALAY AND CHINESE DRAMA AND FILM

Korea and was produced by CJ E&M. PWS and 8TV developed the show's local version which received good response from Malaysian viewers. Other reality shows that continued to perform well include *Mentor Milenia* and *Clever Girl 2* garnering a viewership of 3.5 million and 1.6 million for the final shows.

Big Screen

Grand Brilliance, the film division of PWS, released *J Revolusi* in over 122 cinemas in Malaysia, Singapore and Brunei on 2 March 2017. The action-packed fictional movie about a member of Malaysia's elite special force, *Unit Tindakan Khas* generated RM7.2 million in box office sales, making it the third highest Malaysian grossing movie of 2017. This was a result of a six month, 360-degree marketing campaign across all Media Prima platforms. Other movies that were released or distributed during the year include *Lebuhraya ke Neraka, Kau Takdirku* and *Pokemon the Movie: I Choose You!*.

Animation

PWS and Wau Animation launched *Ejen Ali* on TV3 in April 2016, and we are pleased to report that the programme has been a tremendous success for PWS. Season One finished strongly in March 2017 with the final episode garnering ratings of more than two million over two days. In November 2017, Season One of the animated series premiered on Singapore's Mediacorp Suria Channel. The animation series is also slated to be shown on Indonesia's Media Nusantara Citra TV, Disney Channel Southeast Asia (13 countries) and Nickelodeon India (8 countries). Following the success of Season 1, we premiered Season 2 on 22 September 2017. Since then, the series has performed well, garnering ratings close to 2 million weekly over two days.

Intellectual Properties

The success of *Ejen Ali* presented new opportunities for PWS through licensing and merchandising. In conjunction with *Ejen Ali* Season 2, two major corporate partnerships with AirAsia and a renewed partnership with Mamee Biskidz were signed. Via *Misi Aspirasi AirAsia*, the popular airline offered a new kid's meal featuring *Ejen Ali* with Season 1 available for inflight viewing via tonton and ROKKI. Aside from that, AirAsia will also feature *Ejen Ali* branded A320 aeroplanes. The partnership with Mamee Biskidz will see the favourite characters from the animated series in a new augmented reality game application developed by Media Prima Labs ("MP Labs"), scheduled to be released in March 2018.

In merchandising, we launched the first line of publications (comics, colouring and activity books) in partnership with Armoni Gold Mind. The publications have performed well since its launch in March 2017 at TV3's Karnival Jom Heboh. Other merchandising initiatives include a back-to-school line (school bags, water bottles, lunch boxes, and stationery), plush and costume toys and puzzle games with Toyworld Marketing which were launched in November 2017. With the release of the new merchandising line, an *Ejen Ali Carnival* was organised in partnership with the Big Bad Wolf Book Fair, *Ejen Ali's* first major public event.

We also worked closely with MP Labs to launch mobile apps and games using our intellectual properties. Apart from the *Ejen Ali* mobile games, we have also launched an app capitalising on the popularity of our 2017 blockbuster hit film, *J Revolusi*, setting a new benchmark for tent pole movies in Malaysia.

Moving Forward

PWS is committed to strengthening our brand as an innovative content creation company. We will do this by focusing on expanding our footprint internationally, beyond our internal platforms. This would include working with strategic partners via sales and content creation, building external revenue streams by developing new businesses in IP development (animation), Licensing and Merchandising and Film Distribution and working with regional partners to produce content for both local, international and digital consumption.

All these initiatives will be done in line with our vision as providers of "Asian Stories for the World".

Titles available on Netflix

REVIEW OF OPERATIONS

OUR DIGITAL MEDIA

Media Prima Digital ("MPD") maintains a robust online presence for all our media platforms while supporting the Group's digital inventory of services. MPD has been at the forefront of the Group's efforts to become a key player in Malaysia's digital ecosystem. One of our key objectives for the year was to increase our digital reach to the people who use at least one of our apps or digital products, in line with the rapid growth in digital advertising expenditure. We are proud to report that Media Prima's total monthly unique reach stands strong at 10.2 million compared to only 4.2 million in 2016, making us the largest local digital media company in terms of reach.

2017 proved to be a breakthrough year for MPD as we continue to make good progress on our very own new digital initiatives that would not only increase Media Prima's digital inventory but also contribute positively to MPD and the Group by providing new revenue streams.

REVIEW OF OPERATIONS

Digital Publishing

Among our success for the year include the acquisition of Rev Asia Holdings Sdn Bhd ("Rev Asia Holdings"), a market leader in the field of digital publishing with well-established brands such as *Says.com, OhBulan!, Juice, Viral Cham* and many more. The company has a strong track record in social media and online marketing through an established portfolio of well-known online consumer brands that cover a wide variety of segments including entertainment, lifestyle and social-millennial English, Malay and Chinese news.

The acquisition is another major milestone in Media Prima's strategy to focus on expansion in digital content and digital media platforms. It will see the Group's digital platform audience reach of up to 10.7 million (5 million pre-acquisition) firmly establishing Media Prima as the largest Malaysian digital media company and third overall in Malaysia after Google and Facebook with 16.2 million and 13.7 million respectively. It has further enhanced the Group's competencies in digital content marketing, digital content curation and digital native advertising. Rev Asia Holdings has significant reach amongst consumers aged 18 – 35 years given their strong expertise in curating content for this lucrative market segment.

Mobile Applications

In 2016, we launched Media Prima Labs ("MP Labs"), an in-house incubator under MPD set up to foster innovation and develop new digital products and services. The mobile games industry in Malaysia is the largest in Southeast Asia. Our efforts to develop mobile games and applications that capitalise on Media Prima's intellectual properties such as *Ejen Ali, Jalan-Jalan Cari Makan (JJCM), Harian Metro Mountain Bike, Syukur Selalu, Kita Juara* and *J-Revolusi* have been successful – with close to 4.4 million downloads. We are proud that our games won four gold and two bronze at the Mob-Ex Awards 2017 for *Ejen Ali: M.A.T.A Training Academy* and *Ejen Ali: Emergency*.

We recognise the potential of mobile applications and games as a means to extend our digital reach and generate revenue via paid applications or digital advertising. The mobile and video gaming segment, in particular, enjoy a huge loyal following among Malaysian youths. In 2017, we stepped up our efforts to establish our presence in the local gaming community. MPD launched *MyGameOn*, a local gaming portal that targets Malaysian gamers. We also partnered with GARENA, Southeast Asia's largest consumer internet platform company to promote eSports in Malaysia. MPD signed a memorandum of understanding with Malaysian Digital Economy Corporation ("MDEC") to commercialise digital games development in the country.

Media Prima Lab's *MyGameOn* aims to support local gaming enthusiasts

THE ACQUISITION OF REV ASIA HOLDINGS IS ANOTHER MAJOR MILESTONE IN MEDIA PRIMA'S STRATEGY TO FOCUS ON EXPANSION IN DIGITAL CONTENT AND DIGITAL MEDIA PLATFORMS

list of rev asia brands

OHBULAN! JUICE KongsiResepi.com ROJAK VIRAL CHAM! SAYS Myresipi.com SirapLimau

Big Data

Data is a vital tool for advertisers and media companies. Big Data is at the heart of our main focus for 2017. The year saw MPD set up our own Data Management Platform, successfully integrating and centralising all our digital assets for the Group. We are using a vast number of tracking tools ranging from social listening, traffic analysis, content recommendation, video analytics and others to help automate this process We then moved on to building strong insights across our sizeable audience database. The insights generated will be the main driver for Media Prima's content and marketing decisions in the future as it will enable us to increase the relevance of our content through personalisation and recommendations by leveraging on the data we possess.

This, in turn, benefits advertisers as they would be able to target specific audience segments wherever they are on our platforms and develop a tighter audience-optimised link between content and monetisation opportunities. As the largest integrated media company in Malaysia, Media Prima has a competitive edge in producing a wide variety of content on multiple platforms. We also have control over the content that we put forth to our 10 million digital consumers, which enables us to provide quality and a brand-safe environment for marketers to collaborate with us.

REVIEW OF OPERATIONS

Media Prima Digital won 4 Gold and 2 Bronze at Mob-Ex Awards 2017 for *Ejen Ali*: M.A.T.A Training Academy and *Ejen Ali*: Emergency Mobile Games

audience+

audience+ is the latest digital product created by MPD as an addition to enhance digital advertising performance. The service will allow customers to reach the audience that matters the most to their business across multiple advertising formats – be it standard display, video, mobile or audio advertisement. This allows precise audience targeting and minimises advertisement wastage, and improves campaign performance on platforms that are high quality and brand safe. We believe there is potential for audience+ as demand for digital advertising is growing at a rapid pace.

Beyond Traditional

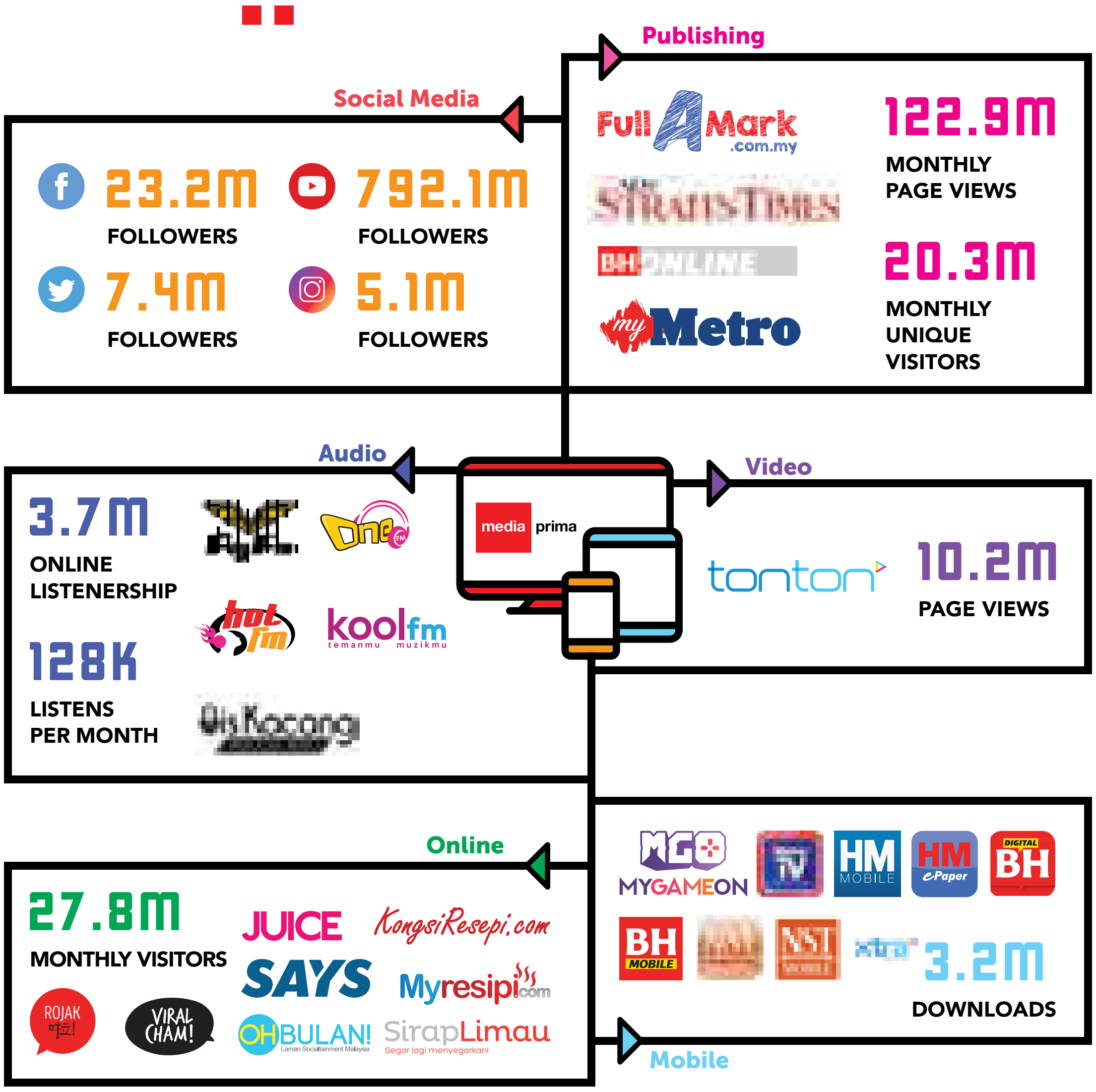
MPD's contributions to the Group goes beyond providing market intelligence tools as it also includes extending the necessary technological support as we gravitate towards digital platforms. By working together with our sister companies, we have been able to extend our reach and affirm our leadership positions. These include tonton, which is the number one ranked over-the-top ("OTT") service in Malaysia based on registered users and time spent watching. Meanwhile, the digital versions of our newspapers lead in the number of unique visitors per month. Leading the pack are Harian Metro and Berita Harian. Collectively, the number of unique visitors on Media Prima sites today stands at 8.9 million (based on comScore MMX, September 2017).

Moving Forward

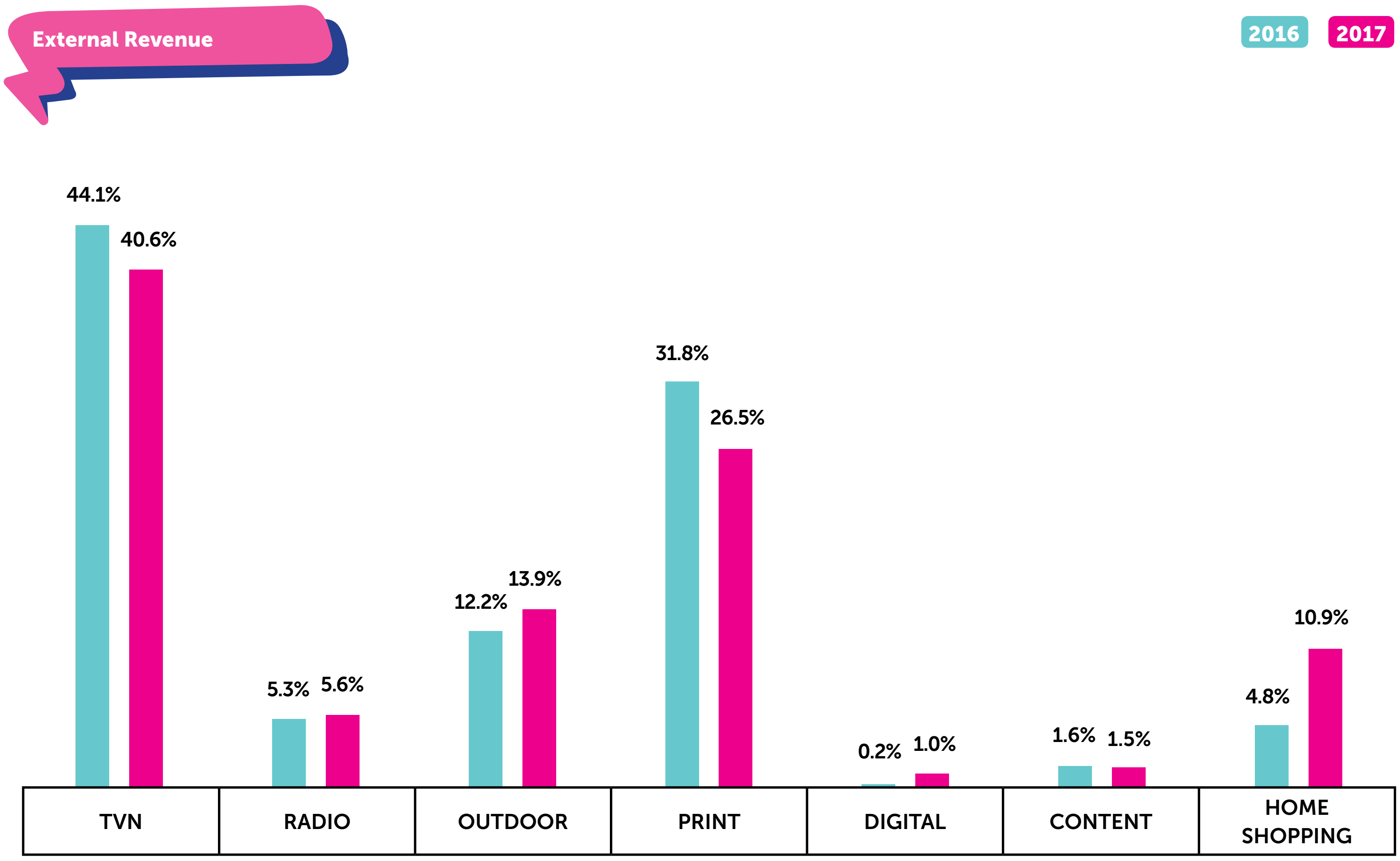
MPD will continue to pioneer the latest technology and work with more game developers to push a wider variety of mobile games into the market. Our next steps are to continue generating revenue through subscription, in-app purchase and in-app advertising, taking advantage of the strong digital reach that we have firmly established. MP Labs will continue to venture into a publishing model that would allow us to work with more developers and push a variety of mobile games into the market. We are also buoyed by the inclusion of Rev Asia Holdings as revenue contributions from their established digital publishing business will provide new revenue for MPD. Rev Asia Holdings will also be able to capitalise on the Group's resources and traditional reach to further grow its standing among consumers.

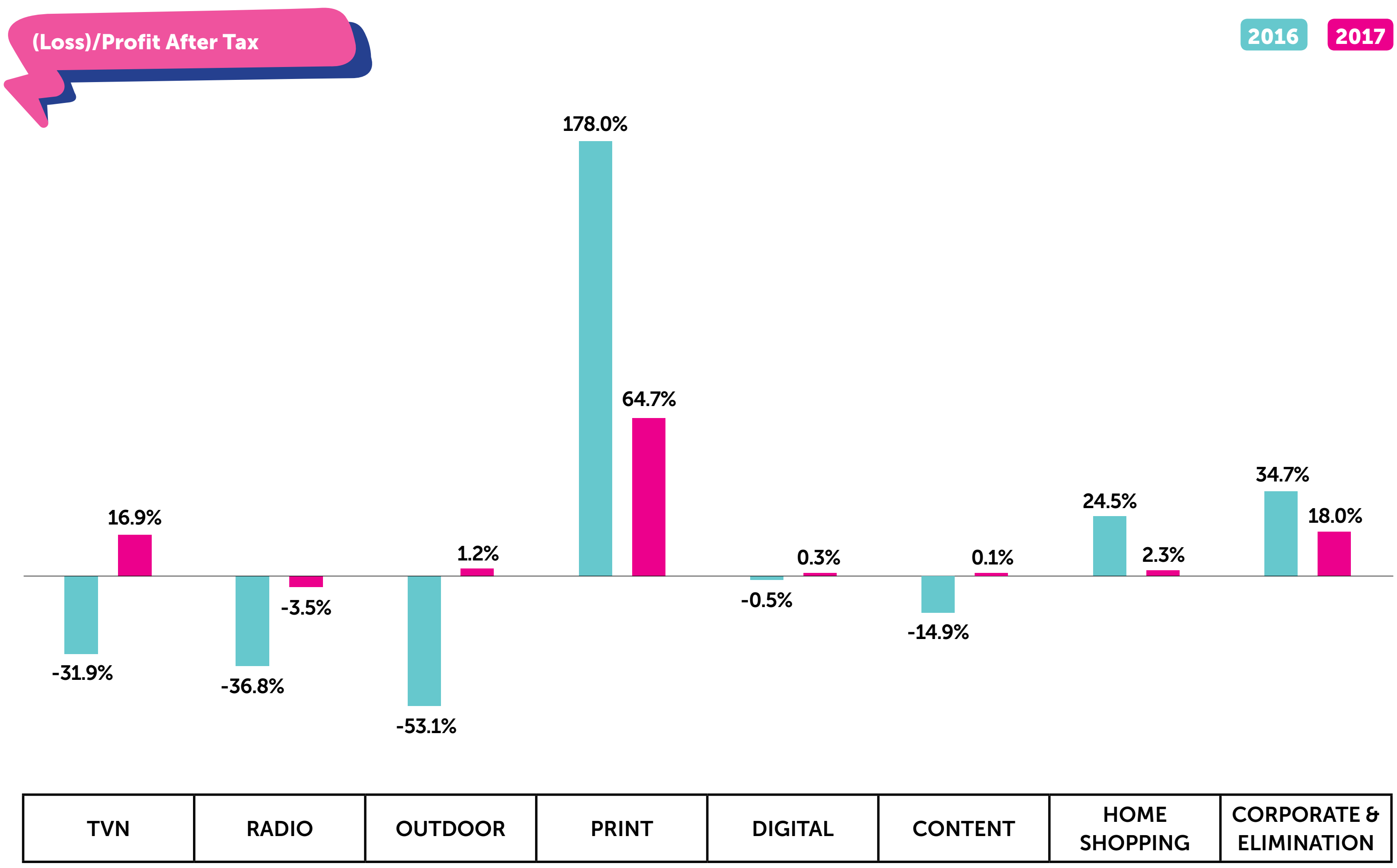
MPD will also continue to provide digital consultancy to not only the Group's media platforms but will also build on our strong competencies and track record to offer services outside Media Prima. As consumers' demand for online products and services continue to grow, MPD is in a prime position to capitalise on new opportunities and further grow our revenue contributions to the Group.

WE HAVE CONTROL OVER THE CONTENT THAT WE PUT FORTH TO OUR 10 MILLION DIGITAL CONSUMERS, WHICH ENABLES US TO PROVIDE QUALITY AND A BRAND-SAFE ENVIRONMENT FOR MARKETERS TO COLLABORATE WITH US



SEGMENTAL ANALYSIS





STATEMENT OF VALUE ADDED & DISTRIBUTION OF VALUE ADDED

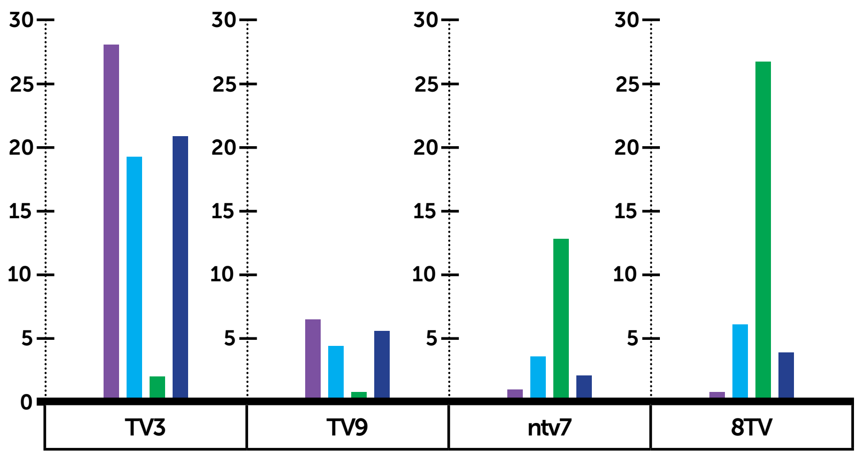
RM'000	FYE 2017	FYE 2016
Revenue	**1,195,672**	**1,289,008**
Royalties	(1,219)	(3,221)
Operating Expenses	(1,811,643)	(1,363,710)
Value Added by the Group	**(617,190)**	**(77,923)**
Other Operating Income (Excluding Finance Income)	22,050	21,040
Finance Income	9,161	14,388
Finance Costs	(14,660)	(13,325)
Share of Results of an Associate	(4,889)	(10,089)
Value Added for Distribution	**(605,528)**	**(65,909)**
Distribution of Profits		
1. Employee Cost	503,028	426,434
2. Taxation	64,137	3,874
3. Shareholders' Dividends Declared for the Financial Year		
- Shareholders of Media Prima Berhad	-	88,736
- Non-Controlling Interests	-	378
4. Retain for Reinvestment and Future Growth		
- Depreciation, Amortisation (Excluding Programme and Film Rights) & Impairment	472,137	184,675
- Accumulated Losses	(1,644,830)	(770,006)
	(605,528)	**(65,909)**

VIEWERSHIP, LISTENERSHIP & READERSHIP DATA

Viewership Performance

Target	Malay 4+	Urban 4+	Chinese 4+	Age 4-14 years
Channel / Variable	Share	Share	Share	Share
TV3	28.1	19.3	2.0	20.9
TV9	6.5	4.4	0.6	5.6
ntv7	1.0	3.6	12.8	2.1
8TV	0.8	6.1	26.7	3.9

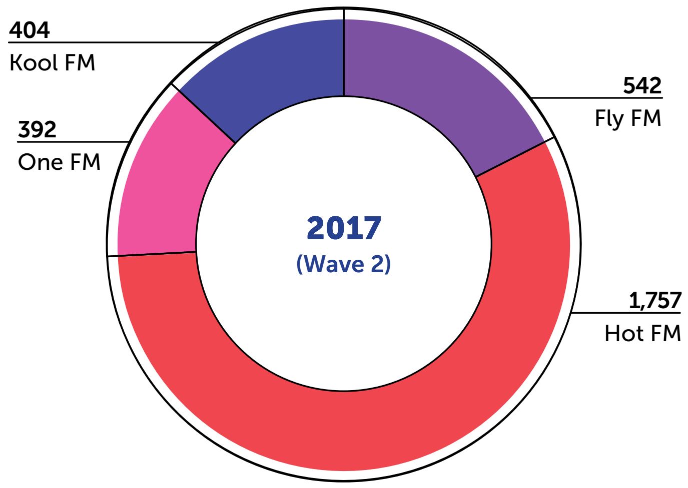
Source: Nielsen Audience Measurement



Listenership Radio Networks Reach ('000)

Measurement
Fly FM (Age below 30)
Hot FM (Age below 30)
One FM (Age below 30)
Kool FM

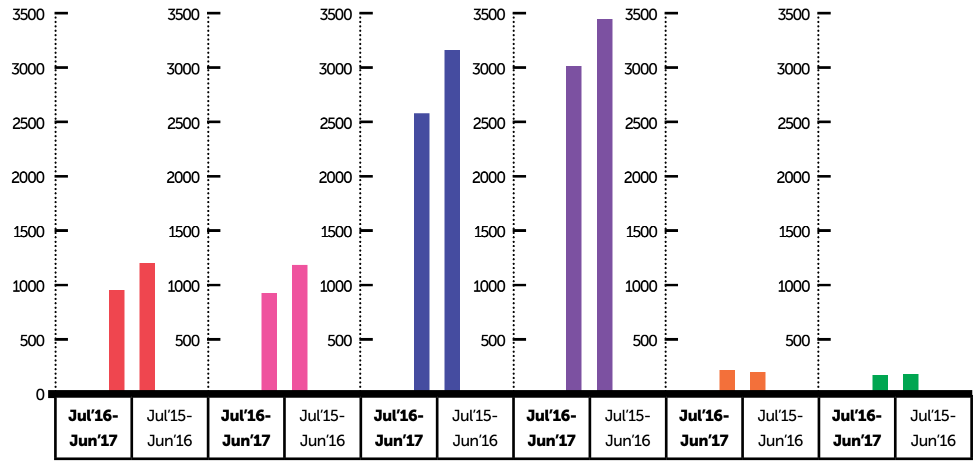
Source: GFK Radio Audience Measurement Wave 2



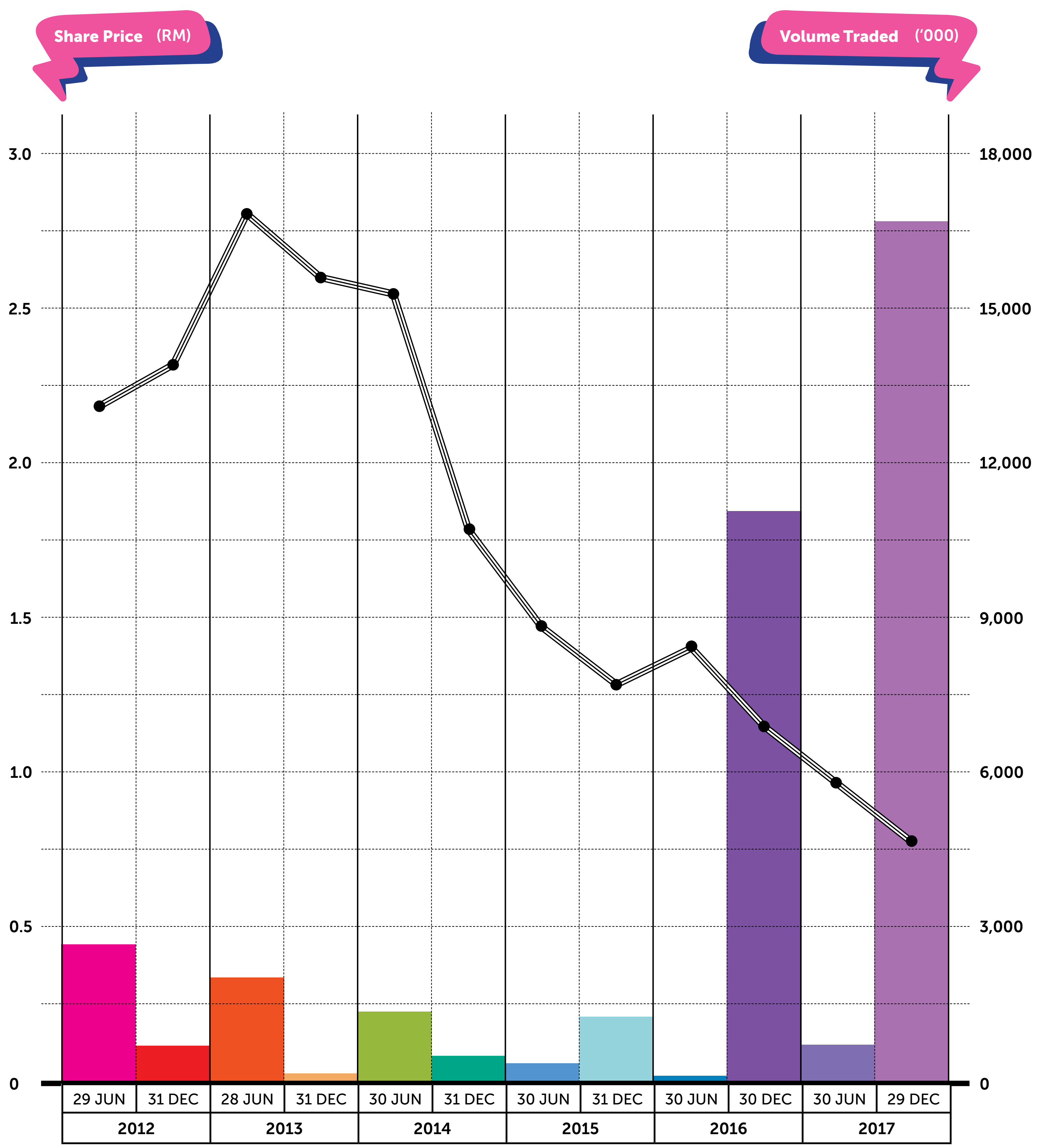
Readership Trend

Newspaper	Jul'16 - Jun'17 ('000)	Jul'15 - Jun'16 ('000)
BH	**946**	1,190
BH Ahad	**916**	1,175
Harian Metro	**2,584**	3,165
Metro Ahad	**3,027**	3,451
New Straits Times	**200**	182
New Sunday Times	**154**	157

Source: Nielsen Consumer & Media View Jul 2015-Jun 2016
Nielsen Consumer & Media View Jul 2016-Jun 2017



SHARE PRICE CHART



Date	29.06.2012	31.12.2012	28.06.2013	31.12.2013	30.06.2014	31.12.2014	30.06.2015	31.12.2015	30.06.2016	30.12.2016	30.06.2017	29.12.2017
Share Price (RM)	2.21	2.34	2.80	2.62	2.58	1.76	1.46	1.27	1.38	1.15	0.94	0.76
Volume Traded	2,733,200	735,500	1,885,300	137,600	1,139,900	733,200	561,300	1,076,900	42,600	11,012,500	674,800	16,775,500

Source: Bloomberg

GROUP FINANCIAL REVIEW

REVENUE

MPB Group revenue declined by 7% in 2017 to RM1,195.7 million against 2016 revenue of RM1,289.0 million. The decline was attributed to lower advertising and newspaper sales as a result of the shift from traditional media to digital media. This is reflected by the 12% decline in total advertising revenue to RM950.8 million (2016: RM1,074.4 million), and 30% decline in newspaper sales to RM88.1 million (2016: RM125.2 million). Content revenue reported growth of 2% to RM22.2 million (2016: RM21.8 million) and consumer revenue from our home shopping network recorded a significant growth to RM129.5 million (2016: RM61.4 million). The Group's digital-based revenue achieved a growth of more than 100% from 2016 driven by increased advertising revenue from its digital properties.

- **TELEVISION NETWORKS**
  Lower advertising expenditure ("adex") throughout the year for Television Networks' ("TVN") contributed to 15% decline in revenue to RM491.7 million in 2017 from RM575.8 million in 2016. While TVN's core free-to-air advertising revenue declined against the preceding year, its digital and commerce initiatives notably tonton subscription video-on-demand service had seen revenue growth compared to 2016.

- **PRINT MEDIA**
  Revenue of RM322.6 million in 2017 was a 22% decline against RM415.5 million recorded in 2016. Newspaper advertising and circulation revenue declined by 24% and 29% respectively in line with the decline in newspaper market demand. The platform's digital revenue was up by 79% contributed by growth of its digital portals and subscription services.

- **OUTDOOR MEDIA**
  Revenue growth of 6% to RM167.9 million (2016: RM158.7 million) contributed by higher yield from digital sites.

- **RADIO NETWORKS**
  Revenue declined by 3% to RM66.6 million (2016:RM68.4 million) attributed to lower adex during the financial year.

- **DIGITAL MEDIA**
  Significant increase in revenue by 71% contributed mainly from higher internal shared service and digital advertising revenue. The acquisition of Rev Asia Holdings Sdn Bhd and its subsidiaries ("Rev Asia Holdings group") during the financial year has given a new catalyst for growth in the digital advertisement for this segment. The details of the acquisition of Rev Asia Holdings group and its effects on the Group are set out in Note 16 to the consolidated financial statements.

- **CONTENT CREATION**
  Content Creation recorded external revenues of RM18.1 million for 2017, which is a 11% decline from 2016. The decline was mainly due to lower box office revenues, advertiser content and film distribution services.

AMORTISATION OF INTANGIBLE ASSETS

Amortisation of intangible assets decreased from RM198.7 million in 2016 to RM186.7 million in 2017. Amortisation of programme and film rights, which significantly accounts for the total amortisation of intangible assets, decreased to RM178.8 million (2016: RM192.0 million) due to lower programme rights amortisation by TVN coupled with lower film production costs from box office releases in 2017. Computer software and software development costs amortisation for 2017 amounted to RM4.9 million (2016: RM3.6 million). The increase was mostly attributed to amortisation of development costs for our mobile applications under Digital Media platform aside from amortisation of software supporting our other digital products and services.

NEWSPRINT AND NEWSPAPER PRODUCTION COSTS

Newsprint and newspaper production costs decreased by 23% to RM85.3 million (2016: RM111.2 million) as lower newsprint and printing material consumption is in line with lower circulation volumes of newspapers.

OUTDOOR DISPLAY AND PRODUCTION COSTS

Outdoor display and production costs in 2017 saw a 70% increase against 2016 primarily due to Malaysian Highway Authority road reserve fees amounting to RM34.9 million and RM12.5 million of MRT site rental and production costs.

EMPLOYEE BENEFITS COSTS

Total employee benefits costs increased by 18% to RM503.0 million compared to RM426.4 million in 2016. The increase was mainly due to Group-wide termination costs of RM110.7 million which was also part of our exceptional items for 2017.

DEPRECIATION

Total depreciation of property, plant and equipment and investment properties decreased marginally by RM1.4 million to RM100.1 million in 2017 compared to RM101.5 million in 2016. The depreciation includes the accelerated depreciation for television broadcasting equipments due to switch of analogue television broadcasting to digital terrestrial television.

IMPAIRMENT OF NON-CURRENT ASSETS

Total impairment charges in relation to non-current assets amounted to RM364.1 million (2016: RM76.5 million). The carrying amount in our investment in an associate, MNI, of RM141.5 million was fully impaired consequent to MNI's commencement of a creditors' voluntary winding-up in 2017. Impairment of our property, plant and equipment ("PPE") of RM117.9 million was in relation to our printing plant and machinery as well as our broadcasting equipment. Another signficant impairment charge in 2017 was on our intangible assets in relation to our newspaper business publishing rights of RM100.5 million.

The summary of our impairment of non-current assets is set out in Note 7 to the consolidated financial statements.

TAXATION

Tax expense for 2017 of RM64.1 million was a significant increase against RM3.9 million in 2016. The increase was attributed to net deferred tax charge of RM54.5 million (2016: (RM25.2 million)). However, the increase in deferred tax charge was offset by the reduction in current tax which reduced by 67% against prior year to RM9.6 million (2016: RM29.1 million). As a result of the net deferred tax charge, our Group effective tax rate stood higher than the statutory corporate tax rate of 24%.

PROFITABILITY

We incurred a loss after tax of RM669.7 million for the financial year 2017 compared to RM69.8 million in 2016. If the exceptional items were excluded, we posted a normalised loss after tax of RM172.3 million detailed as follows:

- **EXCEPTIONAL ITEMS**
  In addition to statutory performance measures in accordance with MFRS, we measure our performance based on normalised profit or loss because we believe normalised performance measures provide management and investors with useful additional information about the financial performance of the Group. Normalised performance measures are not defined by MFRS and may not be directly comparable with similar adjusted perfomance measures used by other entities.

GROUP FINANCIAL REVIEW

PROFITABILITY (CONTINUED)

- **EXCEPTIONAL ITEMS (CONTINUED)**

The Group derived its normalised loss for the financial year by excluding exceptional items from the loss for the financial year in the consolidated statement of comprehensive income. Exceptional items are those items we consider to be one-off or material in nature that be brought to attention in understanding the financial performance of the Group.

The reconciliation of normalised loss for the financial year is as follows:

	2017 RM million
Loss for the financial year	**669.7**
Exceptional items:	
- Impairment of investment in an associate	**141.5**
- Impairment of property, plant and equipment	**117.9**
- Impairment of intangible assets in relation to publishing rights	**100.5**
- Impairment of intangible assets in relation to software development	**2.1**
- Termination benefits	**110.7**
- Malaysian Highway Authority road reserve occupancy fees (supplementary amount)	**24.7**
Normalised loss for the financial year	**172.3**

TOTAL ASSETS

Total assets as at 31 December 2017 stood at RM1,582.3 million, a 26% reduction from RM2,151.8 million as at 31 December 2016. Lower PPE, deferred tax assets and the impairment on our investment in an associate contributed to the reduced total assets of the Group.

PROPERTY, PLANT AND EQUIPMENT

Total PPE as at 31 December 2017 stood at RM498.6 million (2016: RM623.0 million). The 20% reduction in PPE balance was partly due to the impairment charges of RM117.9 million attributed to PPE in our Print Media and Television Networks operating segments. During the year, the Group posted additions to PPE of RM95.7 million against RM79.6 million in 2016.

INTANGIBLE ASSETS

Intangible assets stood at RM446.1 million as at 31 December 2017 against RM437.1 million as at 31 December 2016. Intangible assets consisting of programme rights and film production costs which we consider as operating in nature accounted for 15% of the total carrying amount of intangible assets. Combined programme rights and film production cost balance decreased to RM67.5 million in 2017 (2016: RM72.1 million) as a result of lower additions in 2017.

Goodwill and other intangible assets arising from business combinations accounted for 84% of our total intangible assets. We have recognised goodwill, and brands and digital publishing of RM51.4 million and RM71.9 million respectively from the acquisition of Rev Asia Holdings group in 2017. The allocation of the total purchase consideration of RM105.0 million across the acquired assets and liabilities and the resulting goodwill is set out in Note 16 to the consolidated financial statements.

We review the recoverable amounts of goodwill and other intangible assets with indefinite useful lives annually allocated across our Radio Networks, Print Media, Outdoor Media and Digital Media cash generating units (see Note 18 to the consolidated financial statements). As a result of the impairment assessment performed, an impairment charge of RM100.5 million was recognised in 2017 on Print Media's newspaper business publishing rights.

DEPOSITS, CASH & BANK BALANCES

Deposits, cash and bank balances stood at RM206.0 million as at 31 December 2017 compared to RM374.9 million as at 31 December 2016. The reduction in cash and bank balances are partly due to reduced net cash inflows from operating activities of RM44.3 million (2016: RM118.3 million) in line with the challenging performance for 2017. Net cash outflows used in investing activities increased to RM175.0 million (2016: RM71.4 million) as we paid RM98.4 million for the acquisition of Rev Asia Holdings group in 2017. Net cash outflows from financing activities reduced significantly from RM91.6 million for 2016 to RM43.0 million in 2017, partly due to lower dividends paid.

TRADE & OTHER RECEIVABLES

Trade and other receivables balances fell by 7% to RM297.6 million as at 31 December 2017 (2016: RM318.9 million). Net trade receivables after advance billings reduced to RM242.3 million (2016: RM258.3 million) due to lower gross trade receivables balance. Total net other receivables saw a slight reduction from RM60.6 million as at 31 December 2016 to RM55.4 million as at 31 December 2017.

TOTAL LIABILITIES

Our total liabilities increased by 22% to RM810.1 million as at 31 December 2017 (2016: RM665.6 million) mainly due to higher trade and other payables balance. The increase in trade and other payables is primarily due to provision of termination benefits of RM58.5 million (2016: Nil) and a higher deferred income balance of RM84.6 million (2016: RM11.8 million) as set out in Note 28 to the consolidated financial statements.

BORROWINGS

Total borrowings as at 31 December 2017 stood at RM314.2 million (2016: RM300.1 million), comprising of a RM300.0 million secured term loan obtained in 2017 and a short-term banker's acceptance of RM20.9 million. A Commercial Paper Medium Term Notes of RM400.0 million was fully repaid in 2017.

TOTAL EQUITY

Total equity decreased by 48% from RM1,486.2 million as at 31 December 2016 to RM772.2 million as at 31 December 2017 on the back of the RM669.7 million total comprehensive loss for the current financial year.

LOSS/EARNINGS PER SHARE & RETURN ON EQUITY ("ROE")

Basic loss per share of 5.34 sen for 2016 increased to 58.7 sen for 2017 in line with our loss for the financial year 2017. The loss also resulted in our ROE for 2017 to stand at -85% as compared to '-4% for 2016.

DIVIDENDS

Reflecting the Group's loss and the Company's current year loss and accumulated loss position of RM356.7 million and RM255.9 million respectively, the Board of Directors do not recommend payment of any dividend for the financial year ended 31 December 2017.

SUSTAINABILITY REPORT

EACH DAY, MEDIA PRIMA DELIVERS ON ITS COMMITMENT TO PROVIDE A PREMIUM ENTERTAINMENT EXPERIENCE THROUGH CUTTING-EDGE TECHNOLOGY.

Media Prima has a deep and intrinsic link to good corporate responsibility. Our balanced ecosystem of corporate responsibility and sustainability positions us as a positive force in the communities in which we operate. Managing current and future environmental and social risks drives sustainability and provides a competitive advantage. Our sustainability practices touch lives with each business platform taking a proactive approach to reaching out to stakeholders.

At Media Prima, sustainability has unique characteristics. The media industry moves quickly. New technologies and the growing use of media channels by global stakeholders create unique challenges to manage corporate reputation and risk, and also sustainability opportunities and strategies for engagement that deliver results.

MEDIA PRIMA'S SUSTAINABILITY FOCUS

STAKEHOLDERS

- Offering the right products in key customer segments
- Stakeholders' satisfaction, engagement and advocacy
- Access to our products and services

ECONOMIC

- Market risk
- Evolvement in the media industry
- Impact on digital media
- Stakeholder returns
- Sustainable supply chain

ENVIRONMENT

- Climate change
- Environmental risk and impact of our operations

COMMUNITIES

- Education
- Humanitarian
- Community support through our business platforms
- Strengthening community ties

PEOPLE

- Culture and work environment
- Employee engagement
- Workplace health and safety
- Workforce attraction and retention
- Diversity and inclusion

OPERATIONS

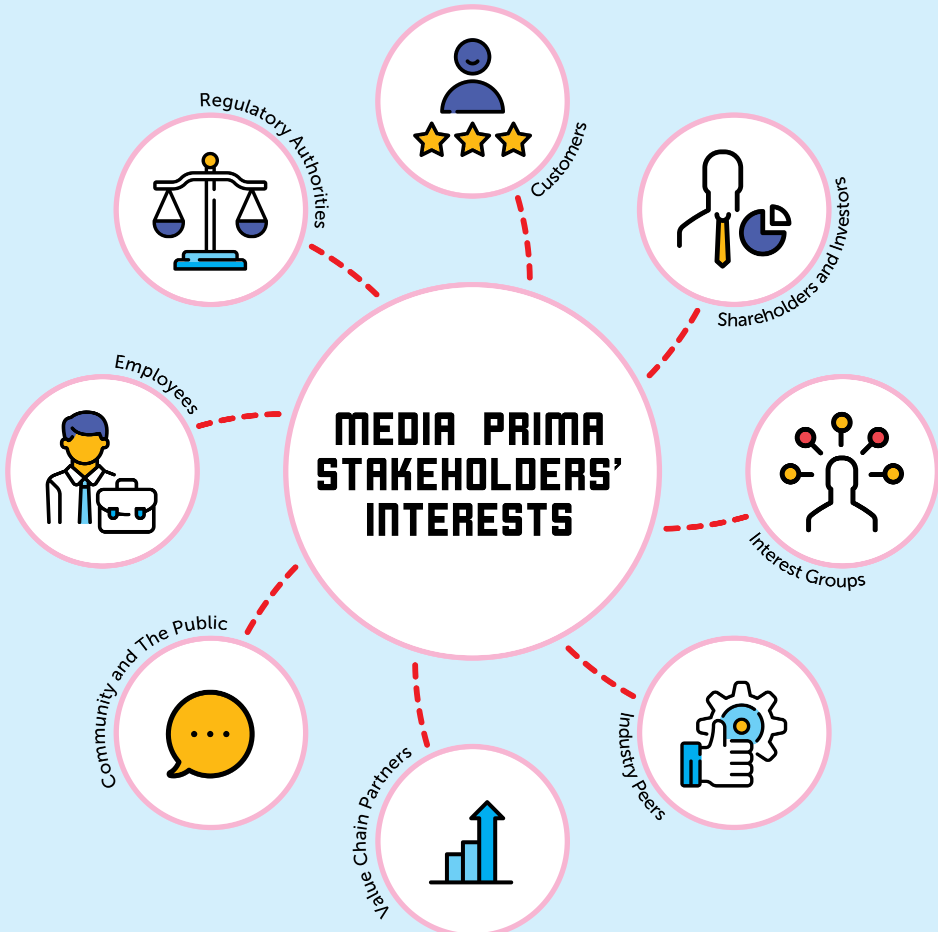
- Changes in technology
- Digitising operations
- Quality delivery
- Meeting stakeholders' expectations

SUSTAINABILITY REPORT

Sustainability Governance

Good governance is a cornerstone of sustainability. Media Prima has well-established policies and management systems that apply to all business functions. Legal requirements are a minimum standard and in many cases, our policies and systems surpass these.

The Board of Directors oversees the execution of the Group's sustainability strategy through the oversight of Media Prima's business strategy and risk management. The Group Managing Director and the senior management team are accountable for the sustainability practices within the respective business and operations. The Board together with our senior management team conduct regular discussions and reviews on sustainability aspects such as risk, employee health and safety, operations, talent management, compliance and business strategies.



STAKEHOLDER GROUP	METHOD OF ENGAGEMENT	AREAS OF INTEREST	ADDRESSING THEIR INTERESTS
Customers • Television Broadcasting: viewers • Print Media: readers • Outdoor Media: advertisers • New Media: viewers • Content Creation: Brand Management Group, Acquisition and Content Management • Radio: listeners	• Customer satisfaction surveys • Customer complaints tools • Social media • Websites	• Viewing preference • Content development • Technical support • Social discourse • Privacy and freedom of expression • Children's rights	Our customers and the competition are instrumental to our prospects. We share a common goal across our organisation to give customers a value-added experience in society.
Shareholders & Investors	• Results announcement meetings • Annual general meetings • Regular updates and communication • Investor roadshows	• Long-term profitability • Sustainability matters • Company's performance against targets • Compliance with all relevant requirements	We are committed to delivering economic value to our capital providers through strong financial performance and our methods of engagement with them.
Interest Groups • Non-governmental Organisations • Industry Analysts	• Regular and ad-hoc meetings • Official launches • Events • Open dialogue • Interviews, press releases and websites	• Company's performance • Rights of vulnerable groups • Future direction • Influence digital media has on society	We include the views of interest groups when considering the impact operations have on society.

SUSTAINABILITY REPORT

STAKEHOLDER GROUP	METHOD OF ENGAGEMENT	AREAS OF INTEREST	ADDRESSING THEIR INTERESTS
Industry Peers	• Conferences and meetings • Industry workshops • Networking events	• Our performance • Compliance • Development within the media industry	We have an excellent record of engaging with industry players. By sharing ideas and inspiring positive change, we continue to make the greatest possible difference. We collaborate with key partners and engage with thousands of people every day.
Value Chain Partners • Third-party suppliers and vendors • Event sponsors	• Contract bidding and procurement management • Training and talent management • Programme roadshows • Programme licensing negotiations	• Fair procurement • Efficient supply chain management	Relationships with suppliers are governed by our supplier code of conduct. These guidelines, which conform to international ethical standards, stipulate the conduct expected from suppliers in areas such as economic sustainability, environmental sustainability and social responsibility.
Community and the Public	• Financial and non-financial contributions • Philanthropic activities • Volunteerism programmes • Events and roadshows	• Social and economic development contributions • Socio-environmental impacts	We strive to be a strategic partner and positive force in our local communities.
Employees	• Employee satisfaction survey • Employees engagement programme • Internal communications such as newsletters, the intranet and updates • Events and functions • Employee grievance system	• Equal opportunities • Diversity • Career progression • Benefits and rewards	Our employees are key to our innovation-driven culture. People are our success and we are committed to being a good employer.
Regulatory Authorities • Ministry of Information, Communications and Culture ("MoICC") • Perbadanan Kemajuan Filem Nasional Malaysia ("FINAS") • Malaysian Communications and Multimedia Commission ("MCMC") • The Malaysian Communications and Multimedia Content Forum of Malaysia ("CMCF") • Consumer Forum of Malaysia ("CFM") • Ministry of Finance ("MoF") • Ministry of Home Affairs • Dewan Bahasa dan Pustaka • Department of Environmental ("DOE")	• Regular communication • Reports and compliance • Periodical meetings • Regular environmental reporting to the DOE	• Compliance • Reducing environmental footprint • Compliance with environmental regulations	We have established sustainability governance to manage risk, ensure compliance and operate with integrity at all times.

SUSTAINABILITY REPORT

Prioritising What Matter the Most

To improve as an organisation, we need to identify, understand and balance the most important areas for our stakeholders and know how these relate to the actions and decisions we take.

Media Prima conducts an annual materiality study to prioritise sustainability focus areas. This study helps us identify issues that are most important to our business, our stakeholders and across our entire value chain.

Materiality is a challenging journey we want to approach in the best way possible - it is much more than a 'tick the box' exercise. Each year we strive to make our materiality assessment increasingly representative of our stakeholder universe so we can be confident that the outcomes really reflect the most important issues of the moment.

As part of our materiality assessment, respondents were asked to rate the importance they placed on 34 corporate governance, economic, environmental and social areas. These areas are presented below.

CORPORATE GOVERNANCE

Governance Structure; Business Ethics; Corporate Governance Compliance

ECONOMIC

Nation Building, Employment & Education; Sustainable Procurement; Legal Compliance

ENVIRONMENT

Energy; Materials; Water; Emissions, Effluents and Waste; Environmental Impact from Transportation; Environmental Compliance; Managing Environmental Cost

SOCIAL: LABOUR PRACTICES AND DECENT WORK

Employment & Benefits; Occupational Health & Safety; Training & Education; Diversity & Equal Opportunity; Equal Gender Remuneration; Employee Engagement

SOCIAL: HUMAN RIGHTS

Freedom of Association; Supplier Human Rights; Non-Discrimination; Protecting Child Talents; Protecting Rights of Security Staff

SOCIAL: SOCIETY

Anti-Corruption & Complaints; Market Competition; Public Policy & Lobbying; CSR Volunteerism; Community Programmes & Donations

SOCIAL: PRODUCT RESPONSIBILITY

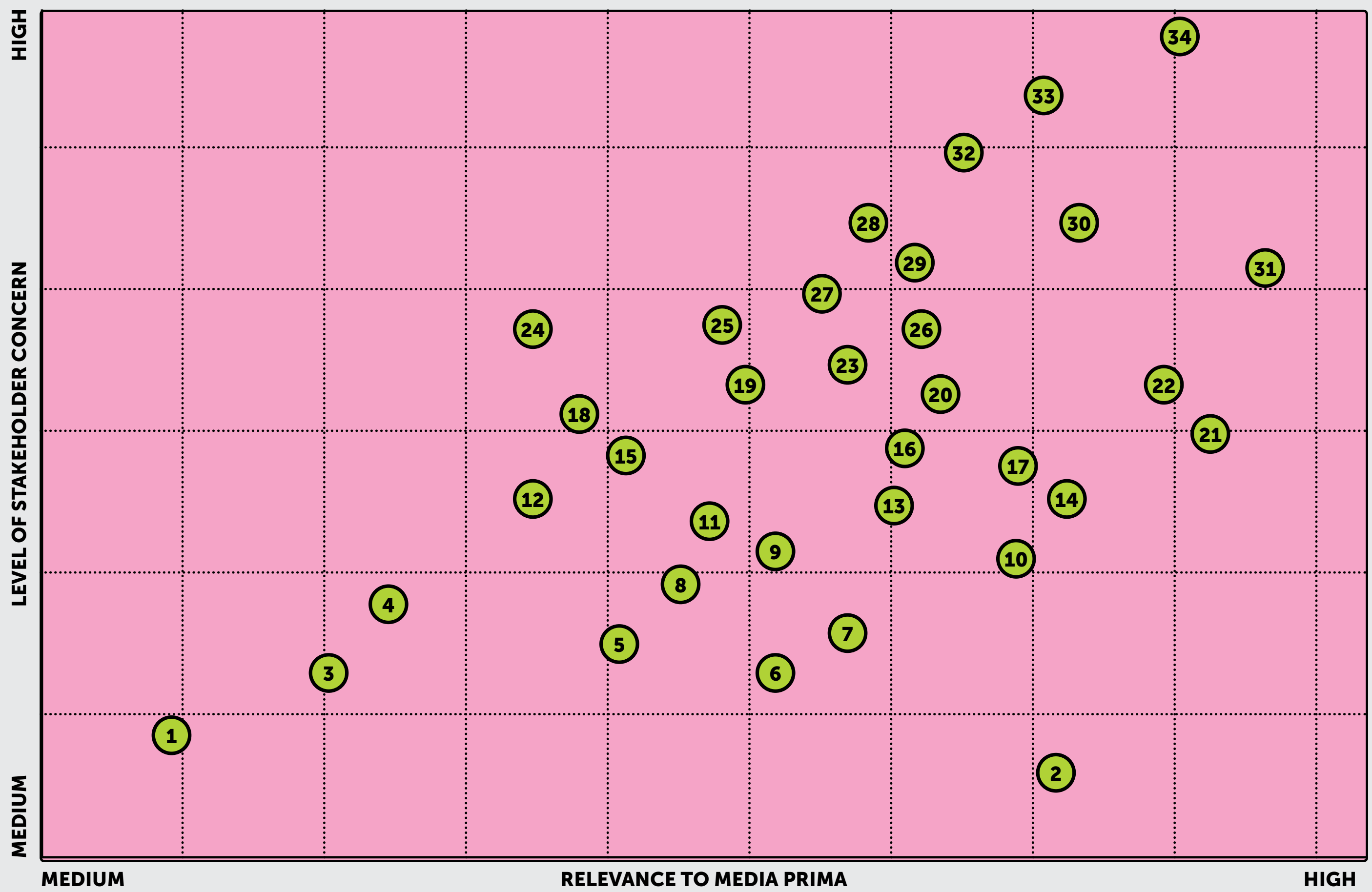
Quality; Customer Satisfaction; Customer Privacy; Provision of Information; Responsible Marketing

SUSTAINABILITY REPORT

The same survey was completed by representatives from the Board of Directors whose responses represented the views of the Company.

This exercise helped us prioritise economic, social and environmental areas to further improve the way we do business and drive sustainable progress in society.

The matrix below presents the outcome of our materiality assessment. It is also used to shape the content of our Sustainability Report. Detailed stories of our journey in each of the following sustainability areas can be found in the Media Prima Sustainability Report 2017.



1. Freedom of association
2. Materials
3. Environmental impact from transportation
4. Managing environmental cost
5. Water
6. CSR volunteerism
7. Sustainable procurement
8. Community programmes & donations
9. Energy
10. Governance structure
11. Supplier human rights
12. Emissions, effluents & waste
13. Employment & benefits
14. Environmental compliance
15. Public policy & lobbying
16. Nation building, employment & education
17. Training & education
18. Provision of information
19. Diversity & equal opportunity
20. Equal gender remuneration
21. Corporate governance compliance
22. Legal compliance
23. Employee engagement
24. Market competition
25. Protecting child talents
26. Responsible marketing
27. Protecting rights of security staff
28. Customer privacy
29. Quality
30. Non-discrimination
31. Business ethics
32. Anti-corruption & complaints
33. Occupational health & safety
34. Customer satisfaction

1. ECONOMIC

Media Prima has a long-held belief that it is more than just a media group, progressing society through economic development.

LOCAL TALENTS FOR THE LOCALS

Media Prima has introduced local hiring practices in all operational offices. Proper notification of vacancies is provided and selection is based on job criteria. We believe that hiring from local communities is an important part of supporting the local economy.

> **MEDIA PRIMA CONTINUES TO WORK ON A SPECIFIC TALENT MANAGEMENT PROGRAMME WITH THE OBJECTIVE OF STIMULATING INTERNAL PROMOTION WITHIN THE ORGANISATION.**

We provide our viewers with the very best experience and deliver the most sought-after content by examining local market trends and researching viewers' desired programmes. Our transparent business prioritises editorial independence, content quality, plurality and diversity.

Tailoring hiring policies and procedures to local markets help attract the right people for the right jobs. In 2017, more than 99% of our employees were Malaysian.

SOURCING AND MANAGING PROGRAMMES

Market trends are analysed and viewers' preferences researched to deliver the best experience and most sought-after programmes. We conduct fair and transparent business while prioritising editorial independence, content quality, plurality and diversity.

Our Acquisition and Content Management ("ACM") Team and the Brand Management and Programming Group ("BMPG") respond to the market and secure in-demand programmes.

PROCESS FOR SECURING IN-DEMAND PROGRAMMES

STEP 01

BMPG, the custodian of TV networks, conducts internal discussions on purchasing suggested programmes.

STEP 02

Once confirmed, the ACM negotiates the programme license.

STEP 03

A financial evaluation report is raised if the budget and content fits are suitable. This report contains programme analysis including an ROI projection.

STEP 04

This report is tabled at our monthly programme committee meeting for approval or rejection.

2. ENVIRONMENTAL

At Media Prima, we are committed to being an environmentally-responsible partner in the communities in which we operate. This is achieved by implementing safe, efficient and environmentally-conscious operating and manufacturing processes and leveraging our expertise to support stakeholders' environmental sustainability programmes and goals.

MATERIALS MANAGEMENT

Media Prima has long aspired to efficiently use, reuse or recycle materials across its operations. Not only does reducing waste save the company money on disposal costs, but it also keeps non-biodegradable and other undesirable items out of local landfills.

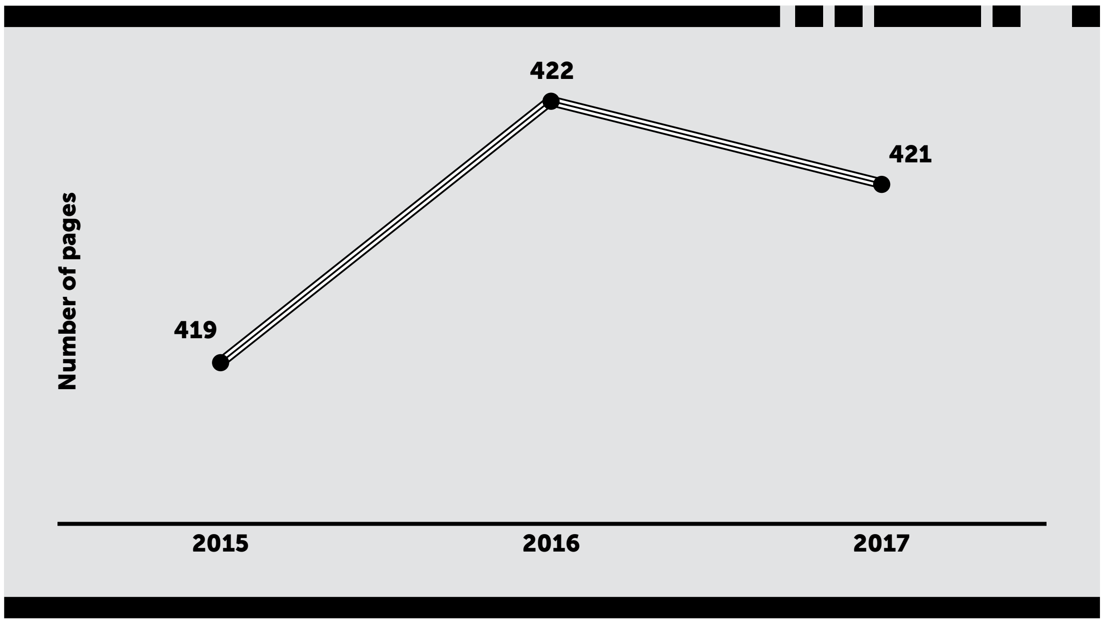
Materials management is perhaps one of the most important environmental factors affecting NSTP's profits as a printing company. The consumption of materials is monitored and analysed at all printing plants to ensure they are used effectively and efficiently. Any variations that are detected are resolved quickly.

PAPER

Comprising over 99% recycled materials, our newsprint is both affordable and environmentally friendly. Typically, newsprint has a relatively low brightness level of between 55 and 65 and is not physically strong.

Paper is the main material used in our printing plants and we continue to use this valuable resource efficiently. The number of pages is a good indicator of paper use efficiency.

NUMBER OF PAGES PER KILOGRAM OF NEWSPRINT



PAPER TYPES NSTP'S PRINTING PLANTS CAN HANDLE

100% RECYCLED	MIXED COMPRISING 50% RECYCLED AND 50% PULP	WOODFREE PAPER	VIRGIN PULP PAPER
ECO			

A 100%-recycled paper is favoured and used whenever possible. We procure mixed or woodfree paper if 100% recycled is unavailable. Paper made from virgin pulp is only purchased as a last resort.

In 2017, 83% of all purchased paper came from 100% recycled sources; the remainder was mixed.

ENVIRONMENTALLY-FRIENDLY PLATES

In 2017, Balai Berita Shah Alam and Prai have converted to a chemical-less plate. Our chemical free plate requires no chemical processing or special handling and is non-photosensitive. Independence from darkroom conditions and elimination of variables in exposure, chemical stability and manual intervention means fast, accurate and repeatable results.

BENEFITS OF USING THE ENVIRONMENTALLY-FRIENDLY PLATE

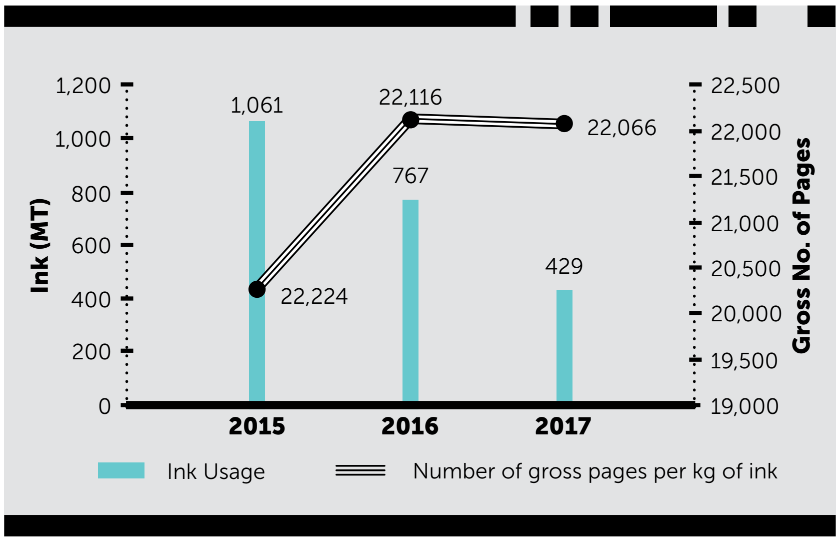
- A STABLE, QUICK IMAGING PROCESS
- EASY MAINTENANCE AND LESS WASTE PRODUCTION/HANDLING
- NO HAZARDOUS PROCESSING CHEMICALS
- REDUCED EFFLUENT GENERATION
- NO DEVELOPER OR REPLENISHES
- LESS WATER CONSUMPTION

SUSTAINABILITY REPORT

INK

ISO 12647-3 is the worldwide standard that defines the print quality in coldest offset newspaper production. ISO 12647-3:2013 improves communication between printers, publishers and advertisers while making print buyers aware of the expected printed result in advance so they can plan accordingly. ISO 12647-3:2013 defines tolerances, allowing for objective quality evaluations and raising the competitiveness of newspapers compared to other media. NSTP achieved and qualified as a member of ISO 12647-3.

NUMBER OF GROSS PAGES PER MT OF INK AND INK USAGE



WATER MANAGEMENT

Water is one of the important resources used in our printing plants and is essential for all life on the planet. We optimise our use of water and minimise the environmental impact of water use on our natural environment. Our water consumption by plant from 2015 to 2017 is presented below.

WATER CONSUMPTION AT NSTP PLANTS (M^3)

Year	Shah Alam	Prai	Senai	Ajil	Bangsar	Total
2015	53,903	22,149	31,036	13,004	70,910	191,002
2016	40,818	21,941	16,245	14,812	72,680	166,496
2017	39,965	22,593	0	0	0	62,558

ENERGY MANAGEMENT

Since 2015, we have been maintaining the power factor at between 0.85 and 0.90 by properly maintaining the capacitor banks at all printing plants. This minimises power losses while lengthening the lifespan of electrical appliances.

During the year, three old conventional air compressors at Balai Berita Prai have been dismantled and replaced with new inverter drive models.

A registered energy manager assists our energy committee at Balai Berita Shah Alam. The committee ensures compliance with Suruhanjaya Tenaga requirements on Efficient Management of Electrical Energy Regulations 2008. The committee also examines electricity efficiency in the building and formulates energy-saving strategies wherever appropriate.

We continue to replace 44 400W metal halide type perimeter lights with 90W LEDs at Balai Berita Shah Alam. Five lights have been installed as at 31 December 2017.

The installation of inverters and replacement of Air Handling Units ("AHU") at our printing plants have been completed.

NSTP'S ELECTRICITY CONSUMPTION FROM 2015 TO 2017 (kWh)

Site	2015	2016	2017
Balai Berita Bangsar	9,023,789	9,615,618	7,947,438
Balai Berita Shah Alam	6,952,322	6,712,261	6,310,046
Balai Berita Prai	4,670,059	4,549,740	4,286,363
Balai Berita Senai	4,896,943	4,643,956	925,095
Balai Berita Ajil	3,602,089	3,222,341	483,376
Total	**29,145,202**	**28,743,916**	**19,952,318**

MEDIA PRIMA'S ELECTRICITY CONSUMPTION FROM 2015 TO 2017 (kWh)

Site	2015	2016	2017
Sri Pentas	7,999,424	8,398,306	7,894,944
Glenmarie Shah Alam	2,237,527	2,267,941	2,417,770
Sri Pentas 2	175,551	204,500	205,500
TV3's Transmitters	7,819,184	7,670,493	7,329,262
ntv7's Transmitters	3,263,058	3,180,384	3,002,393
8TV's Transmitters	1,075,139	1,162,913	1,122,470
TV9's Transmitters	1,136,640	1,136,418	1,132,954
Hot FM Radio's Transmitters	341,804	358,309	361,806
Subtotal	24,048,327	24,379,264	23,467,099
Chilled Water	12,074,377	12,696,146	12,125,747
Total	**36,122,704**	**37,075,410**	**35,592,846**

BIG TREE OUTDOOR'S ELECTRICITY CONSUMPTION FROM 2015 TO 2017

Site	2015	2016	2017
Billboards **	3,114,760.27	4,211,303	5,041,266

* *This value is based on the conversion of cost of electricity to kWh*

WASTE MANAGEMENT

Media Prima has consistently increased its waste monitoring efforts in each of its operations in accordance with applicable legislation and laws. Each of our operations has a unique waste composition. Our waste management system is tailored to each business and location.

Disposal methods were determined through consultations with our waste disposal service providers. We adhere to the environmental requirements on the disposal of hazardous wastes, which cannot be decontaminated, processed and recycled. We also ensure that our contractors fulfil the requirements for the safe handling, disposal and recycling of wastes. We continue to review new practices and efficient technologies in the field of waste management to implement them in our companies.

The amount of waste disposed of in 2017 was significantly higher than previous years due to the closing of Balai Berita Senai and Balai Berita Ajil. The chemical disposal and closing of the wastewater treatment were handled by the appointed licensed contractor, Eco Millenium Sdn Bhd.

SOLID WASTE

NSTP sends all (100%) of its paper waste to Malaysian Newsprint Industries ("MNI") for recycling. The collection of aluminium and cores are put to tender. Unsellable waste is disposed of in compliance with the environmental regulations. The comparison of newsprint waste sent to MNI by year is presented below.

SOLID WASTE DISPOSAL BY TYPE

Newsprint Wastage	Amount (kg)		
	2015	2016	2017
Stripping	2,689	174	-
Reel Ends	84,608	67,192	62,491
Run-up Spoilage	1,535,260	1,263,130	998,789
Empty Core	164,760	129,078	87,449
Newsprint Covers	164,849	100,081	82,706
Machine Waste (Scrap Paper)	191,099	150,455	110,120
Test Run & Mock-ups	40,803	28,212	29,466
Non Production Spoilage	-	5,459	3,181
Total	**2,184,068**	**1,743,781**	**1,374,202**

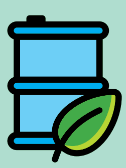
SCHEDULED WASTE

Scheduled waste produced by NSTP's printing plant processes comprises contaminated rags, drums, waste ink and chemical waste. This waste is collected, stored and disposed of by Department of Environment ("DOE") licensed contractors: Kualiti Alam, Tex Cycle, 3R Quest, Nature Energy Products Sdn Bhd, Alivirgo Sdn Bhd and Alam Aliran Kualiti Sdn Bhd. Monthly reports are sent to the DOE.

NSTP'S TREATMENT OF SCHEDULED WASTE

CONTAMINATED RAGS ARE CLEANED AND RETURNED FOR REUSE

CHEMICAL WASTE IS SENT TO AN IN-HOUSE WASTEWATER TREATMENT PLANT ("WWTP") FOR PROCESSING



SLUDGE PRODUCED BY THE WWTP IS DISPOSED OF AS SCHEDULED WASTE

INK IS STORED IN DRUMS AND STACKED ON PALLETS BEFORE BEING COLLECTED BY LICENSED CONTRACTORS

ELECTRONIC EQUIPMENT IS PACKED IN METAL DRUMS AND PALLETISED BEFORE BEING SENT TO KUALITI ALAM

NSTP SCHEDULED WASTE DISPOSAL (MT) BY PLANT

Waste Category	Waste Code	Ajil	Prai	Senai	Shah Alam	Total
E-Waste	SW109/110	0	0.049	0	N/A	0.049
Ink Sludge and Evaporator Sludge	SW416	0	0.38	0	4.52	4.9
Used Oil	SW307	18.5	0.21	8.9	3.69	31.3
Mixed Solvent	SW322	5.4	0.59	6.5	1.68	14.17
Rotowash Carboy	SW409	0	1.59	0	0.995	2.585
Contaminated Empty Drum	SW409	0.36	0.64	0.62	N/A	1.62
Used Rags	SW410	1.85	18.20	1.23	6.11	27.39
Used Activated Carbon	SW411	0	0.79	0	N/A	0.79
Ink Waste	SW418	5.83	0.25	13.6	5.05	24.73
Filter Press Sludge	SW416	1.4	-	0	13.53	14.93
Used Hydraulic Oil	SW306	0	-	0	0.82	0.82
Total		**33.34**	**22.7**	**30.85**	**36.40**	**123.28**

3. OUR PEOPLE

We continue to develop the diverse employee base of Media Prima. We aim to become a company that is trusted by society and which our employees are proud of.

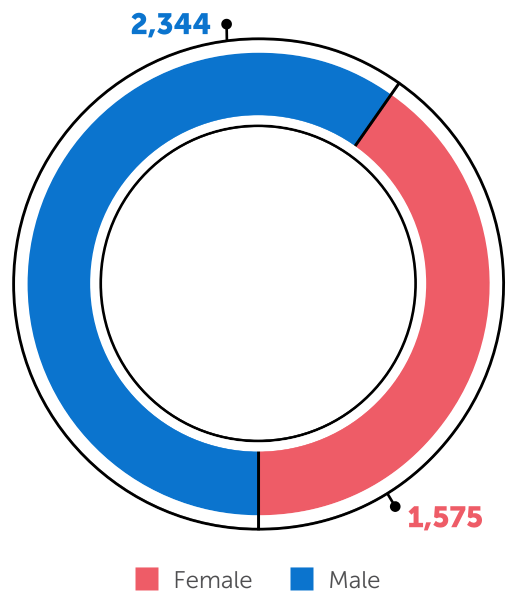
CARE UNCONDITIONALLY FOR OTHERS

Established in 2011, the Media Prima – NSTP Volunteers Brigade comprises employees from various business units under the Group. Besides being the backbone of numerous relief missions under Tabung Bencana NSTP-MPB, the brigade also conducted other activities such as medical outreach, blood donation drives, visits to underprivileged homes and other volunteerism-based activities that benefit the community. The Media Prima – NSTP Briged Sukarelawan had a total of 150 registered members as at 31 December 2017.

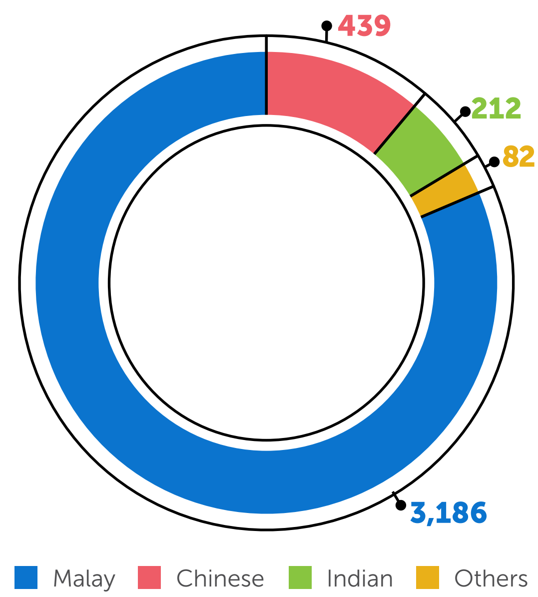
DIVERSITY

We strive to create a workplace culture that embraces diversity and inclusion and treats every individual with dignity and respect. By upholding these values, we are able to attract and retain talented people, deliver the best experiences to our customers and support positive change across business and society.

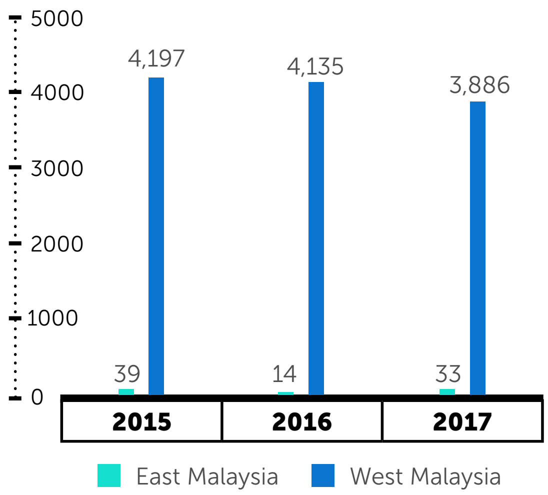
BREAKDOWN OF EMPLOYEES BY GENDER



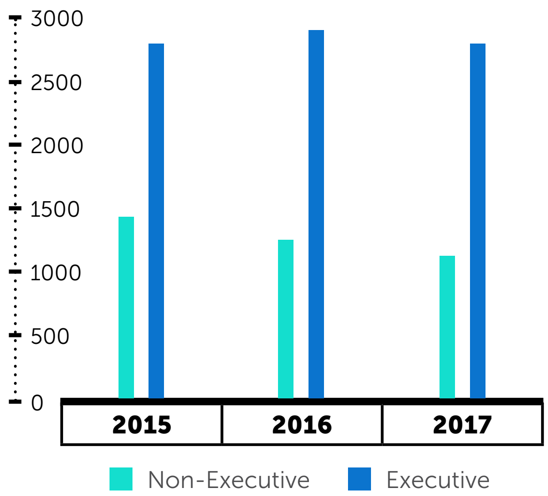
BREAKDOWN OF EMPLOYEES BY RACE



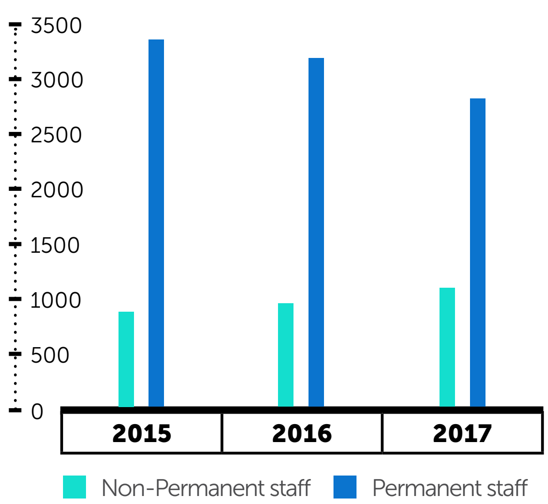
BREAKDOWN OF EMPLOYEES BY REGION



BREAKDOWN OF EMPLOYEES BY TYPE

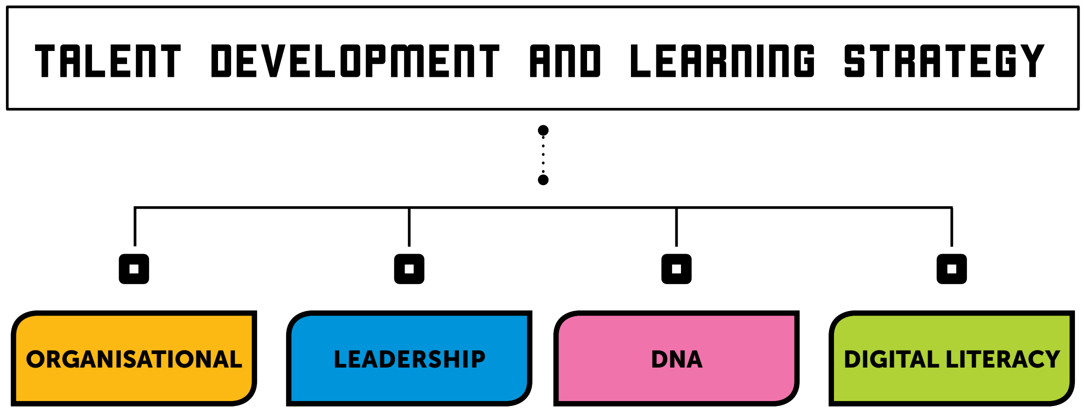


BREAKDOWN OF EMPLOYEES BY CONTRACT



TALENT DEVELOPMENT AND LEARNING

In Media Prima, the Talent Development and Learning strategy is divided into four major areas:



Each development intervention is carefully selected after analysing each platform's training needs. The Training Needs Analysis is conducted at the end of the third quarter each year to plan the development requirements of each platform and ensure that the development plans will be able to support the organisation's vision and mission.

GROUP INTERNAL TRAINING COURSES

Type of Course	Number of Courses	Number of Attendees	Man-days	Investment (RM)
Functional	165	3,295	3,119	594,004.00
Organisational	51	2,060	3,190	793,050.04
Leadership	25	485	733	510,566.58

Type of Course	Number of Courses	Number of Attendees	Man-days	Investment (RM)
Functional	194	754	1,545	871,778.64
Organisational	3	8	5	2,908.00
Leadership	3	4	8	22,806.27

GROUP TRAINING HOURS AND BUDGET

Training	2017
Average training budget per employee	RM713.04
Average number of hours of training per year per employee by employee category	18 Hrs

4.

HEALTH AND SAFETY AT WORK

Health and safety in the workplace has absolute priority in the Media Prima Group. Health and safety, workplace protection and preventive health care are corporate objectives that rank equally alongside the quality of our products and economic success for the Group.

SAFETY AND HEALTH COMMITTEES

Media Prima's safety and health committee comprises a chairman, a secretary and both employer and employee representatives. This structure adheres to Section 30 of the Occupational Safety and Health Act 1994.

BREAKDOWN OF SAFETY AND HEALTH COMMITTEES AT OUR NSTP PLANTS

Location	Chairman	Secretary	Members	
			Employer Representatives	Employee Representatives
Shah Alam	1	1	8	9
Prai	1	1	6	10
Bangsar	1	2	11	11

Each employee representative communicates departmental OSH issues to the main committee on behalf of their respective departments. Employee representatives also perform in-house workplace inspections and are involved in OSH programmes.

OSH STATISTICS

OSH Indicator	2015	2016	2017
Injury rate ("IR") for total workforce	1.7	1.8	1.4
Occupational diseases rate ("ODR") for total workforce	0	0.2	0
Lost day for total workforce	160	132	87
Absentee rate ("AR") for total workforce	0	0	0
Absolute number of fatalities for total workforce	0	0	0

5.

DOING MORE FOR SOCIETY

The nature of our business has a lot of love to give and platforms from which to share it. We have a unique opportunity to give back to the communities in which we operate. Here is how we put our media to good use in 2017.

MEDIA PRIMA'S TARGETED SOCIAL INITIATIVES

MEDIA PRIMA – NSTP HUMANITARIAN FUND

The Media Prima – NSTP Humanitarian Fund ("MPNHF") was established on 15 May 1991. It offers financial aid to Malaysians who would otherwise be unable to afford treatment for heart problems, leukaemia, cancer or the fitting of prosthetic limbs. Our media platforms are used to appeal for public donations and raise money through fund-raising events. Essentially, it is a platform for generous and caring Malaysians to provide a helping hand and assist in the support of humanitarian causes.

Working with hospitals, MPNHF identifies deserving cases and pays the treatment fees, directly. Its scope has been expanded to embrace other causes including assisting victims of poverty, disasters and political conflicts.

THANKS TO OUR GENEROUS CONTRIBUTORS IN 2017

23 patients

were able to undergo life-saving heart surgery, cancer treatment and other critical medical procedures

28 individuals

received assistance to ease the hardship faced due to their medical conditions

TABUNG BENCANA NSTP – MEDIA PRIMA

Tabung Bencana NSTP-Media Prima was launched on the 1 October 2009 to help victims of major floods, landslides and fire. Tabung Bencana NSTP – Media Prima was first established in response to a huge earthquake that occurred in Padang, Sumatra. It was formed to enable the general public to channel their contributions to the victims.

Today, Tabung Bencana NSTP – Media Prima focuses on major catastrophes, both natural and man-made, in Malaysia. The fund was instrumental during the major floods of 2015 as it helped victims during the disaster and post rebuilding efforts. Efforts to improve the lives of these victims included providing medical assistance and rebuilding educational infrastructure such as schools, libraries and playgrounds for victims of the Sabah earthquake in 2016.

In 2017, the fund was used to provide aid for flood victims in Sabah, Terengganu, Perlis, Kedah, Pulau Pinang and Kelantan thanks to generous public contributions.

EXAMPLES OF GOOD CAUSES SUPPORTED BY TABUNG BENCANA NSTP - MEDIA PRIMA

- REPAIRING A SURAU THAT WAS FLOODED
- DISTRIBUTING SURVIVAL KITS TO FLOOD VICTIMS
- PROVIDING RELIEF ASSISTANCE TO THOSE AFFECTED BY FLOODING IN KUCHING
- BUILDING NEW HOUSES FOR FLOOD VICTIMS
- GIVING POST-FLOOD RELIEF ASSISTANCE

TABUNG KEMANUSIAAN PALESTIN MEDIA PRIMA

The Palestinian cause is very dear to Malaysians. The Tabung Kemanusiaan Palestin Media Prima was established in 2012 and re-activated on 24 July 2014 following the escalation of the conflict in Gaza. Media Prima provides an avenue for contributors to assist the Palestinians through reputable NGOs such as Mercy Malaysia and Perdana Global Peace Foundation. Various humanitarian programmes were funded in 2017 that benefited Palestinians.

TABUNG KEMANUSIAAN ROHINGYA MEDIA PRIMA

In 2016, Media Prima launched Tabung Kemanusiaan Rohingya Media Prima in response to the escalating political conflict in the Rakhine state of Myanmar. Caring individuals and organisations were able to help ease the plight of the Rohingya community.

Media Prima provides an avenue for contributors to support the Rohingya community by funding various humanitarian programmes that benefit them through reputable NGOs such as Mercy Malaysia.

In 2017, Tabung Kemanusiaan Rohingya Media Prima received contributions from Superbike Association of Malaysia ("SAM"), Kelab Kementerian Dalam Negeri ("KDN") and SME Bank. As at 31 December 2017, RM69,000 was disbursed.

TABUNG TV3 BERSAMAMU

Since its inception in 2015, TV3 Bersamamu Fund has encouraged public participation and contribution through the popular television programme Bersamamu and related activities on the ground. Today, TV3 Bersamamu Fund is within the ambit of the Humanitarian Fund as it continues to provide help to those in need.

MEDIA PRIMA BUSINESS PLATFORMS REACH OUT, TOUCH LIVES	
Media Prima	• Promoting Intelligence, Nurturing Talent & Advocating Responsibility ("PINTAR") • Briged Sukarelawan Media Prima – NSTP
New Straits Times ("NST")	• New Straits Times – Newspaper in Education ("NIE")
Berita Harian	• Akhbar Dalam Darjah ("ADD") • Seminar Bimbingan Peperiksaan BH • Anugerah Pelajar Cemerlang • Sepetang BH Bersama-sama Guru 2017 • Kembali ke Sekolah • Wakaf BH • Semarak Korban BH • BH-Forest City CSR Programme • Program Jelajah Didik Bersama Tesco
Harian Metro	• Titipan Kasih Harian Metro Khas • Gotong-Royong Titipan Kasih Harian Metro • Titipan Kasih Harian Metro Bulanan • Titipan Kasih Harian Metro Ramadan • Kotak Rezeki Harian Metro
Media Prima Radio Networks	• Fix It: Feed the homeless • Fix It: Blanket For Needy • Kool Kan Ada • Bubur Lambuk Bersama Continental
Media Prima TV Networks	• Supporting the Local Film and Music through Our Orikami Bazaar • Let's Cycle III • Together, Here We Are • #GongXiFattZai Ushers a Joyous and Prosperous Chinese New Year • Terima Kasih Campaign • #dramasangat Bus Tour • Projek Da'i
Media Prima Digital	• Seringgit Seribu Kebaikan

6. RESPONSIBLE BUSINESS FOR THE GOOD OF STAKEHOLDERS

Product quality and ethical integrity are intrinsically associated with the concept of sustainability in the media industry.

RESPONSIBLE CONTENT

Media Prima is fully aware of its strong responsibility to consumers including readers, viewers, listeners and the general public. We are committed to providing accurate, meticulous and truthful information in all publishing products including newspapers, digital products, radio and TV while respecting the attitudes and sensitivity of the general public.

We also adhere to the national policy of responsible marketing set by the Lembaga Penapisan Filem ("LPF") and two other main censorship acts:

- Film Censorship Act 2002 (Act 620)
- Censorship Guidelines (KDN) 2010

These acts determine whether a film is categorised as (U), P13, 18 or TUT ("Tidak Lulus Untuk Ditayangkan") and if it contains dialogue or scenes that must be censored.

MEDIA PRIMA RADIO NETWORKS GO TRADIGITAL

In 2017, MPRN's trade launch focused on strengthening its brand recognition. Repositioning as a 'tradigital brand' consists of providing listeners with content through traditional radio as well as digitally.

a) Podcast

Ais Kacang can be accessed through the website or downloaded from the App Store. Listeners can access a wide range of edgy topics that may be too controversial to discuss live on radio.

Over 30 podcast episodes with various titles have been uploaded since its debut in April 2017. As of 31 December 2017, 51 titles had been downloaded from *Ais Kacang*, which has a total of 202,325 listeners. Uniquely, *Ais Kacang* changes the traditional way of radio stations providing content by allowing listeners to submit their podcasts through the station's website.

b) Icons - Personalising Our Station

MPRN introduced icons for each of its stations such as: Flybot for Fly FM, Hang Omar Timor for Hot FM, Yat Yat for One FM and Profesor Kool for Kool FM. The icons strengthen our presence and connection with listeners. The four icons were unveiled at the 2017 Media Prima Berhad Raya Open House at Sime Darby Convention Centre.

c) Sponsored Stories

MPRN introduced 'Sponsored Stories' to leverage on our digital platforms. These Facebook instant articles are tastefully written for listeners to enjoy while delivering the client's key message.

d) Hot Kool Jam

Hot Kool Jam attended the location of each Media Prima's Karnival Jom Heboh with all Hot FM and Kool FM announcers. We reached more than two million and received more than 249,299 video views on Facebook.

MPRN ENHANCES STAKEHOLDERS' EXPERIENCE

a) New Mobile App Interface

MPRN upgraded its mobile app to deliver an up-to-date podcast with a faster loading time. Editorial and digital video content are also uploaded for access by MPRN's new mobile app.

b) SuperDeals

With rapidly growing technology and every-changing consumer behaviour, MPRN launched the first e-commerce storefront, SuperDeals, which can be accessed through each station's website. SuperDeals provides users with a new shopping experience while listening to streaming radio. Exclusive deals and promotional codes are also available for listeners and shoppers.

MALAYSIA'S LARGEST LOCAL DIGITAL MEDIA ENTITY

In May 2017, we acquired Rev Asia Holdings, a subsidiary of Rev Asia Berhad which is one of Southeast Asia's leading digital media groups. The acquisition is timely as the Group has embarked aggressively on digital-based initiatives to reduce dependency on the traditional revenue base.

Media Prima now has the third largest online reach in Malaysia after the digital conglomerates – Google and Facebook. This acquisition is a massive base to up-sell Media Prima's digital products and services by having a wider digital audience base in Malaysia. The Group's inventory contains a slew of digital products and consumer-based services including tonton, *FullAMark*, CJ Wow Shop and mobile apps that benefit from the additional reach provided by this acquisition.

GROWING PRESENCE IN THE TECH INDUSTRY

Media Prima Labs ("MP Labs") was heavily involved in the tech industry last year, establishing great relationships with tech companies such as MaGIC and MDEC. We contributed to both local and regional tech conferences throughout the year.

Media Prima Digital participated in Tech in Asia Singapore in May 2017 and Tech in Asia Jakarta in November 2017 to source regional contacts from startups, innovators, businesses and investors for potential collaboration. We also took a great deal of digital and tech learning from renowned people in the industry and applied it to our campaigns and projects.

As in the previous year, MP Labs was involved in Level UP KL, Southeast Asia's premier games developer conference. Held from 7 to 9 November 2017, this collaboration with MDEC further promoted our latest in-house mobile games to industry peers and partners.

COMPLIANCE

Media Prima has a comprehensive quality control system that is regularly evaluated and improved. There have been no incidences of non-compliance with any laws and regulations concerning the provision and use of our products during this period. Media Prima did not have any major incidents of noncompliance with regulations or its own voluntary codes concerning the impacts on its operations.

* *Full disclosure of Media Prima's sustainability journey can be found in Media Prima's Sustainability Report 2017 available on our official company website.*

https://www.mediaprima.com.my

INVESTOR RELATIONS

ANALYST AND INVESTOR ENGAGEMENT

Media Prima's Investor Relations function continued to strengthen the quality of corporate disclosures during the year to address the increasing demand for more detailed and relevant information from the investment community.

In light of the challenging media industry during 2017, we enhanced our engagement efforts with investors and other stakeholders by providing relevant, timely, clear and effective communication to aid investment decisions of various stakeholders. The main objective in the Group's external communications in 2017 was to provide investors and other stakeholders with information to address key areas of concern. This was done with the intention of instilling confidence and enhancing their understanding of the Group's strategic decisions in managing the industry challenges in 2017.

Media Prima Group Investor Relations continued with its robust engagements into 2017 as investors sought for regular updates on the Group's financial performance, strategy as well as the media industry outlook. We continued with our engagement with analysts and fund managers via a regular series of interactive one-on-one and group meetings, conference calls and investor conferences during the year to maintain our engagements with existing and potential investors.

Mindful of the institutional shareholders concerns over matters pertinent to them including financial results, strategic developments, and material business matters affecting the Group, our Investor Relations team attended investment conferences and road shows with institutional investors during the year, to further engage with shareholders and potential investors.

In addition, Media Prima Group also augmented its Investor Relations engagement efforts with analysts and investors by organising a "Media Prima Inside Out" in 2017, an Investor Day to engage with local analysts and fund managers, focusing on communicating the Group's business and Odyssey strategy to provide them with a better view of its growth prospects, business performance and ambitions.

WEBSITE

The Media Prima corporate website at **www.mediaprima.com.my** remained an essential tool for distribution of all corporate and financial information, such as the Annual Report, the quarterly announcements of the financial results of the Group, and other announcements and disclosures.

The Investor Relations team maintained its commitment in ensuring that the Investor Relations section of the corporate website at **www.mediaprima.com.my/investor-center/** remained up-to-date with the latest investor-related Group disclosures.

Media Prima Inside Out, an Investor Day to engage with local analysts and fund managers

ANALYST BRIEFINGS

Our financial results containing financial statements, analyses of performance of the Group and each business segment, and outlook for the following financial period, are released quarterly, through announcements to Bursa Malaysia Securities Berhad.

Each quarter, we also ensure timely distribution of our investor presentations to our research analysts and fund managers. We ensured that all investors and analysts obtain access to the investor presentation materials in a timely manner by uploading them to our corporate portal immediately after the publication of the financial statements on Bursa Malaysia's website. In addition, the links to the same briefing materials were emailed to Media Prima's distribution list.

Media Prima Group continued to host an analyst briefing each for its half year and full year results, which include a question and answer session chaired by our Group Managing Director and supported by our Group Chief Financial Officer and the senior management team. These platforms are important to us, as we strive towards providing the investment community with a comprehensive view of our Group's performance, challenges, opportunities and strategies moving forward.

The Group Corporate Communications team is responsible to coordinate Investor Relations events which include organising the Annual General Meeting, Investors Briefings, press conferences and also providing other platforms for stakeholders to meet the Management and be updated on Group's performance and initiatives.

FEEDBACK AND ENQUIRIES

To measure the effectiveness and quality of the dialogue maintained throughout the year, our Investor Relations team has conducted an Investor Relations survey in December 2017 to assess the levels of satisfaction and effectiveness of Media Prima's Investor Relations activities for 2017. Analysts, shareholders and fund managers were invited to participate in the survey. The survey is conducted annually and we view it as a worthwhile exercise given our commitment to seeking feedback from the investment community to further improve our interactions with them.

Our Investor Relations team can be contacted directly with queries, and we welcome feedback from the investment community.

OUR BOARD OF

TAN SRI ISMEE BIN HAJI ISMAIL
GROUP CHAIRMAN

DATUK KAMAL BIN KHALID
GROUP MANAGING DIRECTOR

DATUK SHAHRIL RIDZA BIN RIDZUAN
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

LYDIA ANNE ABRAHAM
INDEPENDENT NON-EXECUTIVE DIRECTOR

Directors

RAJA DATUK ZAHARATON BINTI RAJA ZAINAL ABIDIN

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATUK MOHD NASIR BIN AHMAD

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

TAN SRI DATO' SERI UTAMA HAJI ISMAIL BIN HAJI OMAR

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATUK LOO TOOK GEE

INDEPENDENT NON-EXECUTIVE DIRECTOR

DIRECTORS'

TAN SRI ISMEE BIN HAJI ISMAIL

(Appointed as Group Chairman on 1 August 2017)
Chairman of the Risk Management Committee of Media Prima

Tan Sri Ismee bin Haji Ismail, aged 53, male, a Malaysian, is the Independent Non-Executive Group Chairman of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 1 June 2017, and is the Chairman of the Risk Management Committee of Media Prima.

Tan Sri Ismee is a Fellow Member of the Chartered Institute of Management Accountant ("CIMA").

He began his career as a Management Accountant at Arab Malaysian Development Berhad in 1987. Subsequently, he joined Shell Group of Companies in Malaysia and held previous positions within the Group until 1996 including as the Head of Forex and Banking of Shell Malaysia Ltd and Group Accountant of Shell Malaysia Trading Sdn Bhd.

He then returned to Arab Malaysian Development Berhad as General Manager (Business Development), before joining Pengurusan Danaharta Nasional Berhad in 1998 as its Chief Accountant/Treasurer.

He also gained further experience when he joined Medical Online (M) Sdn Bhd in 2000 as its Senior Vice-President, Lembaga Tabung Haji in 2001 as its Senior General Manager (Finance) and ECM Libra Securities Sdn Bhd in 2003 as its Chief Executive Officer. He was the Group Managing Director and the Chief Executive Officer of Lembaga Tabung Haji from 2006 to 2016. He was appointed as the Chairman of Al-Hijrah Media Corporation in September 2016 until 31 May 2017. He was appointed to the Board of TH Plantations Berhad on 1 January 2006 and subsequently appointed as its Deputy Chairman on 1 January 2016.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

PROFILE

DATUK KAMAL BIN KHALID

(Appointed as Group Managing Director on 2 August 2017)
Member of the Option Committee of Media Prima

Datuk Kamal bin Khalid, aged 46, male, a Malaysian, is the Group Managing Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 2 August 2017, and is a member of the Option Committee of Media Prima.

Datuk Kamal received his secondary education in MRSM Muar, Johor and graduated with a Bachelor of Laws (with Honours) Degree from the University of Nottingham, England in 1994. He was selected to become Malaysia's Eisenhower Fellow for 2005.

He has previously held various positions including the Chief Executive Officer, Television Networks, Chief Operating Officer, Business Development and International, Chief Operating Officer, Group Shared Services and Head of Content Distribution at Media Prima.

Prior to joining the company on 4 May 2009, he served as Head of the Communications Unit in the Prime Minister's Office from October 2003 to April 2009.

In addition, he has also worked in the financial services sector, gaining experience in banking and private equity financing. He spent three and a half years at the Policy and Development Division at the Kuala Lumpur Stock Exchange (now Bursa Malaysia), where he eventually rose to the position of Manager, International Affairs. He also was an Independent Non-Executive Director of Utusan Melayu (M) Berhad from 2004 to 2009.

Datuk Kamal sits on the Board of Media Prima's subsidiaries, amongst them The New Straits Times Press (Malaysia) Berhad ("NSTP"), Sistem Televisyen Malaysia Berhad ("STMB"), Synchrosound Studio Sdn Bhd ("Synchrosound Studio"), Big Tree Outdoor Sdn Bhd ("Big Tree"), Primeworks Studios Sdn Bhd ("Primeworks Studios") and Media Prima Digital Sdn Bhd.

He currently serves as the Chairman of the Creative Content Association Malaysia, a Council Member of the Communications and Multimedia Content Forum of Malaysia, an Advisory Board Member of the Asian Television Awards since 2016 and a Board of Director of Malaysia External Trade Development Corporation ("MATRADE").

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

DIRECTORS'

DATUK SHAHRIL RIDZA BIN RIDZUAN

(Appointed as Non-Independent Non-Executive Director on 22 October 2001)
Member of the Nomination & Remuneration Committee and Option Committee of Media Prima

Datuk Shahril Ridza bin Ridzuan, aged 47, male, a Malaysian, is a Non-Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 22 October 2001. He is a member of the Nomination & Remuneration Committee and Option Committee of Media Prima.

Datuk Shahril Ridza holds a Bachelor of Civil Law (1st Class) from Oxford University, England, a Master of Arts (1st Class) from Cambridge University, England, and was called to the Malaysian Bar and the Bar of England & Wales.

Datuk Shahril Ridza currently sits on the Boards of Malaysian Resources Corporation Berhad ("MRCB"), Malaysia Building Society Berhad ("MBSB"), Pengurusan Danaharta Nasional Berhad and IJN Holdings Sdn Bhd.

Datuk Shahril Ridza began his career as a Legal Assistant at Zain & Co from 1994 to 1996. He then became Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd from 1997 to 1998. He subsequently joined Pengurusan Danaharta Nasional Berhad in 1998 for a year before joining SSR Associates Sdn Bhd as Executive Director from 1999 to August 2001. He served as Group Managing Director, MRCB until November 2009 and is presently Chief Executive Officer at Employees Provident Fund ("EPF").

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

PROFILE

LYDIA ANNE ABRAHAM

(Appointed as Independent Non-Executive Director on 19 November 2013)
Member of the Risk Management Committee and Audit Committee of Media Prima

Lydia Anne Abraham, aged 60, female, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). She was appointed to the Board of Media Prima on 19 November 2013. She is a member of the Risk Management Committee and Audit Committee of Media Prima.

Anne holds a B.A. in Mathematics from Essex University, United Kingdom and a Higher National Diploma of Computer Studies from Plymouth Polytechnic, United Kingdom.

Within the Media Prima Group, she is the Chairman of Media Prima Digital Sdn Bhd and sits on the Board of The New Straits Times Press (Malaysia) Berhad ("NSTP"). She also currently sits on the Board of Metrod Holdings Berhad and a committee member of Pertubuhan Pelindung dan Penyelamat Kanak-kanak Selangor dan Kuala Lumpur (Protect and Save the Children Association of Selangor and Kuala Lumpur ("P.S. The Children")).

Anne has over 20 years of experience in the Information Technology industry, starting out as a technical Trainer in 1990, moving her way up to be the Managing Director for the Cisco Malaysian operations in 2008, a position she held for three years. Prior to that role, she was the Country Manager for the SAP Malaysian Operations for over two years. Holding leadership positions in two of the largest global technology corporations allowed her to be involved in strategic and significant technology discussions, recommendations and implementations across both government and corporate sectors in Malaysia. Her career track includes positions in Baan Asia Pacific, Oracle Malaysia and MCSB Systems Malaysia.

In the course of her corporate career, she has always been a strong advocate for women's advancement into leadership positions. In August 2011 she decided to leave corporate world to establish a consulting and training organisation committed to changing perceptions and mindsets on the significance of balanced gender leadership. Hence the establishment of LeadWomen Sdn Bhd in August 2011. As founder and Chief Executive Officer of LeadWomen, Anne plays a pivotal role in guiding the company's vision and mission towards developing and advancing women into leadership positions across the corporate and government sectors in the ASEAN region. Currently, she is working on the Malaysian government initiative to drive for at least 30% women representation in decision-making positions and boards of Malaysian public listed companies.

Other than as disclosed, she does not have any family relationship with any Directors and/or major shareholders of Media Prima. She has no personal interest in any business arrangements involving Media Prima. She has no convictions for any offences within the past five years.

DIRECTORS'

RAJA DATUK ZAHARATON BINTI RAJA ZAINAL ABIDIN

(Appointed as Independent Non-Executive Director on 13 August 2015)
Chairman of the Nomination & Remuneration Committee and Option Committee, and a member of the Risk Management Committee of Media Prima

Raja Datuk Zaharaton binti Raja Zainal Abidin, aged 69, female, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). She was appointed to the Board of Media Prima on 13 August 2015. She is also the Chairman of the Nomination & Remuneration Committee and Option Committee, and a member of the Risk Management Committee of Media Prima.

She holds a Bachelor Degree in Economics from University of Malaya and a Masters in Economics in 1979 from the University of Leuven, Belgium.

A former civil servant for 34 years, her last post in the Government was as Director General of the Economic Planning Unit specialising in policy analysis and financial evaluation. Upon retirement, the Government of Malaysia appointed her as Chairman of Technology Park Malaysia Corporation Sdn Bhd from January 2006 to December 2008. Subsequent to that the Government appointed her as Chairman of Ninebio Sdn Bhd from January 2009 for a two-year period. Beginning 24 June 2014 until April 2017 she was appointed as Chairman of Global Maritime Ventures Berhad, a subsidiary of Bank Pembangunan Malaysia Berhad.

Within the Media Prima Group, Raja Datuk Zaharaton is the Chairman of Big Tree Outdoor Sdn Bhd ("Big Tree") and sits on the board of Primeworks Studios Sdn Bhd. She is a Director of her family owned company Kumpulan RZA Sdn Bhd and its subsidiary Raza Sdn Bhd. She is also an Independent Non-Executive Director of Taliworks Corporation Berhad, Yinson Holdings Berhad and ARECA Capital.

Other than as disclosed, she does not have any family relationship with any Directors and/or major shareholders of Media Prima. She has no personal interest in any business arrangements involving Media Prima. She has no convictions for any offences within the past five years.

PROFILE

DATUK MOHD NASIR BIN AHMAD

(Appointed as Senior Independent Non-Executive Director on 18 November 2016)
Chairman of the Audit Committee and a member of the Nomination & Remuneration Committee of Media Prima

Datuk Mohd Nasir bin Ahmad, aged 63, male, a Malaysian, is the Senior Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 26 February 2016. He is also the Chairman of the Audit Committee and a member of the Nomination & Remuneration Committee of Media Prima.

He is a Fellow of the Association of Chartered Certified Accountants ("ACCA") United Kingdom and a Chartered Accountant with the Malaysian Institute of Accountants ("MIA"). He was the President of MIA from August 2011 to July 2013. He was elected as a Council Member of the ACCA (UK) in September 2013 and re-elected as Council Member in September 2016. He holds a Master of Business Administration (Finance) from Universiti Kebangsaan Malaysia.

Datuk Mohd Nasir brings with him vast experience in the area of finance, accounting and management which spans 38 years, having started his career as a Trainee Accountant with Tenaga Nasional Berhad ("TNB") in 1979 and moving on to hold various positions in the Finance Division. In January 1993, he was seconded to TNB's subsidiary company, Malaysia Transformer Manufacturing Sdn Bhd as the Financial Controller before being appointed as Chief Executive Officer ("CEO") in June 1994. In January 2000, he joined Sharikat Permodalan Kebangsaan Berhad as its CEO. On 1 June 2001, he was appointed CEO of Perbadanan Usahawan Nasional Berhad, a position he held until his retirement on 1 June 2011.

Currently, Datuk Mohd Nasir also sits on the Boards of CIMB Group Holdings Berhad, CIMB Bank Berhad, MIMOS Berhad, SIRIM Berhad and Prokhas Sdn Bhd. He is the Chairman of SIRIM Tech Venture Sdn Bhd and a member of the Board of Trustee of Yayasan Canselor UNITEN. Within the Media Prima Group, he is the Chairman of Sistem Televisyen Malaysia Berhad ("STMB") and sits on the board of Synchrosound Studio Sdn Bhd.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

DIRECTORS'

TAN SRI DATO' SERI UTAMA HAJI ISMAIL BIN HAJI OMAR

(Appointed as Independent Non-Executive Director on 22 July 2016)
Member of the Audit Committee, Risk Management Committee and Nomination & Remuneration Committee of Media Prima

Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar, aged 64, male, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 22 July 2016. He is also a member of the Audit Committee, Risk Management Committee and Nomination & Remuneration Committee of Media Prima.

He holds a Bachelor of Law (Hons) LL.B, International Islamic University of Malaysia.

Within the Media Prima Group, he is the Chairman of The New Straits Times Press (Malaysia) Berhad ("NSTP") and sits on the Board of Media Prima Digital Sdn Bhd.

Tan Sri Dato' Seri Utama Haji Ismail started his career as an Investigation Officer in the Criminal Investigation Department ("CID") of the Royal Malaysian Police Force.

For the first twenty five years of his career, he was assigned to various police departments in several States in the country. Apart from criminal investigation, he also served as an Investigator in the Traffic Department, as Police Prosecutor in the magistrate courts, as an Administrator and Area Inspector and as Investigator in the Disciplinary branch of the Federal Police Headquarters in Bukit Aman.

In 1992, he was promoted to the rank of Deputy Superintendent of Police. He continued to serve at the Federal Police Headquarters in the Criminal Department, Commercial Department and Narcotics Department. In 2005, with the rank of Deputy Commissioner of Police, he was tasked to head the Selangor Police Contingent as the Chief Police Officer of the State. Having successfully served in Selangor, he was further promoted as Director of Management, with the rank of Commissioner at the Federal Police Headquarters in Bukit Aman and subsequently promoted as the Deputy Inspector of Police in 2007.

In September 2010, the Yang Di Pertuan Agong affirmed him as the Inspector General of Police and he successfully completed his term of service in May 2013. After his distinguished career, he was appointed by His Majesty to be the Malaysian Ambassador for France from 2013 to 2015.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

PROFILE

DATUK LOO TOOK GEE

(Appointed as Independent Non-Executive Director on 6 August 2016)
Member of the Audit Committee of Media Prima

Datuk Loo Took Gee, aged 61, female, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). She was appointed to the Board of Media Prima on 6 August 2016. She is a member of the Audit Committee of Media Prima.

Datuk Loo Took Gee holds a Master Degree in Policy Science from Saitama University, Japan, a Diploma in Public Administration from the National Institute of Public Administration ("INTAN"), Kuala Lumpur and a Bachelor of Arts (Honours) Degree from University of Malaya, Kuala Lumpur.

Within the Media Prima Group, she is the Chairman of Primeworks Studios Sdn Bhd, and also sits on the board of Synchrosound Studio Sdn Bhd and Big Tree Outdoor Sdn Bhd.

Datuk Loo Took Gee served the Federal Government of Malaysia for 37 years as an officer of the Administrative and Diplomatic Service ("ADS"). She was appointed as the Secretary-General of the Ministry of Energy, Green Technology & Water, Malaysia from 1 August 2010 until her retirement on 4 August 2016. Subsequently, she was appointed as the Advisor to the Minister of Energy, Green Technology and Water for one year from 1 September 2016 until 30 September 2017.

Her previous positions are as follows: Deputy Secretary-General (2) Ministry of Energy, Water & Communications, Malaysia (April 2007-July 2010); Undersecretary (International And Sustainable Energy), Energy Division, Ministry of Energy, Water & Communications, Malaysia (January 2006-April 2007); Undersecretary (Policy And Industry Development), Energy Division, Ministry of Energy, Water & Communications, Malaysia (August 2002-31 December 2005); Principal Assistant Secretary (Energy), Ministry of Energy, Communications & Multimedia, Malaysia (October 1999-August 2002); Principal Assistant Secretary, Ministry of Works, Malaysia (November 1990-October 1999); Principal Assistant Director, Public Services Department, Malaysia (February 1983-September 1988); and Assistant Director, Public Services Department, Malaysia (November 1979-February 1983).

Other than as disclosed, she does not have any family relationship with any Directors and/or major shareholders of Media Prima. She has no personal interest in any business arrangements involving Media Prima. She has no convictions for any offences within the past five years.

SENIOR MANAGE

GROUP MANAGING DIRECTOR

(Datuk Kamal bin Khalid was appointed Group Managing Director of Media Prima effective 2 August 2017)

Datuk Kamal bin Khalid, aged 46, male, a Malaysian, is the Group Managing Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 2 August 2017, and is a member of the Option Committee of Media Prima.

Datuk Kamal received his secondary education in MRSM Muar, Johor and graduated with a Bachelor of Laws (with Honours) Degree from the University of Nottingham, England in 1994. He was selected to become Malaysia's Eisenhower Fellow for 2005.

He has previously held various positions including the Chief Executive Officer, Television Networks, Chief Operating Officer, Business Development and International, Chief Operating Officer, Group Shared Services and Head of Content Distribution at Media Prima.

Prior to joining the company on 4 May 2009, he served as Head of the Communications Unit in the Prime Minister's Office from October 2003 to April 2009.

In addition, he has also worked in the financial services sector, gaining experience in banking and private equity financing. He spent three and a half years at the Policy and Development Division at the Kuala Lumpur Stock Exchange (now Bursa Malaysia), where he eventually rose to the position of Manager, International Affairs. He also was an independent, non-executive director of Utusan Melayu (M) Berhad from 2004 to 2009.

Datuk Kamal sits on the Board of Media Prima's subsidiaries amongst them The New Straits Times Press (Malaysia) Berhad ("NSTP"), Sistem Televisyen Malaysia Berhad ("STMB"), Synchrosound Studio Sdn Bhd ("Synchrosound Studio"), Big Tree Outdoor Sdn Bhd ("Big Tree"), Primeworks Studios Sdn Bhd ("Primeworks Studios") and Media Prima Digital Sdn Bhd.

He currently serves as the Chairman of the Creative Content Association Malaysia and as a Council Member of the Communications and Multimedia Content Forum of Malaysia, an Advisory Board Member of the Asian Television Awards since 2016 and a Board of Director of Malaysia External Trade Development Corporation ("MATRADE").

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

DATUK KAMAL
BIN KHALID

FARNIDA
BINTI NGAH

GROUP CHIEF FINANCIAL OFFICER/JOINT COMPANY SECRETARY

Farnida binti Ngah, aged 40, female, a Malaysian, is the Group Chief Financial Officer cum Joint Company Secretary of Media Prima Berhad ("Media Prima") since 2 August 2017 and 8 September 2015 respectively. She oversees the shared services function of the Group that encompasses Group Finance, Corporate Finance, Investor Relations, Group Information Technology, Group Management Services and Group Legal and Secretarial. Having been with the Media Prima Group since 2009, Farnida has over 18 years of experience in the field of accounting, finance, business assurance and various corporate transactions namely mergers and acquisitions, initial public offerings, corporate bond issuance and corporate restructuring.

Before Media Prima, she had worked with PricewaterhouseCoopers for six years and KPMG for four years. She holds a Bachelor of Commerce, majoring in Accounting and Finance from the Flinders University of South Australia.

She is a Fellow Certified Practicing Accountant Australia ("FCPA Aust."), a member of the Chartered Accountants Australia and New Zealand ("CAANZ"), a Fellow Chartered Institute of Management Accountants ("FCMA UK") and a Member of the Malaysian Institute of Accountants ("MIA").

Other than as disclosed, she does not have any family relationship with any Directors and/or major shareholders of Media Prima. She has no personal interest in any business arrangements involving Media Prima. She has no convictions for any offences within the past five years.

MENT TEAM

CHIEF EXECUTIVE OFFICER, MEDIA PRIMA TELEVISION NETWORKS

(Johan bin Mohamed Ishak was appointed Chief Executive Officer of Media Prima Television Networks effective 2 October 2017)

Johan bin Mohamed Ishak, aged 42, male, a Malaysian, joined Media Prima Berhad ("Media Prima") on 2 October 2017.

A graduate of Monash University, Australia, with a Bachelor's Degree in Business Accounting, Johan is a fellow at Chartered Accountants in Australia and New Zealand and a member of the Malaysian Institute of Accountants.

Before joining Media Prima Television Networks ("MPTN"), Johan was the CEO of MyCreative Ventures Sdn Bhd ("MyCreative") since 2012. MyCreative is a Government investment arm for the promotion and financing of entrepreneurship in the Malaysian creative industry. During his tenure at MyCreative, Johan also became a founding member of the pioneering team for arts platform R!UH as well as a founding member of industry think-tank Cultural Economy Development Agency ("CENDANA").

Johan was formerly the General Manager at the Group Finance Department in Media Prima from 2009 to 2012 where he oversaw Financial Reporting, Financial Strategy, Budgeting, Taxation, Mergers and Acquisitions, Restructuring and Project Feasibility. His other appointments include as an Auditor with PricewaterhouseCoopers, Deloitte Touche Tohmatsu International and as the Head of Financial Accounting at Petronas Petrochemical Group of Companies.

He currently sits on the Board of the Malaysian National Art Gallery, MyCreative, CENDANA, R!UH as well as an NGO, Global Entrepreneurship Movement ("GEM").

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

GROUP MANAGING EDITOR, NEWS & CURRENT AFFAIRS, MEDIA PRIMA TELEVISION NETWORKS

Datuk Seri Mohd Ashraf bin Abdullah, aged 51, male, a Malaysian, joined TV3 as Group Editor on 17 June 2009. He was promoted to the Group Managing Editor, News and Current Affairs, Media Prima Television Networks on 19 November 2013.

He started his career in journalism with the New Straits Times ("NST") as a cadet reporter in 1987. In his 17-year career with the NST, he served the company in various positions including London Correspondent, Specialist Writer (politics), Assistant News Editor and News Editor.

He left the daily in 2004 to join Golden Hope Plantations Berhad as the General Manager of Group Corporate Affairs. In 2007, he was appointed as Director of Fourth Estate Media (M) Sdn Bhd.

He is a British Government Chevening Scholar and graduated from the University of London's School of Oriental and African Studies with a Master of Arts in International Studies & Diplomacy. He is also a Jefferson's Fellow.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

SENIOR MANAGEMENT TEAM

CHIEF EXECUTIVE OFFICER, THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

Datuk Seri Abdul Jalil bin Hamid, aged 59, male, a Malaysian, joined The New Straits Times Press (Malaysia) Berhad ("NSTP") on 15 October 2011 after a vibrant journalism career spanning four countries.

Datuk Seri Jalil served Bernama for seven years prior to joining Reuters. During his 18 years with Reuters, he was posted to offices in London, Singapore and Jakarta.

He then joined Securities Commission Malaysia as Head of Corporate Affairs Department before moving on to lead the National Communications Team under the Prime Minister's Office where he spearheaded strategic communications planning and execution for the government.

A graduate from Universiti Teknologi MARA ("UiTM") in Mass Communications, he also attended journalism fellowship programmes in the United States and Japan, and several management courses.

Prior to his current shift as the NSTP CEO, he was the NSTP Group Managing Editor, overseeing the content and managing editorial operations for NSTP publications.

Datuk Seri Jalil sits on the Board of NSTP.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima Berhad ("Media Prima"). He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

DATUK SERI ABDUL JALIL BIN HAMID

DATO' YUSHAIMI MAULUD BIN YAHAYA

EDITOR-IN-CHIEF, THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

Dato' Yushaimi Maulud bin Yahaya, aged 50, male, a Malaysian, is the Editor-in-Chief of The New Straits Times Press (Malaysia) Berhad.

He was appointed to the position on 1 January 2018.

He has more than 26 years of experience in journalism, starting his career as a cub reporter with the Malay Mail after graduating from the NSTP Pre-Entry Training scheme in 1990.

In 2002, he was one of the two Malaysian journalists chosen for the Nihon Shinbun Kyokai/Japanese Press Foundation fellowship programme. Upon his return, he was tasked with setting-up four new bureaus for the Malay Mail (which was then part of the NSTP group), in Pulau Pinang, Johor, Melaka and Perak, in 2003.

In 2004, he was promoted to Assistant News Editor. A year later, he was transferred to the New Straits Times ("NST") as a News Editor.

In 2006, he was promoted to Chief News Editor for the Malay Mail and Sunday Mail before becoming Deputy Editor in 2007. He assumed a string of roles including Acting Chief Operating Officer, Executive Editor (Production), Editor and subsequently Editor-in-Chief in 2010. He was also the Group Editorial Advisor for the Redberry Group, which had bought the Malay Mail title, and was engaged as a consultant for a news portal revamp.

Dato' Yushaimi re-joined the NST in November 2012 as an Executive Editor (News), in charge of the general news, politics, crime, probes, streets, sports, Sunday Times and online desks; as well as the bureaus.

In March 2015, he was made Deputy Group Editor. As a writer, he was the recipient of the Malaysian Press Institute Best English News Report and Best Investigative Report awards in 2003 and 2014 respectively. He was appointed Group Editor of New Straits Times on 1 March 2017.

Dato' Yushaimi was also the Treasurer of the NSTP National Union of Journalists Malaysia from 2001 to 2004, and the National Assistant Treasurer of the NUJ in 2004. He was also the Deputy President of the National Press Club from 2011 to 2013.

He does not hold any directorship of any public or public listed companies.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima Berhad ("Media Prima"). He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

SENIOR MANAGEMENT TEAM

CHIEF EXECUTIVE OFFICER, MEDIA PRIMA RADIO NETWORKS

Seelan Paul, aged 43, male, a Malaysian, joined Media Prima Radio Networks ("MPRN") on 1 August 2005. As one of the pioneer members, Seelan has demonstrated strong leadership and steered the company towards substantial growth over the past 12 years. From running only one station initially, the company is now the home of four established radio brands namely, Fly FM, Hot FM, One FM and Kool FM and a new digital audio platform, *Ais Kacang*.

Seelan was first exposed to the media industry as a radio announcer prior to his role as Network Manager at MPRN. In 2009, he was given the trust to take the helm as Chief Operating Officer and subsequently promoted to the Chief Executive Officer in 2011. This MBA graduate of Cardiff Metropolitan University has played an integral role in the recent acquisition of new stations which paved the way to Kool FM's launch in 2016. A big believer in delivering great content across radio and digital, Seelan spearheaded three new digital initiatives in March 2017 which aims to enhance the radio network's existing products and services by leveraging on current digital disruption.

In recognition of Seelan's contribution towards the local radio industry, he was appointed President of Commercial Radio Malaysia in October 2015. He is also a Committee Member of the National Football Development Programme Malaysia.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima Berhad ("Media Prima"). He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

CHIEF EXECUTIVE OFFICER, BIG TREE

(Mohamad Shukor bin Ariffin was appointed Chief Executive Officer of Big Tree effective 16 November 2017)

Mohamad Shukor bin Ariffin, aged 46, male, a Malaysian, joined Big Tree in 2004 as Manager, Corporate Affairs and Business Development. As a key member of Big Tree, Shukor demonstrated strong leadership and contributed significantly towards the company's rapid growth to become Malaysia's leading Out-of-Home ("OOH") Advertising Solutions provider. He was later promoted to the position of General Manager, Business Development and Corporate Planning in September 2009 and then became General Manager Operations in October 2011. In June 2017, he was made Chief Operating Officer. He was then appointed as the new Chief Executive Officer of Big Tree, effective 16 November 2017.

An advocate in the utilisation of the latest technologies available, he was responsible in managing and developing activities concerned with the production of innovative media formats that allow advertisers to not only reach consumers effectively but also cascade brand messages in the best possible way. Big Tree has significantly transformed the conventional advertising panels into those that utilise digital screens, halo panels, ambient media, retail displays and many other formats. At Big Tree, Shukor led several key projects for the company which includes the implementation of OOH advertising solutions for the Malaysian Mass Rapid Transit ("MRT") and Light Rapid Transit ("LRT") lines. The transit lines is a major infrastructure utilised by over 500,000 commuters daily and are essential for advertisers reaching the lucrative young demographics.

Shukor graduated from the University of Bradford, the United Kingdom, with a Bachelor of Science (Honours) in Economics. His other appointments prior to Big Tree include Plus Berhad and Azlan & Associates Consulting.

He currently sits on the Board of Big Tree.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima Berhad ("Media Prima"). He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

SENIOR MANAGEMENT TEAM

CHIEF EXECUTIVE OFFICER, PRIMEWORKS STUDIOS SDN BHD

With a mission to always produce something new, exciting and different, Datuk Ahmad Izham bin Omar has ignited many different industries.

After a sterling performance heading Media Prima Television Network ("MPTN"), Izham, aged 48, male, a Malaysian, who joined Media Prima Berhad ("Media Prima") on 1 September 2003, is now heading Primeworks Studios ("PWS") as its Chief Executive Officer. His creative prowess and ingenuity are well suited to spur PWS further, taking Malaysia's leading content company, specialising in movies, television programmes, animation and more to greater heights especially in an increasingly challenging media landscape.

Besides MPTN, Izham's other notable stints included heading the Media Prima Radio Networks. A multi award-winning music producer, arranger, songwriter and musician, Izham's musical career started with the legendary Positive Tone record label in 1994, producing progressive music that captured the imagination of Malaysia. His other feats also include launching a world class video portal called 'tonton' (heralded as a breakthrough by the global industry when tonton was first introduced to the market in 2010), being awarded the Most Promising Entrepreneur Award by Enterprise Asia, being accepted as a delegate in the prestigious Asia Society 21 Young Leader's Summit, and recognised with a Lifetime Achievement Award by Voice of Independent Music Awards ("VIMA") for his contribution to music.

Izham is an alumni of Boston, USA's Berklee College of Music (1991). He then pursued his MBA at Suffolk University in Boston, USA (1994) before later sitting for Effective Media Strategies course at Harvard University in Cambridge, USA (2008). Currently Izham is the Chairman of the Communications and Multimedia Content Forum of Malaysia ("CMCF") besides being a Trustee of Yayasan 1Malaysia. He has a monthly column in the New Straits Times called "*For The Record*" where he talks about all things music and creativity.

He does not hold any directorship of any public or public listed companies.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

CHIEF EXECUTIVE OFFICER, MEDIA PRIMA DIGITAL SDN BHD

Rafiq bin Razali, aged 33, male, a Malaysian, joined the Group on 15 April 2016 as the Chief Executive Officer of Media Prima Digital ("MPD").

He holds a Bachelor of Science (First Class Honours) in Actuarial Science from Pennsylvania State University, United States of America and has a comprehensive experience in business development and strategic planning. His track record includes establishing start-up companies related to digital and information technology.

His career in information technology began with Maxis Berhad where he held various positions that included responsibilities in the International Data Wholesale division as well as the Corporate Strategy division. In 2011, Rafiq was part of the team which formed Groupon Malaysia. Groupon is an e-commerce company based in United States, connecting customers with local merchants in more than 28 countries including Malaysia. He was promoted to Country General Manager for Malaysia in 2013, following an impressive run of performance by the outfit.

In 2015, Rafiq was part of the founding team that established KFit, now known as Fave, a Malaysian start-up company that provides a fitness subscription service and a hyperlocal marketplace for the best food and services experiences in the city. KFit/Fave today boasts operations in 6 countries in Asia Pacific and has raised funding from multiple Venture Capital funds including Sequoia Capital, one of the world's leading venture capital firm.

His appointment as MPD CEO is in line with the Media Prima's commitment to further consolidate its position as the largest integrated media group in Malaysia, providing the Group with numerous opportunities to introduce more innovative solutions to fulfil the ever-changing needs of its customers.

He does not hold any directorship of any public or public listed companies.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima Berhad ("Media Prima"). He has no personal interest in any business arrangements involving Media Prima. He has no convictions for any offences within the past five years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF MEDIA PRIMA BERHAD ("THE GROUP") IS PLEASED TO PRESENT TO THE SHAREHOLDERS, THE CORPORATE GOVERNANCE OVERVIEW STATEMENT ("OVERVIEW STATEMENT") OF MEDIA PRIMA BERHAD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017. THE OVERVIEW STATEMENT DEMONSTRATES THE BOARD'S COMMITMENT TOWARDS HIGH STANDARDS OF CORPORATE GOVERNANCE PRACTICES, VALUES AND ETHICAL BUSINESS CONDUCTS IN THE APPLICATIONS OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017 ("MCCG 2017") WITH ITS DISCLOSURES PURSUANT TO PARAGRAPH 15.25 OF BURSA MALAYSIA MAIN MARKET LISTING REQUIREMENTS. THE OVERVIEW STATEMENT IS TO BE READ TOGETHER WITH THE CORPORATE GOVERNANCE REPORT WHICH IS MADE AVAILABLE ON THE GROUP'S OFFICIAL WEBSITE AT WWW.MEDIAPRIMA.COM.MY. THE OVERVIEW STATEMENT AIMS TO PROVIDE SHAREHOLDERS WITH A DESCRIPTION OF THE APPLICATION OF EACH PRACTICE SET OUT IN THE MCCG 2017.

The Board of Directors of Media Prima Berhad is committed towards achieving excellence in corporate governance and acknowledges that the prime responsibility for good corporate governance lies with the Board. The Board is fully committed to ensuring that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to create, protect and enhance shareholders' value and the performance of the Group.

The Board believes that good corporate governance is fundamental in achieving the Group's objectives. In order to ensure that the best interests of shareholders and other stakeholders are effectively served, the Board continues to play an active role in improving governance practices and monitors the development in corporate governance within the Group.

The commitment and efforts of the Board and Management in sustaining high standards of corporate governance and investor relations is proven by the following awards/recognitions received in 2017:-

AWARDS/ACCOLADES	ORGANISER
Ethical Boardroom Corporate Governance Awards 2017 (Asia & Australasia) – Best Corporate Governance (Media Category)	Ethical Boardroom UK
National Annual Corporate Awards ("NACRA") 2017 – Certificate of Merit	• Bursa Malaysia Berhad; • Malaysian Institute of Accountants; and • Malaysian Institute of Certified Public Accountants.
ARC Awards International • Non-Traditional Annual Report (Asia Pacific Category) – International Grand Award • Non-Traditional Annual Report (Media Company: Other Company Category) – Gold	MerComm Inc. (US)
HR Asia Awards Malaysia 2017 – Best Companies to Work For in Asia 2017	• HR Asia Media; and • Business Media International

The full listing of awards/recognitions received in 2017 by respective business platforms is presented on pages 16 to 19 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A. BOARD LEARDERSHIP & EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company

1.1 The Group is led and controlled by an effective Board. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board understands the Board's philosophy, principles, ethics, mission and vision and reflects this understanding on key issues throughout the year. The Board delegates authority and vests accountability for the Group's day to day operations with a Management team led by the Group Managing Director. The Board, however assumes the following responsibilities in discharging its duty of stewardship of the Group:-

i. The Group's Strategic Plan

The Board plays an active role in the development of the Company's strategy. It has in place an annual strategy planning process, whereby the Management prepared and presented its 2018 Business Plan and Budget for the Board's review at the Special Board meeting and was approved by the Board on 29 November 2017. At this session, the Board reviews and challenges Management's views and assumptions. In furtherance of this, the Board then reviews and approves the annual budget for the ensuing year and sets the Key Performance Indicators under the Balanced Scorecard.

The Board promotes good corporate governance through sustainability practices which will translate into better corporate performance throughout the Group. A summary of these practices which demonstrate the Group's commitment to the evolving global environmental, social, governance and sustainability agenda appears in the Groups' Sustainability Report 2017. A detailed coverage of our corporate responsibility initiatives are explained separately in our Sustainability Report 2017.

ii. The Group's Business Management and Conduct

The Group Managing Director is responsible for the day-to-day management of the business and operations of the Group with respect to its operational functions. He is supported by the various Management Committees.

The Board is kept informed of key strategic initiatives, significant operational issues and the Group's performance based on the approved Key Performance Indicators in the Balanced Scorecard. The Chief Executive Officers of the business platforms and selected Senior Management were in attendance at Board meetings to support the Group Managing Director in presenting the updates on the progress of key initiatives, business targets and achievements to date and to provide clarification on the challenges and issues raised by the Board.

The Board is responsible to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to create, protect and enhance shareholders' value and the performance of the Group. The objective of creating shareholder value is achieved by adopting strategies to strengthen the profitable core business and to build possible business adjacencies that leverage on its strength.

In order to ensure the effective discharge of its functions and responsibilities, the Board delegates specific powers to the relevant Board Committees and the Group Managing Director where the Group Managing Director shall steer and govern the Company by the support of the Management via various Management Committees, as depicted below:-

BOARD OF DIRECTORS

Tan Sri Ismee bin Haji Ismail
(Independent Non-Executive Group Chairman)

Datuk Kamal bin Khalid
(Executive Director)

Datuk Mohd Nasir bin Ahmad
(Senior Independent Non-Executive Director)

Datuk Shahril Ridza bin Ridzuan
(Non-Independent Non-Executive Director)

Lydia Anne Abraham
(Independent Non-Executive Director)

Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin
(Independent Non-Executive Director)

Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar
(Independent Non-Executive Director)

Datuk Loo Took Gee
(Independent Non-Executive Director)

BOARD COMMITTEES

Audit Committee

Risk Management Committee

Nomination and Remuneration Committee

Option Committee

GROUP MANAGING DIRECTOR

Datuk Kamal bin Khalid

MANAGEMENT COMMITTEES

Group Risk Management & Audit Committee

Procurement Committee

Tender Committee

Information Communications Technology ("ICT") Steering Committee

Newsprint Committee

Programme Committee

Intellectual Property Committee

Humanitarian Fund Committee

Digital TV Committee

Recovery Executive Committee

Project Odyssey Steering Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The governance structure within Media Prima Berhad is supported by a Board-approved Limits of Authority. The Limits of Authority has been structured to define all the common matters pertaining to operations such as policy approval, awarding of projects and capital and operational expenditure. It serves as a control whereby a cross-check system has been incorporated to minimise any abuse of authority. The system provides that approvals granted should be supported by a recommendation from the subordinates and notified to the superior of the approving authority particularly pertaining to material transactions.

The highest approving authority is the Board of Directors where the transactions will determine the direction and financial position of the Group and are above the limit that has been granted to the Group Managing Director. A separate Limits of Authority for each business platform has been prepared in order to ensure adequate management control and smooth operations at platform level. All Chief Executive Officers of their respective platforms shall be governed by the authority limits accorded to them in the Limits of Authority.

The Board delegates certain responsibilities to Board Committees which operates within clearly defined terms of reference in the execution of its duties and responsibilities where Board receives reports of their proceedings and deliberations. The ultimate responsibility and the final decision on specific matters still lies with the Board where Board Committees have no authority to make decisions on matters reserved for the Board.

The Management's performance is assessed by the Board through a status report which is tabled to the Board on a quarterly basis and includes a comprehensive summary of the Group's operating updates and financial performance during each reporting period.

Board Commitment

<u>Board Meetings</u>

Board meetings are scheduled in advance at the beginning of the new financial year to enable Board members to plan ahead and fit the year's meetings into their own schedules.

The Board meets at least four (4) times a year, once in every quarter and has a formal schedule of matters specifically reserved for Board decisions such as the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to Management and control structure of the Group including key policies, procedures and authority limits. Additional meetings are held as and when required.

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of Media Prima Berhad. The Directors' commitment is affirmed by the high percentage of their attendance at the Board meetings and respective Board Committee meetings of Media Prima Berhad held during the financial year ended 31 December 2017.

During the financial year ended 31 December 2017, the Board of Directors had met ten (10) times on the following occasions:-

NO.	AWARDS/ACCOLADES	DATE
1	55th Meeting	23 February 2017
2	Special Meeting	9 March 2017
3	Special Meeting	21 April 2017
4	Special Meeting	27 April 2017
5	56th Meeting	29 May 2017
6	Special Meeting	15 June 2017
7	Special Meeting	6 July 2017
8	57th Meeting	14 August 2017
9	58th Meeting	16 November 2017
10	Special Meeting	29 November 2017

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of Directors' attendance at the Board of Directors Meeting for the financial year ended 31 December 2017 are as follows:-

Director	Attendance	%
TAN SRI ISMEE BIN HAJI ISMAIL • *Appointed as an Independent Non-Executive Director on 1 June 2017* • *Appointed as the Group Chairman on 1 August 2017*	5/5	100%
DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR *(Resigned on 31 July 2017)*	7/7	100%
DATUK KAMAL BIN KHALID *(Appointed on 2 August 2017)*	3/3	100%
DATO' SRI AMRIN BIN AWALUDDIN *(Resigned on 30 September 2017*	8/8	100%
DATUK SHAHRIL RIDZA BIN RIDZUAN *(Appointed on 22 October 2001)*	9/10	90%
LYDIA ANNE ABRAHAM *(Appointed on 19 November 2013)*	10/10	100%
RAJA DATUK ZAHARATON BINTI RAJA DATO' ZAINAL ABIDIN *(Appointed on 13 August 2015)*	8/10	80%
DATUK MOHD NASIR BIN AHMAD *(Appointed on 26 February 2016)*	9/10	90%
TAN SRI DATO' SERI UTAMA HAJI ISMAIL BIN HAJI OMAR *(Appointed on 22 July 2016)*	10/10	100%
DATUK LOO TOOK GEE *(Appointed on 6 August 2016)*	9/10	90%

Key transactions deliberated and approved by the Board during Board meetings in 2017 include:-

AREAS	KEY TRANSACTIONS
Strategic Stewardship	• Proposed Budget and Business Plan of the Group for the financial year ending 31 December 2018; • Quarterly Project Odyssey Status Update; • Quarterly Group Managing Director's Reports; • Quarterly Risk Profiles of Media Prima Group; • Policies and Procedures; • Capital Restructuring; • Subsidiaries-holding Restructuring; • Acquisition of Radio Broadcasting License; • Acquisition of Rev Asia Holdings Sdn Bhd; • Deliberation of Findings from Odyssey Phase 1 and Appointment of Consultant for Odyssey Phase 2; • Succession Planning and Communication Plan for Group Managing Director and Group Chief Financial Officer; and • Corporate Rationalisation Exercise.
Investor Relations	• Quarterly Equity Structure Report; • Quarterly Shareholdings' Reports; • Proceedings and Possible Questions & Answers for the 16th Annual General Meeting; • Declaration of a final dividend for the financial year ended 2016; • Press release on the Group's Performance for the financial year ended 2016; and • Press release on the Group's Quarterly Performance for the financial year ended 2017.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

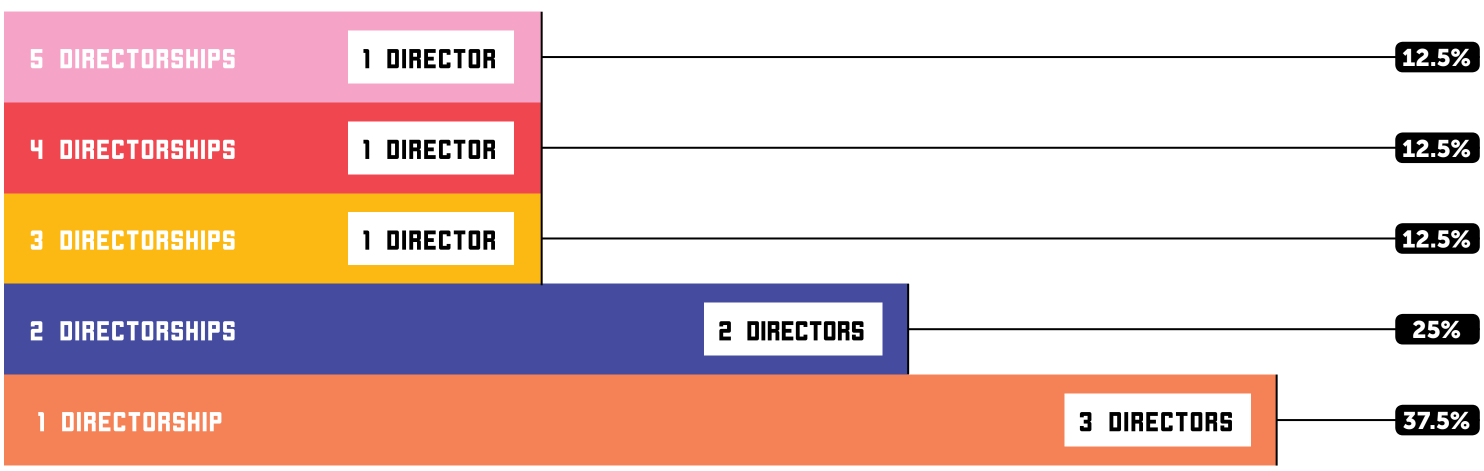
AREAS	KEY TRANSACTIONS
Financial Reporting	• For the release of financial results and announcement made to Bursa Malaysia Securities Berhad:- - Group consolidated financial results for the financial year ended 2016; and - Group quarterly consolidated financial results (i.e. Q4 of 2016 and Q1, Q2 & Q3 of 2017).
Boardroom Affairs	• Deliberation on benefits for the newly appointed Group Chairman; • Changes in Composition of the Nomination and Remuneration Committee; • Nomination of Directors/Member of Board Committees of Media Prima Berhad; • Deliberation of Findings on Board Effectiveness Evaluation Exercise; • Appointment of Directors to the Media Prima Berhad; • Annual Review on the list/composition of Directors for Media Prima Group of Companies; • Disclosure of Directors' interest; and • Quarterly Circular Resolutions passed.
Regulatory Compliance	• Annual Report 2016's Statements:- - Audit Committee Report; - Statement on Risk Management and Internal Control/Risk Management Committee Report; - Statement on Corporate Governance; - Group Chairman's Statement; and - Group Managing Director's Statement. • Circulars/Letters from Authorities.
Litigation Status	• Quarterly summary and status of litigations suits.
Employee Welfares	• Appointment and remuneration structure for the newly appointed Senior Management of Media Prima Berhad; • Employees' Key Performance Indicators achievements and Employees' Ex-Gratia payout for financial year ended 2016; • Merit increments for Employees and Senior Management in 2017; • Senior Management's Balance Scorecard Rating and Ex-Gratia Payout for financial year ended 2016; and • Balanced Score Card for Senior Management in 2017.

Board Directorships

All directors of the Group do not hold more than five (5) directorships in public listed companies as at 31 December 2017. Directorship of Board members on listed Companies including Media Prima Berhad is as follows:-

The directors have sufficient time to carry out their responsibilities and the Group Chairman will be notified before a Director accepts any new directorship.

Board Member's Directorship in Listed Companies (including Media Prima Berhad)



Board Training

The Board acknowledges the importance of continuous development of its Directors and encourages them to partake in courses or programmes that serve to enhance their skills and update their knowledge. This will enable Directors to sustain their active participation in Board deliberation.

All Directors attended relevant training programmes in 2017 to enhance their skills and knowledge, and to keep abreast with the relevant changes in laws, regulations and business environment in order to discharge their duties effectively. Conferences, trainings and seminars attended by the Board of Directors in 2017 are shown below:-

CONFERENCES/SEMINARS/TRAININGS & DATE	ORGANISER	ATTENDEES
Strategy		
Thought Leadership Session 2017 (30 March 2017)	Employees Provident Fund ("EPF")	Datuk Shahril Ridza bin Ridzuan
High Performance Leadership (10 April 2017)	Securities Commission Malaysia	Datuk Mohd Nasir bin Ahmad
Strategic Leadership Alignment (7 – 9 May 2017)	Employees Provident Fund ("EPF")	Datuk Shahril Ridza bin Ridzuan
Leadership and HR Readiness (16 June 2017)	Association of Chartered Certified Accountants ("ACCA") UK	Datuk Mohd Nasir bin Ahmad
Technology		
Media Prima Berhad Board of Directors' Workshop – Going Digital without Thinking Digital by Malaysian Global Innovation & Creativity Centre ("MAGIC") (28 September 2017)	Media Prima Berhad	• Tan Sri Ismee bin Haji Ismail • Datuk Kamal bin Khalid • Lydia Anne Abraham • Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar
Governance		
A New Era of Auditing (31 March 2017)	• Malaysian Institute of Accountants ("MIA") • Minority Shareholder Watchdog Group ("MSWG") Malaysia • Bursa Malaysia	Datuk Mohd Nasir bin Ahmad
Audit Committee Conference (5 April 2017)	• Malaysian Institute of Accountants ("MIA") • Institute of Internal Auditors Malaysia ("IIAM")	Datuk Mohd Nasir bin Ahmad
EPF/Permodalan Nasional Berhad ("PNB") Risk Management Sharing Session – Risk Management Practices in EPF (19 June 2017)	Employees Provident Fund ("EPF")	Datuk Shahril Ridza bin Ridzuan
Enterprise Risk Management – Risk Awareness Session (16 August 2017)	Yinson Holdings Berhad	Raja Datuk Zaharaton binti Raja Zainal Abidin
Risk Management Programme (13 September 2017)	• Bursa Malaysia • Malaysian Directors Academy ("MINDA")	Datuk Mohd Nasir bin Ahmad
Cybersecurity for Directors (26 September 2017)	Malaysian Institute of Microelectronics Systems Berhad ("MIMOS")	Datuk Mohd Nasir bin Ahmad
IIAM National Conference 2017 (9 October 2017)	Institute of Internal Auditors Malaysia ("IIAM")	Datuk Mohd Nasir bin Ahmad
Building High Performance Directors – Organisational Sustainability (30 October – 2 November 2017)	Malaysian Directors Academy ("MINDA")	Datuk Mohd Nasir bin Ahmad
Director Onboarding Programme – Corporate Governance Expectations (13 November 2017)	Malaysian Directors Academy ("MINDA")	Datuk Shahril Ridza bin Ridzuan
Women participation on Boards and Invitation to the 30% Club Business Leaders Roundtable Meeting (8 December 2017)	Securities Commission Malaysia	Raja Datuk Zaharaton binti Raja Zainal Abidin
Tax Briefing on Budget 2018 – Overview of Budget 2018 Issues and Current Tax Developments Impacting Organisations (11 December 2017)	Deloitte Malaysia	Raja Datuk Zaharaton binti Raja Zainal Abidin

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONFERENCES/SEMINARS/TRAININGS & DATE	ORGANISER	ATTENDEES
Finance & Investor Relations		
4th Bank Negara Malaysia Annual Dialogue (27 March 2017)	Financial Institutions Directors' Education ("FIDE") Forum	Datuk Mohd Nasir bin Ahmad
MIA Commemorative Lecture (10 April 2017)	Malaysian Institute of Accountants ("MIA")	Datuk Mohd Nasir bin Ahmad
International Corporate Governance Network ("ICGN") Annual Conference – Redefining Capitalism for a Sustainable Global Economy (11 July 2017)	International Corporate Governance Network ("ICGN")	Datuk Shahril Ridza bin Ridzuan
ACCA Malaysia Annual Conference (18 July 2017)	Association of Chartered Certified Accountants ("ACCA") Malaysia	Datuk Mohd Nasir bin Ahmad
Invest Malaysia – Plans to Raise Returns for Shareholders (25 July 2017)	• Bursa Malaysia • CIMB Bank Berhad	Datuk Shahril Ridza bin Ridzuan
Media Prima Berhad Board of Directors' Workshop – Outlook for Malaysian Economy by Employees Provident Fund ("EPF") (28 September 2017)	Media Prima Berhad	• Tan Sri Ismee bin Haji Ismail • Datuk Kamal bin Khalid • Lydia Anne Abraham • Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar
World Pension Summit 2017 (25 – 26 October 2017)	Pensions & Investments	Datuk Shahril Ridza bin Ridzuan
Asia Pacific Investors Cooperation ("APIC") – Malaysia Islamic Finance – Malaysia Capital Markets, Growth of Islamic Finance and Green Capital amidst Global Political and Economic Volatility (31 October 2017)	Asia Pacific Investors Cooperation ("APIC")	Datuk Shahril Ridza bin Ridzuan
MIA Conference 2017 (7 – 8 November 2017)	Malaysian Institute of Accountants ("MIA")	Datuk Mohd Nasir bin Ahmad
Regulatory		
Board Training – Anti-Money Laundering & Counter Financing of Terrorism (17 January 2017)	Malaysia Building Society Berhad ("MBSB")	Datuk Shahril Ridza bin Ridzuan
Companies Act 2016 and Regulations – Overview of Changes and Comparison of Directors Duties and Responsibilities with Companies Act 2016 (7 February 2017)	Deloitte Malaysia	Raja Datuk Zaharaton binti Raja Zainal Abidin
Presentation on New Companies Act 2016 (9 March 2017)	Media Prima Berhad	• Datuk Kamal bin Khalid • Datuk Shahril Ridza bin Ridzuan • Lydia Anne Abraham • Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar • Datuk Loo Took Gee
Legal Conference on Companies Act (3 April)	Employees Provident Fund ("EPF")	Datuk Shahril Ridza bin Ridzuan
The Companies Act 2016 – Challenges for Directors and Officers (20 April 2017)	Yinson Holdings Berhad	Raja Datuk Zaharaton binti Raja Zainal Abidin

1.2 The Group Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance. In turn, the Board monitors the functions of the Board committees in accordance with their respective Term of References to ensure its own effectiveness.

Tan Sri Ismee bin Haji Ismail, Media Prima Berhad's Group Chairman, has never held the position of Group Managing Director of the Company nor has he ever been a part of Media Prima Berhad's management.

He has established a commendable relationship with the Executive and Non-Executive Directors. He commands respect given his vast business experience and knowledge in the fields of finance and corporate development in various industries. With his in-depth experience, Tan Sri Ismee bin Haji Ismail is able to provide a different perspective, deep insight and guidance on the Group's strategic directions.

1.3 The position of Group Chairman and Group Managing Director are held by two (2) different individuals. There is a clear distinction of roles and responsibilities between the Group Chairman of the Board and the Group Managing Director to ensure that there is an equilibrium of power and authority and that no individual has unfettered powers of decision.

The Group Managing Director is an Executive Director who has overall responsibility over the business operations on a day-to-day basis, organisational effectiveness and implementation of the Board's policies, strategies and decisions. The Group Managing Director has established several Management Committees to support him in discharging his operational and management duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board together with the Group Managing Director have developed position descriptions for the Board and the Group Managing Director, involving definition of the limits to management's responsibilities. The Board has also approved the corporate objectives for which the Group Managing Director is responsible to meet.

1.4 The Company Secretary provides a central source of guidance and advice to the Board, on matters of ethics and good corporate governance. The Company Secretary is required to provide the directors, collectively and individually, with detailed guidance on their duties and responsibilities. The Company Secretary assists in determining the annual Board plan and Board agenda and in formulating governance and Board-related matters.

The role of Company Secretary is jointly assumed by the Group Company Secretary and Joint Company Secretary. Both secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and Malaysian Institute of Accountants ("MIA") respectively.

The Board has unrestricted access to the advice and services of the Company Secretary who is responsible for providing directors with the Board papers and related matters. The Company Secretary coordinates the induction programme for newly-appointed directors as well as the Board assessment process.

The Board recognises that the Group Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board. All directors have access to the advice and services of the Company Secretary and, whether as a full board or in their individual capacities, directors are also at liberty to take independent professional advice on any matter connected with the discharge of their responsibilities as they may deem necessary and appropriate, at the Company's expense.

1.5 The Board and its Committees have full and unrestricted access to all information necessary in the furtherance of their duties, which is not only quantitative but also other information deemed suitable such as customers satisfaction, product and service quality, market share, updates and reactions. The Board is provided with the agenda for every Board meeting together with comprehensive management reports in advance, for the Board's reference. The Chairman of the Board takes primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to directors on a timely basis.

All directors have the right and duty to make further enquiries where they consider necessary. In most instances, members of Senior Management are invited to be in attendance of the Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board.

The Board papers are circulated on a timely basis, at least five (5) days in advance of the meeting to enable the members to have sufficient time to review the papers prepared. Board papers are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both the quantitative and qualitative factors so that informed decisions are made. The Board papers supplied to the directors include Quarterly performance reports of the Group, corporate proposals, Group's risk profiles, information on operational and financial issues, updates on Group's corporate social responsibility, business forecasts and outlook and Circular Resolutions passed.

2.0 There is demarcation of responsibilities between the board, board committees and management. There is clarity in the authority of the board, its committees and individual directors.

2.1 A Board Charter had been established with the objectives to ensure that all Board members are aware of their duties and responsibilities, the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all dealings by Board members individually and/or on behalf of the Group. The Board Charter outlines processes and procedures for the Board and its committees in discharging their stewardship effectively and efficiently.

The Board Charter focuses on Board's roles and responsibilities, Board's composition and balance, Board's performance, Board's meetings, Remuneration policies, access to information and independent advice, financial reporting, stakeholder communication, Company Secretary and conflict of interest.

The Board Charter is subject to review from time to time to ensure that it remains consistent with the Board's objectives and current laws and practices is made available on the Company's official website at **www.mediaprima.com.my.**

The Board of Media Prima Berhad as a listed entity has entrusted its Board Committees with specific responsibilities to oversee the Group's affairs in accordance with their respective Terms of Reference. Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and decisions made by each Board Committee through the reports by the Chairman of the respective Board Committee and the tabling of minutes of the Board Committee meetings.

The Chairman of the various Committees report the outcome of the Committee meetings to the Board and relevant decisions are incorporated in the minutes of the Board of Directors' meetings.

Senior Independent Non-Executive Director

Datuk Mohd Nasir bin Ahmad who joined the Board on 29 February 2016 was selected among the Independent Non-Executive Directors to assume the role of a Senior Independent Non-Executive Director, to whom concerns pertaining to the Group may be conveyed by shareholders and the public.

Shareholders and any other interested parties may contact Datuk Mohd Nasir bin Ahmad to address any concerns in writing as per the following details:-

Email : **mohdnasirmpb@mediaprima.com.my**
Office Address : **Media Prima Berhad,**
Group Secretarial,
Level 3, Balai Berita Bangsar, Anjung Riong,
No. 31, Jalan Riong, Bangsar, 59100 Kuala Lumpur.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees

a. Audit Committee

The Audit Committee was established on 19 August 2003 and is chaired by Datuk Mohd Nasir bin Ahmad. The Committee had held five (5) meetings in 2017 namely on 21 February 2017, 6 March 2017, 24 May 2017, 9 August 2017 and 13 November 2017 and members' attendance is as follows:-

NO.	DIRECTORS	ATTENDED/HELD	ATTENDANCE
1	Datuk Mohd Nasir bin Ahmad (Chairman)	5 / 5	100%
2	Lydia Anne Abraham	5 / 5	100%
3	Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar	5 / 5	100%
4	Datuk Loo Took Gee	5 / 5	100%

The Audit Committee keeps the Board informed of its activities and recommendations from time-to-time. A full Audit Committee report detailing its composition during the year is set out on page 121 of this Annual Report.

b. Risk Management Committee

The Risk Management Committee was established on 12 May 2011 and is chaired by Tan Sri Ismee bin Haji Ismail. The Committee had held four (4) meetings in 2017 namely on 23 February 2017, 29 May 2017, 14 August 2017 and 14 November 2017 and members' attendance is as follows:-

NO.	DIRECTORS	ATTENDED/HELD	ATTENDANCE
1	Tan Sri Ismee bin Haji Ismail (Chairman) (Appointed on 1 August 2017)	2 / 2	100%
2	Lydia Anne Abraham	4 / 4	100%
3	Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar	4 / 4	100%
4	Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin* (Appointed on 22 February 2018)	N/A	-
5	Datuk Mohd Nasir bin Ahmad (Resigned on 22 February 2018)	4 / 4	100%
6	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (Resigned on 31 July 2017)	2 / 2	100%

* Last meeting for the year was held on 14 November 2017.

A Risk Management Committee report detailing its responsibilities, terms of reference and summary of initiatives/activities during the year is set out on page 127 of this Annual Report.

c. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established on 14 May 2015 and is chaired by Raja Datuk Zaharaton binti Raja Zainal Abidin. The Committee had held five (5) meetings in 2017 namely on 23 February 2017, 29 May 2017, 23 June 2017, 8 August 2017 and 14 November 2017 and members' attendance is as follows:-

NO.	DIRECTORS	ATTENDED/HELD	ATTENDANCE
1	Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin (Chairman) (Appointed as Chairman on 1 August 2017)	5 / 5	100%
2	Datuk Shahril Ridza bin Ridzuan	5 / 5	100%
3	Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar	5 / 5	100%
4	Datuk Mohd Nasir bin Ahmad (Appointed on 14 August 2017)	1 / 1	100%
5	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (Resigned on 31 July 2017)	3 / 3	100%

The Nomination and Remuneration Committee recognises the importance of an appropriate balance and diversity of knowledge, skills, backgrounds, experience, professional qualifications and gender in building an effective Board. It has established policies, criteria and a clear methodology in accordance with its Terms of Reference which can be found in the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

d. **Option Committee**

The Option Committee was established on 27 August 2004 and is chaired by Raja Datuk Zaharaton binti Raja Zainal Abidin who was appointed on 23 February 2017. The members are Datuk Kamal bin Khalid (appointed on 2 August 2017) and Datuk Shahril Ridza bin Ridzuan (appointed on 22 February 2018). Dato' Sri Amrin bin Awaluddin and Tan Sri Ismee bin Haji Ismail were former members who resigned on 30 September 2017 and 22 February 2018 respectively. The Committee had not held any meeting in 2017.

3.0 The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

3.1 The Company's Codes of Ethics for Directors and employees govern the standards of conduct and behaviour expected from Directors and employees respectively. They are to be applied to all aspects of business and professional practices and act in good faith in the best interests of Media Prima Group and its stakeholders.

The Code of Ethics for Directors is available on **www.mediaprima.com.my** whilst the Code of Ethics for employees is available on the Company's Intranet System **(PeopleConnect)**. It requires all to observe high ethical standards of honesty and integrity whilst prohibiting activities or misconduct such as accepting bribes, dishonest behaviour and sexual harassment, among others.

3.2 In order to strengthen corporate governance practices across the Group, a whistleblowing policy was established to provide employees with accessible avenue to report suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to promote and encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be protected from reprisal.

The whistleblowing policy and the anti-fraud policy are available for all staff and can be accessed via the Group's intranet. The key components of the whistleblowing policy include protection to the whistleblower from any retaliation in the form of dismissal, harassment or discrimination at work, or any action in court, in respect of disclosure made by the whistleblower to the regulators. Any employee who believes or suspects that a fraud exists or has been committed may report this to the Group General Manager, Group Corporate Governance Department.

II. BOARD COMPOSITION

The Nomination and Remuneration Committee was established after the merger of the Nomination Committee and Remuneration Committee on 14 May 2015. The Board is satisfied that the Nomination and Remuneration Committee has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions as listed in the Terms of Reference of the Nomination and Remuneration Committee.

Significant changes to the Board composition that took place during the year include:-

DATE OF CHANGE	DETAILS
1 June 2017	Tan Sri Ismee bin Haji Ismail appointed as the Independent Non-Executive Director.
31 July 2017	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor resigned as Independent Non-Executive Group Chairman and as Chairman of the Nomination and Remuneration Committee.
1 August 2017	Tan Sri Ismee bin Haji Ismail redesignated from Independent Non-Executive Director to Independent Non-Executive Group Chairman.
	Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin appointed as Chairman of the Nomination and Remuneration Committee.
	Dato' Sri Amrin bin Awaluddin redesignated from Group Managing Director to Executive Director.
2 August 2017	Datuk Kamal bin Khalid appointed as the Group Managing Director.
14 August 2017	Datuk Mohd Nasir bin Ahmad appointed as Member of the Nomination and Remuneration Committee.
21 August 2017	Dato' Sri Amrin bin Awaluddin redesignated from Executive Director to Non-Independent Non-Executive Director.
30 September 2017	Dato' Sri Amrin bin Awaluddin resigned as the Non-Independent Non-Executive Director.

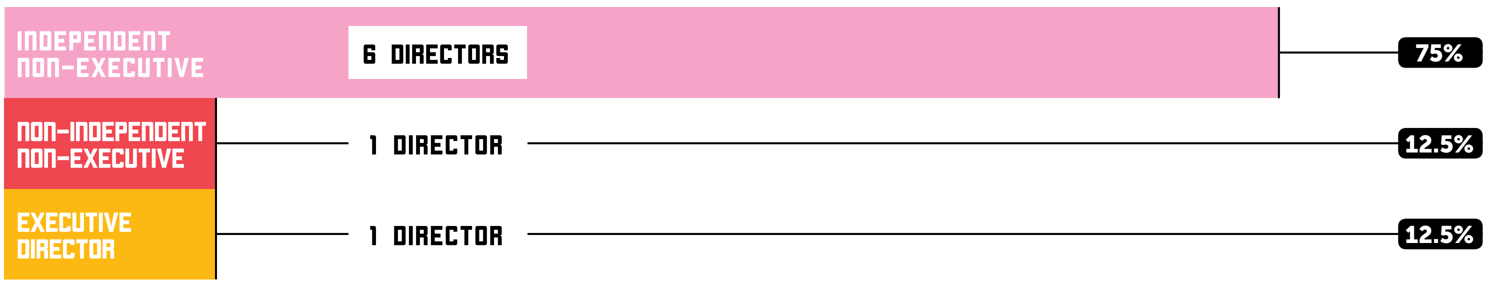
In accordance with the Company's Articles of Association, newly-appointed directors shall hold office until the next Annual General Meeting and shall then be eligible for re-election. The Articles also provide that all Directors shall retire from office once at least in every three (3) years. Retiring directors may offer themselves for re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

4.1 The Board of Media Prima Berhad are made up of 75% of Independent Directors. It comprises of eight (8) members of whom only one (1) is an Executive Director who also serves as the Group Managing Director. The strong presence of seven (7) Non-Executive Directors whereby six (6) are Independent Non-Executive Directors assures effective check and balance on the functioning of the Board. Majority of Media Prima Berhad's Board of Directors are independent including the Non-Executive Group Chairman.

Board Member's Independence Composition



4.2 By virtue of their roles and responsibilities, the six (6) Independent Non-Executive Directors represent the Group's minority shareholders' interests. They are independent of the Management and free from any undue influence from interested parties which could materially interfere with the exercise of their independent judgement.

In discharging their responsibilities during each Board and Committee meeting, through their vast experience and knowledge, the directors had maintained their independence and objectivity in every major decision to safeguard the Company's and stakeholders' best interest.

The Nomination and Remuneration Committee and the Board have upon their Board Effectiveness Evaluation exercise, concluded that all of the Independent Non-Executive Directors continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continue to fulfil definition of independence as set out in the terms of reference and the listing requirement.

4.3 The Board has adhered to the nine-year rule for Independent Non-Executive Directors as prescribed in the Board Charter. Upon completion of such tenure, the Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

The Board recognises that an individual independence cannot be determined arbitrarily on the basis of a set period of time alone. The Board also firmly believes that the ability of a Director to serve effectively is dependent on his calibre, qualification, experience and personal qualities, particularly his integrity and objectivity. It is also believed that there are significant advantages to be gained from long-serving Directors who possess insight and knowledge of the Company's business and affairs.

Hence, an Independent Director who has served the Company for nine (9) years, subject to the Nomination and Remuneration Committee' recommendation and Shareholders' approval, may continue to serve the Group in the capacity of Independent Director.

The Group Chairman and all Independent Non-Executive Directors have served the Board for less than nine (9) years where their tenures are set out in the Board of Directors' Profiles as set out on page 76 to 85 of this Annual Report.

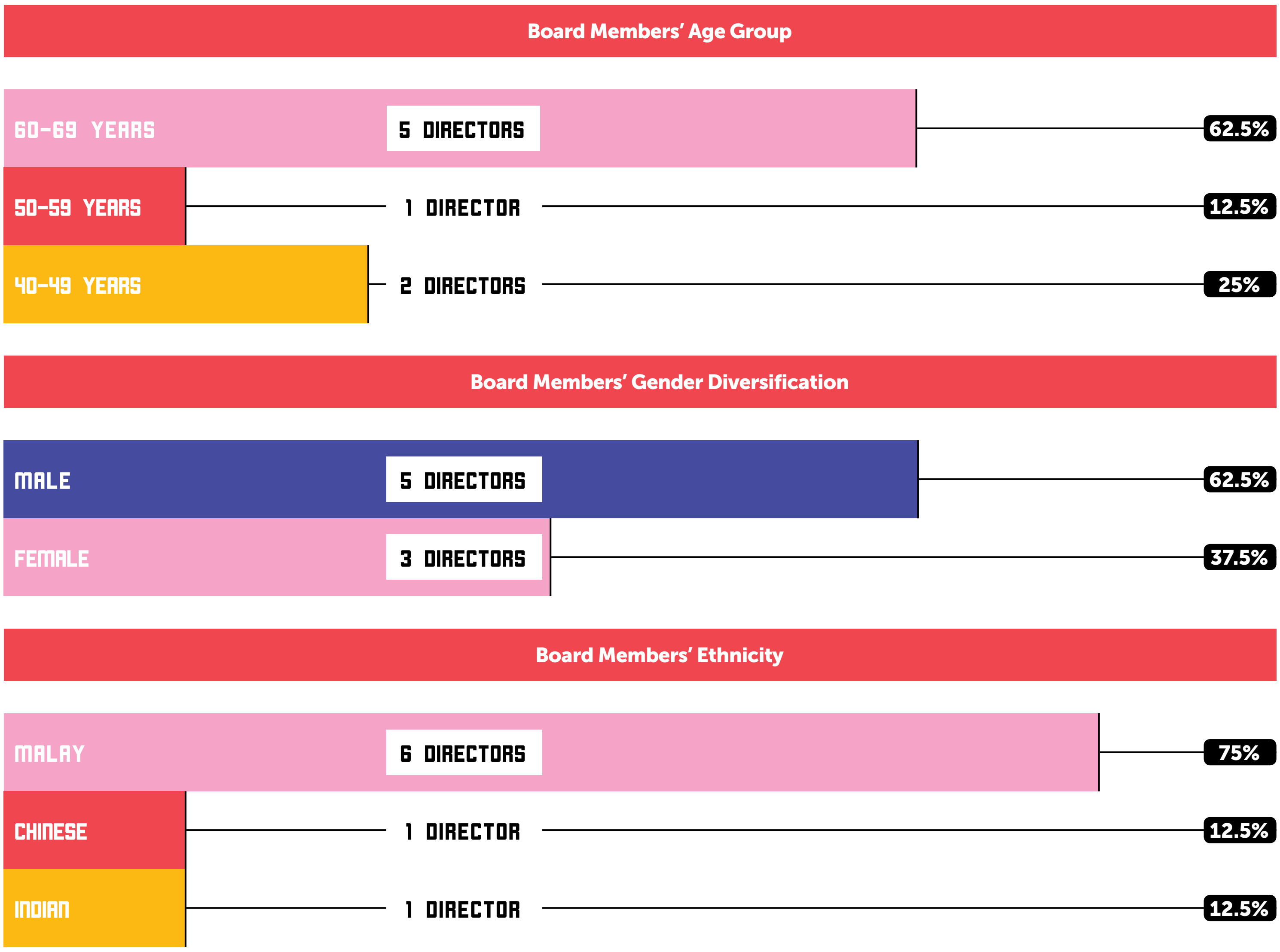
Noting that none of the Independent Non-Executive Directors has served more than nine (9) years cumulatively in Media Prima Berhad, the Board believes that the requirement for shareholders' approval to retain status of Independent Directors of nine (9) years on the Board is not applicable.

4.4 The Nomination and Remuneration Committee is responsible for recommending to the Board those Directors who are eligible to stand for election/reappointment. This recommendation is based on formal reviews of the performance of the Directors, taking into account the Board Effectiveness Evaluation results, contribution to the Board through their skills, experience, strengths and qualities, level of independence and ability to act in the best interests of the Group in decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

4.5 In its effort to promote boardroom diversity, the Nomination and Remuneration Committee has taken various steps to ensure that candidates are sought from various sources as part of its recruitment exercise. The experience and background of the respective Board members are described in their profiles as set out on page 76 to 85 of this Annual Report.

The Board is supportive of gender and ethnic diversity and the following diagrams depict a summary of Board diversity in Media Prima Berhad in terms of age group, gender diversification and ethnicity as at 31 December 2017:-



4.6 The Nomination and Remuneration Committee of the Board of Media Prima scrutinises the sourcing and nomination of suitable candidates for appointment as a Director in Media Prima and its subsidiary companies and to the Committees of the Board, before making recommendations to the Board for approval.

The Nomination and Remuneration Committee carries out an annual assessment to review the composition of the Board as well as its Group of Companies called the Annual Review to ensure the selection of Board members with different mixture of skill sets, competencies and gender diversity. The Annual Review is also undertaken to ensure that the Board remains effective and meets the business requirements of the Group as well as to focus on enlarged and expanded areas of activities whilst balancing the continuity needs. The last Annual Review of the Board composition was performed by the Nomination and Remuneration Committee and approved by the Board on 23 February 2017 during 55th Board of Directors Meeting.

4.7 The Board, through the Nomination and Remuneration Committee, is responsible for ensuring that there is effective and orderly succession planning within the Group. The Terms of Reference of the Nomination and Remuneration Committee provides that it is responsible for formulating nomination, selection and succession policies for the Members of the Board, Board Committees and the Group's key management personnel from time to time.

The Nomination and Remuneration Committee is responsible for reviewing candidates for key management positions and determining the remuneration for these appointments. In this respect, the Nomination and Remuneration Committee considers new appointments and renewal of service contracts of key management positions to ensure all candidates appointed to these positions are of sufficient competence. For this purpose, the factors considered by the Nomination and Remuneration Committee include the suitability of the shortlisted candidates based on their profiles, professional achievements and personality assessments. The Nomination and Remuneration Committee further considered the remuneration packages for the key management personnel when finalising the terms and conditions of their service contracts before it is further deliberated by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Nomination and Remuneration Committee undertakes annual evaluation of the performance of the Senior Management based on their Balanced Scorecard with Key Performance Indicators measurements as per the principles set under Group-wide Key Performance Indicators Framework whilst the Group General Manager of Group Corporate Governance who reports to the Audit Committee is evaluated by the Chairman of Audit Committee. Generally, the remuneration of the Senior Management is directly linked to performance and hence, the performance bonus for the year would be determined by the Nomination and Remuneration Committee based on their performance ratings. For this purpose, the 2017 Balanced Scorecard and Key Performance Indicators results for the Group Managing Director and Senior Management were reviewed by the Nomination and Remuneration Committee at their meetings in February 2018.

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

5.1 The Board through the Nomination and Remuneration Committee conducts an effective assessment to evaluate the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual director. Performance indicators for the Board Effectiveness Evaluation for individual directors cover personality and quality aspect such as dynamics and participation, integrity and objectivity, technical competencies, recognition and independence.

The Directors' responses are submitted to the Company Secretary for collation and analysis. A comprehensive summary of the findings and recommendations is submitted to the Nomination and Remuneration Committee for deliberation, after which, the findings and recommendations are escalated to the Boar and Board committees for further review and proposed actions. Recommendations affecting the Group's management and operations arising from the Board Effectiveness Evaluation exercise are communicated to Management for implementation.

III. REMUNERATION

6.0 The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. Remuneration policies and decisions are made through a transparent and independent process.

6.1 The Group has established a formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration package of individual director. The objective of the Group's policy on directors' remuneration is to attract and retain directors of the calibre needed to manage the Group successfully.

6.2 The Nomination and Remuneration Committee, carries out the annual review of the overall remuneration policy for Executive Director where recommendations are submitted to the Board for approval. The remuneration for Executive Director is structured to link rewards to corporate and individual performance. It is nevertheless, the ultimate responsibility of the Board to approve the remuneration of this director.

The determination of the remuneration packages of Non-Executive Directors (whether in addition to or in lieu of their fees as directors), is a matter for the Board as a whole, subject to approval of shareholders at the Annual General Meeting. Each individual director would abstain from the Board's decision on his or her own remuneration to avoid any conflict of interest.

a. Remuneration Package for Executive Director

The remuneration package of the Executive Director is as follows:-

i. Basic Salary

The Nomination and Remuneration Committee recommends the basic salary (inclusive of statutory employer contributions to the Employee Provident Fund) for the Executive Director, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar positions in a selected group of comparable companies.

ii. Performance Bonus

The Group operates a performance based bonus scheme for all employees, including the Executive Director. The criteria for the scheme is dependent on the achievement of KPI set for the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonus payable to the Executive Director is reviewed by the Nomination and Remuneration Committee and approved by the Board.

iii. Fixed Allowance

The Executive Director is entitled for fixed allowances.

iv. Employees' Share Option Scheme ("ESOS")

The Executive Director is also eligible to participate in the employees' share option scheme designed to incentivise employees of the Group.

v. Benefits-in-Kind

The Executive Director is entitled to other customary benefits such as Group Hospitalisation, Surgical Insurance and a driver.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

b. **Remuneration Package for Non-Executive Directors**

Non-Executive Directors are paid annual fees and attendance allowance for each Board meeting attended. They are also entitled for Group Hospitalisation and Surgical Insurance.

Directors of Media Prima Berhad are also covered under a Directors and Officers Liability Insurance Policy against any liability incurred by them in discharging their duties while holding office as directors of the Group. The directors contribute partially for the payment of the insurance premium.

7.0 Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

7.1 The details on the remuneration of directors for the financial year ended 31 December 2017, distinguishing between Executive and Non-Executive Directors with categorisation into appropriate components are as follows:-

DIRECTORS	FEES (MPB & SUBSIDIARIES)	FEES (BOARD COMMITTEES)	SALARY & BONUS	STATUTORY (EPF)	OTHER REMUNERATIONS /EMOLUMENTS	BENEFITS-IN-KIND	TOTAL
	RM						
Datuk Kamal bin Khalid *(Appointed on 2 August 2017)*	-	-	399,219	83,441	34,203	3,000	519,863
Dato' Sri Amrin bin Awaluddin*	-	-	776,584	183,129	175,065	4,800	1,139,578
Total Executive Directors	**-**	**-**	**1,175,803**	**266,570**	**209,267**	**7,800**	**1,659,441**
Tan Sri Ismee bin Haji Ismail *(Appointed on 1 June 2017)*	41,250	1,288	-	-	292,874	3,606	339,018
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor *(Resigned on 31 July 2017)*	53,914	3,500	-	-	224,044	7,175	288,632
Dato' Sri Amrin bin Awaluddin**	19,995	-	-	-	-	-	19,995
Datuk Shahril Ridza bin Ridzuan	60,000	2,000	-	-	14,000	-	76,000
Lydia Anne Abraham	90,041	6,000	-	-	60,750	-	156,791
Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin	110,000	2,417	-	-	60,000	-	172,417
Datuk Mohd Nasir bin Ahmad	144,192	7,767	-	-	93,286	-	245,245
Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar	130,000	8,000	-	-	92,000	-	230,000
Datuk Loo Took Gee	125,304	4,000	-	-	58,643	-	187,947
Total Non-Executive Directors	**774,696**	**34,972**	**-**	**-**	**895,596**	**10,781**	**1,716,045**
TOTAL	**774,696**	**34,972**	**1,175,803**	**266,570**	**1,104,863**	**18,581**	**3,375,486**

Notes:-

DIRECTOR	DIRECTORSHIP	TENURE	REMARKS
Dato' Sri Amrin bin Awaluddin	Executive Director*	1 January – 20 August 2017	Redesignated to Non-Independent Non-Executive Director on 21 August 2017.
	Non-Independent Non-Executive Director**	21 August – 29 September 2017	Resigned as Non-Independent Non-Executive Director on 30 September 2017.

7.2 The remuneration paid to the Top 4 Senior Management of the Company during the year is as follows:-

SENIOR MANAGEMENT	SALARY	BONUS	BENEFITS-IN-KIND	OTHER EMOLUMENTS	TOTAL
	RM				
Shareen Ooi *Group Chief Marketing Officer**	370,586	12,380	39,990	1,805,038	**2,227,994**
Mohamad Ariff bin Ibrahim *Group Chief Financial Officer***	517,740	-	30,724	166,640	**715,104**
Farnida binti Ngah *Group Chief Financial Officer****	224,583	-	3,000	74,732	**302,315**
Fan Chen Yip *Head, Key Account Management & Media Sales Planning*****	114,358	-	1,200	34,723	**150,281**

* *Resigned on 16 July 2017*
** *Resigned on 1 August 2017*
*** *Appointed on 2 August 2017*
**** *Appointed on 16 October 2017*

The remuneration paid to the Top 4 Senior Management of the Company during the year, analysed into bands of RM50,000 is as follows:-

REMUNERATION BAND	TOP 4 SENIOR MANAGEMENT
RM2,200,001 - RM2,250,000	1
RM700,001 - RM750,000	1
RM300,001 - RM350,000	1
RM150,001 - RM200,000	1

Note: Successive bands of RM50,000 are not shown entirely as they are not represented.

B. EFFECTIVE AUDIT & RISK MANAGEMENT

I. AUDIT COMMITTEE

A full detailed report on the Audit Committee comprises of its detailed composition, terms of reference and summary of 2017 activities can be found on page 121 of this Annual Report.

8.0 There is an effective and independent Audit Committee. The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

8.1 The Audit Committee was established on 19 August 2003 and is currently chaired by Datuk Mohd Nasir bin Ahmad who is not the Group Chairman of the Board.

8.2 The Group's External Auditors Policy requires that any former key audit partner shall observe a cooling period of at least two years before being appointed as a member of the Audit Committee.

8.3 The Group's External Auditors Policy prescribes that the Audit Committee is responsible to assess, review and monitor the performance, suitability and independence of the External Auditors and make recommendation on the appointment and removal of the External Auditors to the Board of Directors.

8.4 The Audit Committee consists of four (4) Non-Executive Directors with all of them being independent directors and no alternate director is appointed as member of the Audit Committee.

8.5 The Audit Committee Chairman, Datuk Mohd Nasir bin Ahmad, is a Chartered Accountant with the Malaysian Institute of Accountants ("MIA") and a Fellow of the Association of Chartered Certified Accountants ("ACCA") United Kingdom. With the vast experience of the Audit Committee members, the Board believes that the current composition has the required experience and knowledge for the roles of Audit Committee. The current Committee members' profiles, qualification and experience can be found in page 76 to 85 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its responsibility for the Group`s system of internal controls and risk management and for reviewing the effectiveness of these systems to ensure compliance with the applicable laws and regulations, as well as internal procedures and guidelines.

The Board is assisted by the Risk Management Committee in the oversight and its management of all identified risks. The Risk Management Committee meets quarterly to ensure that the accountability for managing identified significant risks is clearly assigned and that any identified risks affecting the Group are being addressed, managed and mitigated on an ongoing basis. Risk Management Committee also reviews the risk management framework to ensure that it remains relevant for use and monitors the effectiveness of risk mitigation plans for the management and controls of the key risks.

The Group's risk profile discussed and approved during Risk Management Committee meetings is presented by the Group General Manager of Group Risk Management Department, attended by representatives from the management and main business platforms to keep abreast of developments in the risk management landscape.

Risk Identification and Mitigation

The Risk Management Committee advises the Board on areas of high risk and the adequacy of compliance and control procedures throughout the organisation. The Risk Management Committee reviews and recommends the Group's and Business Platforms' Risk Profiles which specify the key risks for approval by the Board. In a quarterly basis, the Risk Management Committee conducted a review on the Risk Profiles of the Group and Business Platforms and tabling the Risk Profiles to the Board for notification.

The Group's Internal Control

The Board is ultimately responsible for the adequacy and integrity of the Group's internal control system. The effectiveness of system of internal controls of the Group is reviewed by the Audit Committee during its quarterly meetings. This review covers the financial, operational and compliance controls as well as the process for the identification, evaluation and management of the significant risks faced by the Group.

A full detailed report on the nature and scope of risk management and internal control in reviewing the adequacy and effectiveness of risk management and internal control of the Group during the financial year 2017 is outlined on page 110 of this Annual Report. The following statement was put forth in accordance with the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" to ensure the processes adopted in reviewing the adequacy and effectiveness of the risk management and internal control of Media Prima Berhad are adequate.

9.0 Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

9.1 The Board has in place a continuous, proactive and systematic control structure and process for identifying, evaluating and managing significant risks pertinent to the achievement of the Group's overall corporate objectives. The control structure and process which has been established throughout the Group is updated and reviewed from time to time to suit the changes in business environment.

9.2 The Enterprise-wide Risk Management ("ERM") framework practiced by the Group is largely benchmarked against the ISO 31000:2009 Risk Management – Principles and Guidelines. The Board, from time to time, reviews the framework to facilitate a continuous and iterative process which leads to the enhancement of risk awareness across the organisation. The Enterprise-wide Risk Management framework enables the subsidiaries, operating units and support functions to exercise a consistent approach for risk identification and institutes a common platform to deliberate and manage risks.

9.3 The Board delegates the responsibility of reviewing the risk management systems and to ensure the effectiveness of the Group`s Risk Management Framework to the Risk Management Committee. The Risk Management Committee updates the Board on the significant changes that affect the risk profile of the Group. The Risk Management Committee's responsibilities as stipulated in the Board Charter include:-

- Reviewing and ensuring adequacy of risk management policies and procedures;
- Reviewing risk exposures; and
- Ensuring that infrastructure, resources and systems are in place for risk management activities.

Further details of the activities undertaken by the Risk Management Committee during the year are set out in the Risk Management Committee Report in page 127 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

10.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

10.1 The Board has established an internal audit function within the Group carried out by the Group Corporate Governance Department. The department is led by the Group General Manager, Group Corporate Governance who reports directly to the Audit Committee. The Group Corporate Governance Department checks for compliance with statutory/regulatory requirements, internal policies and procedures and review the work processes/procedures for efficiency and effectiveness. Complementing the function of the Group Risk Management, the Group Corporate Governance Department also assesses the risk management and internal control effectiveness of the Group's operation during their course of reviews.

10.2 All internal audit activities during the financial year were conducted by the Group Corporate Governance Department. There was no area of the internal audit function being outsourced during the year. The details of the Group Corporate Governance Department are presented in page 124 of this Annual Report.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

11.0 There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

11.1 The Group maintains regular and proactive communication with its shareholders and investors, with the provision of clear, comprehensive and timely information through a number of readily accessible channels such as Corporate Website and Investors Briefing.

Website

Media Prima Group believes in building investors' confidence through good corporate governance practices. The Group carried out its investor relations initiatives details of which are available on **www.mediaprima.com.my.**

Group Investor Relations

The Group's Investor Relations policy provides guidelines on the activities that enable the Board and Management to communicate effectively with the investment and financial community and other stakeholders including institutional investors, fund managers, analysts, bankers as well as research and stock-broking houses and the general public in relation to dissemination of timely, relevant and accurate information pertaining to the Group.

The Group welcomes inquiries and feedbacks from shareholders and other stakeholders. All queries and concerns regarding the Group may be conveyed to the following personnel:-

NAME	RELATED MATTERS	NAME	RELATED MATTERS
Farnida binti Ngah Group Chief Financial Officer Phone No: 603 2724 8778	Financial/Investor Relations	**Boey Cheng Choong** Chief Transformation Officer Phone No: 603 2724 8833	Transformation Initiatives (Odyssey)
Sere Mohammad bin Mohd Kasim Group General Manager, Group Corporate Governance Phone No: 603 2724 8975	Internal Control and Internal Audit	**Mohd Hisham bin Md. Shazli** Group General Manager, Group Risk Management Phone No: 603 2724 8988	Risk Management
Tuan Haji Zulkifli bin Haji Mohd Salleh Group General Manager, Group Stakeholder Management & Regulatory Affairs Phone No: 603 2724 8923	Stakeholder Management/Regulatory Affairs	**Tan Say Choon** Group General Manager, Group Secretarial Phone No: 603 2724 8911	Corporate Secretarial and Board Matters
Amal @ Nur Amal binti Abdul Manaf General Manager, Group Legal Phone No: 603 2724 8904	Legal	**Azlan bin Abdul Aziz** Group General Manager, Group Corporate Communications Phone No: 603 2724 8949	Corporate Responsibility and Other Queries

11.2 The Group will consider to adapt integrated reporting to improve the quality of information available to investors and promotes greater transparency and accountability in the near future.

II. CONDUCT OF GENERAL MEETINGS

12.0 Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Annual General Meeting

In addition to the Quarterly Financial Reports and annual report, the Annual General Meeting ("AGM") remains the principal opportunity for communication with shareholders and investors. At each AGM, the Board presents the progress and performance of the Group. The Group Chairman and/or the Group Managing Director presents a comprehensive review of the financial performance of the Group and value created for shareholders. This review is supported by visual and graphical presentations of key points and financial figures.

Shareholders are encouraged to participate in the proceedings and ask questions on the operations of the Group and on any resolutions being proposed. The Group Chairman will provide sufficient time for shareholders' questions on matters pertaining to the Group's performance and seek to explain concerns raised by the shareholders.

Each item of ordinary and special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for separate issues at the meeting and the Group Chairman declares the outcome of each resolution after proposal and secondment are done by the shareholders. A press conference is held immediately after the AGM where the Group Chairman and the Group Managing Director will clarify and explain issues raised by the media and analysts. An analyst briefing will also be held in the course of providing all stakeholders with the latest updates on the Group.

The Board via the Company Secretaries is currently improving the timeline on the issuance of AGM notice to be given to shareholders in 28 days prior to the meeting. The Group had taken 21 days from the issuance of notice in the Annual Report as per Bursa Malaysia's announcement on 4 April 2017 to the 16th Annual General Meeting held on 27 April 2017.

All directors attended the 16th AGM each Director representing each Board Committee provided meaningful responses to the questions raised by the shareholders during the session. Minutes of meeting on the AGM was uploaded timely for public viewing and is available on **www.mediaprima.com.my**.

The Group will consider leveraging on technologies especially to facilitate offsite voting (including voting in absentia) and remote shareholders' participation at the AGM. These initiatives will enable shareholders to participate, engage the Board and Senior Management effectively and make informed voting decisions at AGMs.

The Corporate Governance Overview Statement was approved by the Board of Directors during the meeting dated 22 February 2018.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

2. NON-AUDIT FEES

The amount of Non-Audit Fees paid/payable to external auditors and their affiliated companies by the Company for the financial year ended 31 December 2017 is set out in Note 8 to the financial statements for the financial year ended 31 December 2017.

3. MATERIAL CONTRACTS

There was no material contract entered into by the Group involving the interest of directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2017 or entered into since the end of the previous financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MEDIA PRIMA BERHAD HAS COMPLIED WITH THE REQUIREMENT STATED IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG") 2017 WHICH REQUIRES THE BOARD OF DIRECTORS (BOARD) OF LISTED COMPANIES TO ESTABLISH AND MAINTAIN A SOUND RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROLS SYSTEM.

IN CONCURRENCE WITH PARAGRAPH 15.26(B) OF THE MAIN LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD, THE BOARD IS PLEASED TO PROVIDE THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL WHICH OUTLINES THE NATURE OF RISK MANAGEMENT AND INTERNAL CONTROL WITHIN MEDIA PRIMA BERHAD FOR THE FINANCIAL PERIOD UNDER REVIEW.

A. RESPONSIBILITY

The Board acknowledges its responsibility to adopt sound risk management practices to safeguard Media Prima Berhad's business interest from risk events that may impede achievement of business strategy and action plan, enable value creation and process improvement.

The Enterprise-wide Risk Management ("ERM") framework practiced by the Group is largely benchmarked against the ISO 31000:2009 Risk Management – Principles and Guidelines. The Board, from time to time, reviews the framework to facilitate a continuous and iterative process which leads to the enhancement of risk awareness across the organisation. The Enterprise-wide Risk Management framework enables the subsidiaries, operating units and support functions to exercise a consistent approach for risk identification and institutes a common platform to deliberate and manage risks.

Sound internal control system is a vital process developed to ensure effective and efficient operation, provide reliable and relevant reporting, and comply with applicable laws and regulations.

The Group has in place a continuous, proactive and systematic control structure and process for identifying, evaluating and managing significant risks pertinent to the achievement of the Group's overall corporate objectives. The control structure and process which has been established throughout the Group is updated and reviewed from time to time to suit the changes in business environment.

The Group implements the three (3) line of defence concept:-

First line	Risk taking units (business units and departments)	Manage the day-to-day management of risks inherent in its business activities.
Second line	Risk control unit (Group Risk Management Department)	Responsible for setting the risk management framework, developing tools and methodologies.
Third line	Risk assurance unit (Group Corporate Governance Department)	Provides independent assurance of the effectiveness of the internal control approach.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

B. CONTROL ENVIROMENT AND ACTIVITIES

1. Key Control Structure of the Group

Media Prima Berhad has inculcated that managing risk is everyone's business. The whole Group comes together to manage risks in a successful and cost-efficient manner within the following key controls:-

i. Board of Directors

The Board acknowledges its overall responsibility in the establishment and oversight of the Group's risk management and internal control within the Group and is constantly keeping abreast with developments in the areas of risk and governance.

The Board meets at least quarterly, and more frequently when required, to review and evaluate the Group`s operations and performance and to address key policy matters. The Group Managing Director leads the presentation of Board papers and provides comprehensive explanation over pertinent issues.

The prerequisite to decisions made in the meeting is the thorough deliberation and discussion by the Board, together with recommendations and feedback from management. In addition to quarterly financial results, corporate proposals, Group's Risk Profile and progress reports on business operations are also tabled at the Board's quarterly meetings.

Other Board Committees are also established to assist the Board in performing its oversight function namely the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Option Committee. Specific responsibilities have been delegated to these Board Committees, all of which have formalised terms of reference accessible via the Board Charter which is available on the Company's official website at **www.mediaprima.com.my**. These Committees have the authority to examine all matters within their scope and report to the Board with their recommendations.

At the helm of the organisation, the Board is ultimately responsible for the overall management of risks and internal control. The Board through the Risk Management Committee and Audit Committee maintains overall responsibility for risk and control oversight respectively, within the Group.

While the Board, Risk Management Committee and Audit Committee provide oversight, the responsibility for managing risks and internal control appropriately lies with Senior Management through the following activities:-

- Providing leadership and direction to business units;
- Providing oversight responsibilities of reviewing financial information and assessing the effectiveness of the Group's internal control environment;
- Dissecting risk and internal control issues highlighted at the Group Risk Management & Audit Committee Meetings;
- Understanding the inherent risks in each business platform;
- Implementing Risk Management Framework by understanding the risk measurement, monitoring and mitigation strategy adopted, as well as the impact of on-going action plans to meet objectives; and
- Assessing the performance and state of internal controls of operating companies within the Group

ii. Risk Management Committee

The Board has also delegated the responsibility of reviewing the risk management systems and to ensure the effectiveness of the Group`s Risk Management Framework to the Risk Management Committee. The Risk Management Committee updates the Board on the significant changes that affect the risk profile of the Group. The Risk Management Committee's responsibilities as stipulated in the Board Charter include:-

- Reviewing and ensuring adequacy of risk management policies and procedures;
- Reviewing risk exposures; and
- Ensuring that infrastructure, resources and systems are in place for risk management activities.

Further details of the activities undertaken by the Risk Management Committee during the year are set out in the Risk Management Committee Report on page 127 to 129 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

iii. Independence of the Audit Committee

The Board is also supported by the Audit Committee with the main responsibility to provide independent assessment on the adequacy and reliability of the risk management processes and internal control, as well as compliance with policies and regulatory requirements.

The Audit Committee is comprised of four (4) Independent Non-Executive Directors who are highly experienced and whose knowledge, background and judgement are invaluable to the Group. The Audit Committee have unimpeded access to both the Internal and External Auditors and has the right to convene meetings with the auditors without the presence of the Executive Director and Management.

The Audit Committee reviews the work of the Internal and External Auditor, their findings and recommendations to ensure that it meets the necessary level of assurance with respect to the adequacy of the internal controls.

The Audit Committee meets at least on a quarterly basis and minutes of the Audit Committee meeting are then tabled to the Board. Details of the activities undertaken by the Audit Committee during the year are set out in the Audit Committee Report on page 121 to 126 of this Annual Report.

iv. Operating Units

At the forefront, operating units are responsible for the identification and management of risks within its operations. The operating units are also responsible to comply with approved frameworks, policies, guidelines and procedures on all daily activities:-

Management Committees

Management Committees are established to ensure that the Group's interests are adequately protected in arriving at important business/ operational decisions. The Committees include the Programme Committee, Newsprint Committee, Group Risk Management & Audit Committee, Procurement Committee, Tender Committee, Information Communications Technology "ICT" Steering Committee, Intellectual Property Committee, Humanitarian Fund Committee, Project Odyssey Steering Committee, Digital TV Committee and Recovery Executive Committee which all have clearly defined terms of reference.

Senior Management Meeting

Senior Management meetings are held on a monthly basis to formulate strategies on an on-going basis and to address issues arising from changes in both external business environment and internal operating conditions.

2. Group's Control Environment

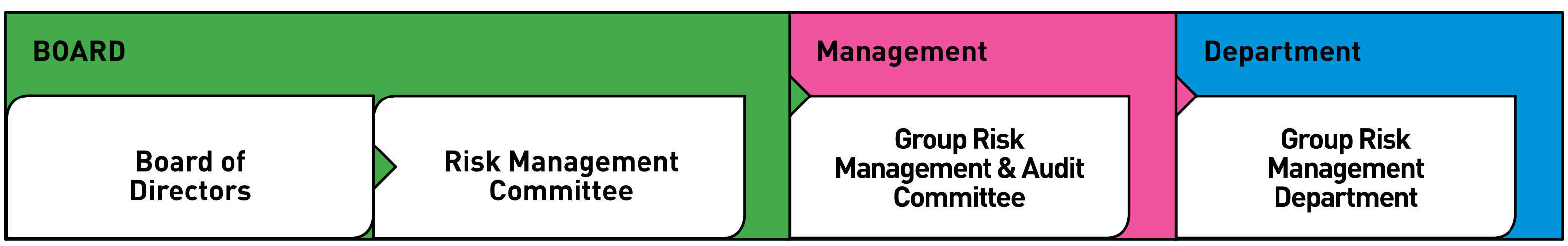
The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations. The Group's control environment comprises of the following components which have been in place throughout the financial year:-

Risk Management Function

The ideology of Media Prima Berhad's risk management is built on a culture where risks are mitigated by calibrating risks to acceptable levels whilst achieving the organisation's business plans and goals.

At Media Prima Berhad, risk management is integrated within MPB's strategy planning process and its ongoing improvement in strengthening the quantification, review and monitoring of all significant risk areas remain a vital focus of the Board in building a successful and sustainable business.

GROUP RISK MANAGEMENT REPORTING STRUCTURE



The Company has a structured risk management reporting line to ensure significant risks are escalated to the appropriate levels. The Risk Management Committee ("RMC") role is to provide oversight and extensive discussion on risk management matters at the Board level. The RMC reviews and assesses the adequacy of these risk management policies and ensures infrastructure, resources and systems are emplaced for risk management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In discharging their risk management responsibilities, the Board and RMC is supported by the Group Risk Management Department ("GRM"). Together with the various business units, GRM coordinates the risk review exercise across the Group to identify, manage and report the significant risks faced by the company to the RMC and ultimately to the Board. GRM is also responsible for ensuring that the risk management framework is effectively implemented and that risk registers are maintained by the respective business platforms.

Risk Management Framework

Media Prima Berhad's risk management framework encapsulates an on-going process of identifying, assessing, controlling, monitoring and reporting material risks affecting the achievement of Media Prima Berhad's business objectives. Tailored based on ISO 31000:2009 Risk Management – Principles and Guidelines, the framework sets out the risk management governance and infrastructure, risk management processes and control responsibilities.

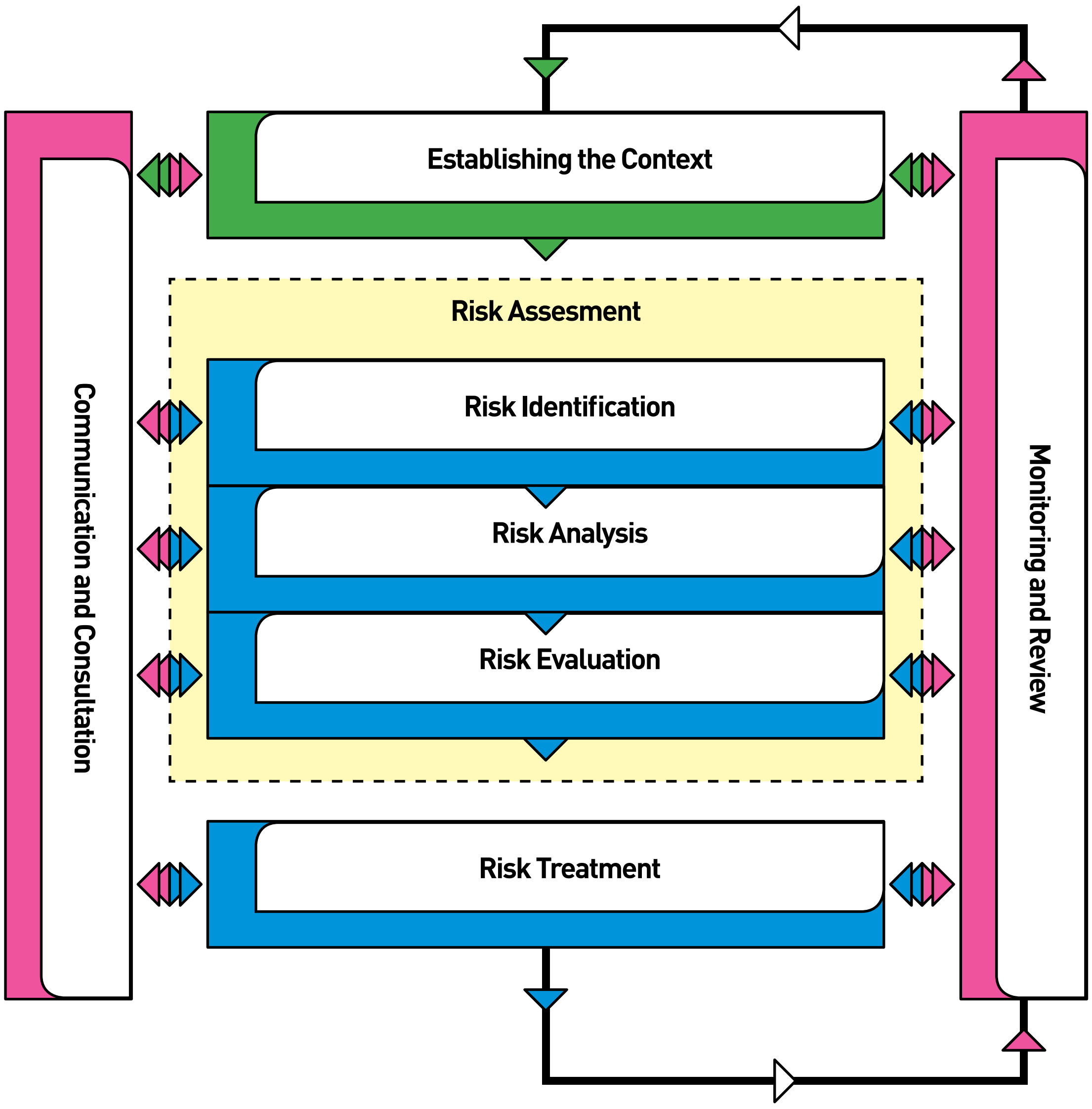
The following principles guide the business platforms and departments in managing risks:-

- Risks can be managed, but cannot be totally eliminated;
- Risks are aligned with, and driven by, business values, targets and objectives;
- Risks ownership lies with the chief executive officers of the business platforms and Heads of Department of the Business Units;
- Risks on material matters are highlighted to Risk Management Committee with constant engagement on development of risks controls and mitigation processes; and
- Risks management processes are integrated with other processes including budgeting, planning and business development.

Risk Management Process

A structured risk management process has been formulated to ensure the significant risks are identified and treated accordingly. Group Risk Management Department ("GRM") is a department that is responsible in coordinating risk review exercises and preparing quarterly reports on the company's risk management activities which include financial, operational, compliance, information technology, printing & broadcasting management, internal controls and risk management systems.

The risk review exercise encompasses the following activities:-



- Identifying key risks affecting business objectives and strategic plans.
- Defining a common understanding of risk classification tolerance through quantification, whenever possible, and development of criteria matrix that reflect the impact and likelihood of the risk materialising.
- Evaluating adequacy of existing controls and developing additional plans, if required, to treat these risks.
- Monitoring effectiveness of measures taken to mitigate risks.
- Seizing prospects through evaluation of 'opportunity risks' so that management proactively realise opportunities.
- Identifying changes to risks or emerging risks and promptly bringing these to the attention of the Board where appropriate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The outcomes from the risk review exercise and other risk management activities will be documented and presented to the RMC and ultimately to the Board.

At strategic level, the Board's focus is centred around the following risk areas:-

TYPES OF RISK	DESCRIPTION	MITIGATION
BUSINESS INTERRUPTION	Media Prima Berhad recognises the availability and sturdiness of its critical functions are paramount importance in ensuring its products and services are continuously obtainable. The effective way of identifying and managing the Company's exposure to internal and external threats are vital to stay resilience in the event of emergencies in order to minimise the disruptions to its critical business activities, continue delivering its promises to stakeholders and maintain its competitive advantage.	Media Prima Berhad has in place a comprehensive Business Continuity Planning ("BCP") programme to minimise the impact on its business operation in the event of disaster besides ensuring the continued availability of its products and services. The plan outlines strategies and procedures to ensure Media Prima Berhad's business operation is resumed seamlessly and in timely manner. The plan, which covers all business units in Media Prima Berhad, is reviewed and successfully tested periodically to ensure it stays relevant. • **Core Business Operations** Media Prima Berhad's core business operations refer to the frontline operations which in the event of disaster or disruption will give great impacts to the Group. The identification of core business operations is important in determining the priority of the recovery process. Recovery site and infrastructure are in place to ensure earliest possible restoration of core business operations. • **Support Services Operations** Understanding the key operations and analysing systems needed to continuously support the core business operations are essential and is part of risk mitigation. Support services functions are identified to facilitate recovery processes and ensure the continuation of the key operations in the worst case scenario. • **IT Systems Operations** In safeguarding the Group's core systems and applications whilst ensuring its high availability, a sound IT security ecosystem is architected to impede malicious and unknown attacks. • MPB IT security ecosystem is built with layers of protections to reduce the risk of penetration from unknown or unauthorised entity to the key systems and applications. • Systems and applications are clustered according to the criticality. Key systems are detached and standalone to protect the integrity of the information and operation. • IT Disaster Recovery Plan ("DRP") is in place to recover and protect Media Prima Berhad's business IT infrastructure in the event of a disaster. • Apart from the protection of infrastructure and equipment, periodic IT security updates are communicated to employees to create awareness and precautions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

TYPES OF RISK	DESCRIPTION	MITIGATION
DIGITAL DISTRUPTION	The accelerated increase in the use of mobile devices for personal and business and a shift in the consumerisation of technology, has increased the potential for digital disruption across many industries. Consumers now access content differently and monetisation by advertisers has changed. Digital has created new physics of business and indistinct competition, which allows entrepreneurs and new entrants to apply radical operating models to displace traditional businesses. Advertising revenue for example has shifted to less expensive options in response to the reduction in advertising and promotion ("A&P") spending. Media Prima Berhad has anticipated these uncertainties by constantly analysing internal and external factors that could affect its business and by constantly realigning its strategies to adapt to these uncertainties with the aim to always provide competitive offerings to its customers.	While digital technology can make a host of things possible, the fundamental "wants and needs" of the consumers remain. Digital satisfies our four broad areas of customers' desire:- • They want to create, communicate and connect • They want to challenge the norm • They expect bargains and giveaways • They expect lives to be easier Media Prima Berhad is expending its products and services beyond traditional business. The three pronged strategies are: transform the core, identify the big adjacencies market, and focus on innovation of products, services and processes. The Group is guided by a solid blueprint, implementing its transformation by:- • Strengthen broadcast leadership and build sustainable multichannel programmes by creating contents that travel across multiple platforms; digital and non-linear; • Build position as leading promulgator; and • Capitalising on its reach to create and grow commerce assets. Creating global sales through local contents; partnering with competitors, collaborate with regional and internal communities; expend regionally.
CONSUMER PSYCHOSOCIAL MODULATION	Media Prima Berhad understands rapid changes of consumer behaviour and interest through big data and analytics. In the era of technology, access is immediate. This has significantly influenced consumer behaviour to look for products and services that are within their reach and at their convenience.	Media Prima Berhad has always strived to offer the best products and services to its consumers by:- • Keeping abreast with the latest technology; • Analysing consumer behaviour that potentially affects the Company's strategies; • Customising contents to meet consumer demand; and • Expanding and strategiding on capturing consumer revenue.

Whilst the Group Risk Management Department's principal function is coordinating risk review and other risk management activities, all business units are responsible to carry out a risk review on a regular basis, especially in the context of exceptional events, to ensure that risk registers are up-to-date and risk controls are enhanced and kept current.

Internal Audit Function

- The Group Corporate Governance Department is an in-house Internal Audit function that was established by the Board to provide independent assurance of the adequacy of risk management, internal control and governance systems within the Group and the establishment is in accordance with paragraph 15.27 of Bursa Malaysia Main Market Listing Requirement. The Group Corporate Governance Department activities are guided by an Internal Audit Charter which is approved by the Audit Committee which defines the department's roles, responsibilities, accountability and scope of work of them.

- The Group Corporate Governance Department undertakes regular reviews of the Group's operations and its system of internal controls. The Group Corporate Governance Department reviews the Group's activities based on an approved audit plan presented to the Audit Committee. The audit plan is developed based on the risk profiles of the respective business entities of the Group identified in accordance with the Group's Risk Management Framework and input from the Senior Management and the Board. This application confirms to the Practice 10.2 of the MCCG 2017.

- Internal audit findings are discussed at Management level and actions are agreed in response to the Group Corporate Governance Department's recommendations. The progress of implementation of the agreed actions is being monitored by the Group Corporate Governance Department through follow up reviews in which implementation status are presented to the Audit Committee on a quarterly basis.

- The Group Corporate Governance Department has a clear line of reporting to the Audit Committee and the Audit Committee determines the remit of the Internal Audit function as conforming to Practice 10.1 of the MCCG 2017. Thus, the Group Corporate Governance Department is independent of the activities being audited and is performed with impartiality, proficiency and due professional care.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Annual Business Plan and Budget

Annual business plans and budgets are prepared by the Company's business units, and are reviewed and approved by the Board. The performance of each business unit is assessed against the approved budget, with explanation on significant variances provided to the Board on a periodic basis allowing timely responses and corrective actions to be taken to mitigate risks.

Documented Policies and Procedures

- Media Prima Berhad has documented policies and procedures in place which are structured in a way to promote consistency and governance as well as assist in daily business operations.
- Policies and procedures documents are managed according to the Group Policy Management Framework. The framework outlines the roles and responsibilities of the Board, Management, Document Owners and Coordinator from the development phase to the monitoring phase.
- During the year under review, the following policies and procedures were reviewed and approved for implementation within Media Prima Berhad:-

DOCUMENT	PURPOSE
Group Financial Policy	Provides both regulatory and operating controls in respect of financial and accounting activities in Media Prima Berhad by governing and ensuring the consistency on the financial and accounting processes of Media Prima Berhad and its subsidiaries.
Group Credit Control Procedure	Outlines requirements to support the implementation of principles in the Group Financial Policy (Receivable Management Section) to ensure that all related credit control activities to be conducted diligently, with probity and transparency and in a controlled environment to ensure maximum economic benefits for Media Prima Berhad Group.
Group Drug and Alcohol Free Workplace Procedure	Provide assurance for the safety, health and welfare of all employees in Media Prima Berhad at the workplace.
Group Art Collection and Exhibition Management Procedure	Initiates standards, processes, and requirements that will ensure artworks in the Galeri Prima and/or other Media Prima Berhad premises are appropriately managed, displayed, maintained, protected and disposed.

Group Human Resources Policy

- The Group has in place, a comprehensive Human Resources Policy approved by the Board that sets the tone of control consciousness and employee conduct. There is also in place, supporting procedures for the reporting and resolution of actions contravening these policies.

- There are proper guidelines within the Company regarding employment and dismissal, formal training programmes as well as other relevant procedures in place to ensure that staff are competent and adequately guided in carrying out their responsibilities.

- The policy aims to provide guidelines for the acceptable practice of the Group's Human Resource and to state the Group's stance on matters pertaining to Human Resources matters. This policy is accessible by all employees via the Company's Intranet System (i.e. **PeopleConnect**) for reference at their convenience.

Key Performance Indicators (KPI)

- The Group has in place a Performance Management System, which linked to and guided by Key Performance Indicators and accountability.

- Key Performance Indicators helps in outlining and evaluating progress towards accomplishing organisational goals. KPIs are quantifiable, established and agreed to beforehand. It reflects the critical success factors of an organisation and also to enhance department's performance.

Limits of Authority

- The Limits of Authority ("LOA") for the Group is structured to define all the common matters pertaining to operations such as policy approval, awarding of projects and capital and operational expenditure. It serves as a control whereby a cross-check system has been incorporated to minimise any abuse of authority.

- The system provides that approvals granted should be supported by a recommendation from the subordinates and notified to the superior of the approving authority particularly pertaining to material transactions.

- The highest approving authority is the Board of Directors where the transactions will determine the direction and financial position of the Group and are above the limit that has been granted to the Group Managing Director.

- Separate LOA's for each business platform are establish in order to ensure adequate management control and smooth operations at respective platform level. All Heads of Platform shall always be governed by the authority limits accorded to them in the LOA for the respective platforms. The LOA was updated and revised on 16 March 2017 so as to reflect the operations as per the current business conditions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Code of Ethics

- The Code of Ethics is communicated to all employees and compliance with this Code is mandatory. The Code serves as a guiding principles to assist employees to practice high ethical business standards, and it provides guidance on the way business and duties are governed in an efficient, effective and fair manner.

- The No Festive Gift Policy is enforced to complement the existing Employee Code of Ethics. This policy aims to assist employee in conducting business in an environment which is free from conflict of interest, biasness and favouritism.

Annual Assessment of Internal Control

- In line with the Board's request, an Annual Assessment to evaluate the performance and state of internal controls and risk management of operating Companies/Departments within Media Prima Berhad had been conducted during the year. General Audit Reports ("GAR") with ratings were issued to all the operating Companies/Departments within the Group at the end of the assessment.

- The rating system evaluates the achievement of the Companies/Departments on the following key components:-

  i. Meeting key objectives and financial performance including cost control measures;
  ii. Compliance with risk management framework and internal control procedures; and
  iii. The effectiveness of management supervision and the quality of staffing.

- The assessment provides the Board with the necessary assurance that a sound control environment and structure are in place.

Fraud Prevention Manual and Whistleblowing Policy

The Group has established a Fraud Prevention Manual consisting of the Anti-fraud Policy and Whistleblowing Policy. The manual builds into the Group's culture, abhorrence for fraud, and that any conduct of this nature will not be tolerated. It also promotes a transparent and open environment for fraud reporting within the Group whilst protecting the identity of the person who lodgers the report.

POLICY	DESCRIPTION
Anti-fraud Policy	• Defines fraud and fraudulent activities; • Type of fraudulent activities covered under the policy; • Management's responsibilities in prevention, deterrence and detection of fraud; and • Management's sentiment on anti-fraud culture, internal control system, risk assessment, control activities, information & communication and monitoring.
Whistleblowing Policy	• Defines types of whistleblowers; • Type of wrongdoings covered under this policy; • Guidance for employees to communicate any illegal or immoral conduct to the appropriate party within the Group; • Protection assurance for the whistleblowers; and • Whistleblowing reporting, investigation and communication procedures for the related parties involved.

Supplier Code of Conduct

- The Board expects all Media Prima Berhad's suppliers to observe high ethical business standards of honesty and integrity and to apply these values to all aspects of their business and professional practices.

- A Supplier Code of Conduct is established in which the Group's minimum expectations on the supplier vis-à-vis legal compliance and ethical business practices are stipulated.

- Suppliers who want to conduct and/or continue conducting business with MPB and its group of companies need to be registered with Media Prima Berhad via the Supplier e-Registry ("SUPeR").

- The Code applies to all suppliers, vendors, contractors and any other persons doing business with the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Group Information Technology Initiatives

The Board acknowledges the importance of leveraging on Information Technology ("IT") to promote effectiveness and efficiency of business operations. Reliance of key business operations to IT has been augmented with the following initiatives during the year:-

INITIATIVE	PURPOSE
MPB Broadcast Network Upgrade	To revamp the legacy Broadcast Network and to achieve one consolidated network that provide high efficiency and fault tolerance.
Balai Berita One Network	The objective of this projects is to revamp the legacy network architecture at Balai Berita to achieve one consolidated network with higher data bandwidth (upgrade from 1 Gbps to 10 Gbps).
ISO 27001 Implementation	The implementation and certification ISO/IEC 27001:2013 Information Security Management System ("ISMS") for Media Prima Bhd (MPB) Digital Media Centre are currently on going as per directive by Malaysian Communications and Multimedia Commission (MCMC) for Critical National Information Infrastructure ("CNII").
Salesforce Implementation for NSD	Implementation of new sales management platform and newspage solutions for Newspaper Sales and Distribution Department ("NSD"). The system is expected to enable NSD to achieve efficiency in consolidating information and increase visibility of the overall sales distribution process through automation.
Subscription of Trend Micro Ransomware Protection	To protect MPB desktop computing users from threats of Ransomware and Malware which may potentially cause loss and unrecoverable damage of highly critical business information/data.
Information Security Management System (ISMS)	• To systematically examine broadcasting security risks, taking account of the threats, vulnerabilities, and impacts. • To design and implement a coherent and comprehensive suite of broadcasting security controls. • To adopt and continue to ensure the controls are in place on an ongoing basis.

A Management Framework that includes ICT Steering Committee and Information Security Officer had been established to manage enterprise security architecture and information security audit framework within the organisation.

Business Continuity Management

MPB recognises the importance of pre-emptive planning in facing unforeseen events that threaten to disrupt the organisation's value creating activities. Striving to protect its stakeholders, business operations and reputation is one of the Group's key focus areas in ensuring the sustainability of the business. Thus, a Business Continuity Management ("BCM") framework has been put in place to support MPB in being able to respond and recover from significant unexpected events.

BCM, facilitated by the Group Risk Management Department ("GRM"), has a systematic working structure namely Business Continuity Planning Committee (BCP Committee) that comprises representatives from different operational units led by the Chief Recovery Officer. Reporting directly to the Risk Management Committee ("RMC"), the BCP Committee is responsible in ensuring that the Business Continuity Plan ("BCP") is relevant and satisfies the business recovery requirements.

Accordingly, a series of BCP simulations is carried out annually to corroborate the relevancy of the plan and identify the areas of improvement. The outcome of the BCP simulation will be presented in the RMC meeting. Following are the BCM initiatives and activities that were rolled out during the period under review:-

INITIATIVE/ACTIVITIES	PURPOSE
Centralised Recovery Site	A centralised recovery site is set up to house the critical business operations' personnel during disaster.
Crisis Communication Committee (Disaster Declaration and Communication)	Clear disaster communication protocol and channels are established to facilitate the disaster declaration process and communication to internal and external parties during the disaster.
Business Continuity Plan Awareness	Awareness sessions were conducted to the BCP Committee of each business platform to update and keep the members aware of the recovery strategies.
Business Continuity Plan Simulation	BCP simulation was successfully conducted for all business platforms. The scope of the simulation covers Media Prima Berhad's core services, support services and crisis communication.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

C. OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system include:-

- Monthly reporting of actual results and review against budget, with major variances being followed up and management actions taken, where necessary. The financial results are reviewed by the Board with Management on a quarterly basis, to enable both parties to gauge the Group's achievement of its annual targets and review any key financial and operational issues. The Board reviews regular reports from the Management on the key operating statistics, as well as legal and regulatory matters.

- Regular and comprehensive information provided to Management, covering financial performance and key performance indicators such as advertising market share, television viewership, programme ratings and utilisation of resources.

- Business Continuity Management ("BCM") team for the Group was established to ensure that business is able to continue its operations in the event a place of business is affected by either disaster, disruption or crisis whilst safeguarding the interest of its key stakeholders, Group's reputation, brands and value-creating activities. A series of Business Continuity Plan ("BCP") simulation tests and awareness were conducted throughout the Group in 2017.

- Adequate insurance and physical safeguards on major assets are in place to ensure the Group's assets are sufficiently covered against any mishap that could result in material loss for the Group. An annual policy renewal exercise is undertaken by the Management to review the coverage of Group's assets against the prevailing market price for the similar assets.

- Initiatives that inculcate integrity and ethics have been put in place to reinforce values in employees including knowledge sharing sessions on integrity and ethics to business units and the monthly issuance of Integrity Buzz, a newsletter to communicate better understandings on doing the right thing and to instill moral uprightness within the Group.

- Access to company's Intranet System (i.e. **PeopleConnect**) for updated and revised Policies and Procedures of the company, Code of Ethics, Limits of Authority and other informations related to the company.

- Monitoring of performance including discussion of any significant issues at Senior Management meetings.

- Content Regulatory Workshops conducted by Regulatory Affairs Department throughout the year as part of the initiatives to impart information and to provide explanation on the rules and regulations governing the broadcast industry based on the Communications and Multimedia Act 1998, Communications and Multimedia Content Forum Content Code and the respective license conditions of each TV Networks, Radio Networks and Print Media.

- Regular visits to operating units by Senior Management.

The officers responsible for monitoring of internal control, risk management and regulatory compliance for the Group are as follows:-

NAME AND DESIGNATION	MATTERS
Sere Mohammad bin Mohd Kasim Group General Manager, Group Corporate Governance	Internal Control and Internal Audit
Mohd Hisham bin Md. Shazli Group General Manager, Group Risk Management	Risk Management
Tuan Haji Zulkifli bin Haji Mohd Salleh Group General Manager, Group Stakeholder Management & Regulatory Affairs	Stakeholder Management & Regulatory Affairs
Nur Amal binti Abdul Manaf General Manager, Group Legal	Legal

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

D. ADEQUACY OF RISK MANAGEMENT & INTERNAL CONTROL

The Board confirms that it has reviewed the effectiveness of the risk management and internal control framework and considers Media Prima Berhad's system of internal control as adequate in safeguarding the shareholders' interests and assets of the Group. The Board also confirms that there is an effective ongoing process for the identification, evaluation and management of significant risks in the Group and is committed to ongoing review of the entire control, compliance and risk management controls.

The Board believes that the development of the system of internal controls is an on-going process and has taken steps throughout the year to improve its internal control system and will continue to do so.

The Group Managing Director and Group Chief Financial Officer assures the Board that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

Where weaknesses and shortcomings were noted, management has taken appropriate actions to address them. All business platforms and the Group Corporate Governance Department regularly review the processes to ensure the effectiveness of the existing controls. The Group Risk Management Department monitors the control environment and business processes in order to ensure that the risk treatments continue to be aligned with the Group's strategic objectives.

The Board is satisfied that the system of risk management and internal control was generally satisfactory. Based on the assessment of the Group's internal control system for the year under review and up to date of approval of this statement, no significant control failures or weaknesses that would result in material loss, contingency or uncertainty requiring disclosure in the Group's annual report were noted.

This statement, prepared for inclusion in the Annual Report of the Company for the year ended 31 December 2017 has been reviewed by the Audit Committee and Risk Management Committee prior to their recommendation to the Board for approval.

This statement is made on the recommendation of the Audit Committee and Risk Management Committee to the Board of Directors during the meeting dated 22 February 2018.

E. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised 2015) issued by the Malaysian Institute of Accountants. RPG 5 (Revised 2015) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of risk management and internal controls system of the Group.

AUDIT COMMITTEE REPORT

THE BOARD OF DIRECTORS OF MEDIA PRIMA BERHAD IS PLEASED TO PRESENT THE AUDIT COMMITTEE REPORT DESCRIBING THE AUDIT COMMITTEE'S DUTIES AND FUNCTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017.

A. COMPOSITION

The Audit Committee was established on 19 August 2003. The Audit Committee comprises of the following Independent Non-Executive Directors and no alternate director is appointed as a member of the Audit Committee.

DATUK MOHD NASIR BIN AHMAD	LYDIA ANNE ABRAHAM	TAN SRI DATO' SERI UTAMA HAJI ISMAIL BIN HAJI OMAR	DATUK LOO TOOK GEE
			
Senior Independent Non-Executive Director	**Independent Non-Executive Director**	**Independent Non-Executive Director**	**Independent Non-Executive Director**
• Appointed as Chairman on 18 November 2016 • Appointed as member on 12 May 2016	• Appointed as member on 14 May 2015	• Appointed as member on 22 July 2016	• Appointed as member on 18 November 2016
• Chairman of Audit Committee. • Member of Nomination and Remuneration Committee. Effective 14 August 2017	• Member of Audit Committee. • Member of Risk Management Committee.	• Member of Audit Committee. • Member of Risk Management Committee. • Member of Nomination and Remuneration Committee.	• Member of Audit Committee.

The Audit Committee Chairman, Datuk Mohd Nasir bin Ahmad, is a Chartered Accountant with the Malaysian Institute of Accountants ("MIA") and a Fellow of the Association of Chartered Certified Accountants ("ACCA") United Kingdom. He is a Council Member of the ACCA (UK) since September 2016. The current Committee members' profiles, qualification and experience can be found in page 76 to 85 of this Annual Report.

B. MEETINGS

The Audit Committee had held a total of five meetings during financial year 2017 and details of the Committee members' attendance are as follows:-

AC MEETING	54th ACM 21 FEB 2017	SACM 6 MAR 2017	55th ACM 24 MAY 2017	56th ACM 9 AUG 2017	57th ACM 13 NOV 2017	ATTENDANCE (%)
Datuk Mohd Nasir bin Ahmad	✓	✓	✓	✓	✓	5 of 5 (100%)
Lydia Anne Abraham	✓	✓	✓	✓	✓	5 of 5 (100%)
Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar	✓	✓	✓	✓	✓	5 of 5 (100%)
Datuk Loo Took Gee	✓	✓	✓	✓	✓	5 of 5 (100%)

ACM : Audit Committee Meeting
SACM : Special Audit Committee Meeting

AUDIT COMMITTEE REPORT

The Audit Committee meets on a scheduled basis at least once every quarter with full quorum on each meeting. The Group Managing Director, the Group Chief Financial Officer and the Group General Manager, Group Corporate Governance were also invited for each meeting to provide clarification on the audit issues raised. The Audit Committee also invited members of the Senior Management or relevant employees within the Group to assist in resolving and clarifying matters raised in the audit reports.

The Company Secretaries are the Secretary of the Audit Committee. The Company Secretaries are responsible for the co-ordination of administrative details including calling for meetings, voting and keeping of minutes. Minutes of each meeting is signed by the Chairman and extract of matters requiring actions were distributed to all attendees and members of the Committee.

The Audit Committee Chairman briefs the Board on matters discussed at every Audit Committee meeting. The Chairman is also responsible to update the Board on the Committee's activities and make appropriate recommendations when necessary. This is to ensure that the Board is aware of matters that may significantly impact the financial condition or affairs of the Group.

The Committee has the explicit right to convene meetings with both the Internal and External Auditors without the presence of the Management. The Audit Committee had held two meetings with the External Auditor on 21 February 2017 and 9 August 2017 without the presence of the Management and the Executive Director.

The Chairman of the Audit Committee had also held separate meetings with the Group General Manager, Group Corporate Governance prior to every scheduled Audit Committee meeting.

C. TERMS OF REFERENCE

The Audit Committee is guided by it's Terms of Reference in discharging its functions which is in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the recommendations stipulated in the Malaysian Code on Corporate Governance 2017 and relevant best practices.

The Terms of Reference establishes the scope, authority, duties and responsibilities of the Audit Committee, and is incorporated into the Board Charter which is accessible on the Company's official website at **www.mediaprima.com.my**. The Board Charter is reviewed to enhance its processes and procedures and ensure alignment with any new requirements and regulations. During the year, there was no revision made to the Terms of Reference of the Audit Committee.

D. SUMMARY OF ACTIVITIES IN 2017

The Audit Committee's key focus areas which were included in the Audit Committee meetings throughout the year are summarised below:-

RISKS AND CONTROLS

1. The Audit Committee evaluated the overall effectiveness of the system of internal controls through the review of the results of work performed by the Internal and External Auditor and discussions with Senior Management on a quarterly basis.

2. The results of the Group-wide Annual Assessment 2016 exercise were reviewed and presented to the Audit Committee on 21 February 2017.

3. The Audit Committee had reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report for the financial year 2016 on 21 February 2017 for the inclusion in Media Prima Berhad's Annual Report for 2016.

FINANCIAL RESULTS

1. The Audit Committee had reviewed the Group's quarterly results before recommending to the Board for approval and release of the Group's results to Bursa Malaysia focusing on the following areas, where relevant:-

   - Listing Requirements of the Bursa Malaysia Securities Berhad;
   - Provisions of the Companies Act, 2016;
   - Applicable approved accounting standards; and
   - Other legal and regulatory requirements.

   The quarterly unaudited financial statements for the first, second and third quarters of 2017 were reviewed at the Audit Committee meetings on 24 May 2017, 9 August 2017 and 13 November 2017, respectively. The quarterly unaudited financial results announcements were made public through Bursa Malaysia on 29 May 2017, 14 August 2017 and 29 November 2017 respectively.

2. The Audit Committee had reviewed the annual financial statements for the financial year ended 2016 at its meeting on 21 February 2017. The relevant announcement was made public on Bursa Malaysia on 23 February 2017.

AUDIT COMMITTEE REPORT

The Audit Committee had reviewed the annual financial statements of Media Prima Berhad and its subsidiaries with the Group Managing Director, Group Chief Financial Officer and the External Auditor before recommending to the Board for their approval. In the review of the annual financial statements, the Committee had discussed with the Management and the External Auditor regarding the accounting policies and standards that were applied and their judgement of the items that may affect the financial statements.

3. The Audit Committee had on 21 February 2017 reviewed the Group's Trade Debtors Analysis as at 31 December 2016.

4. The Audit Committee were given the assurance by the Group Chief Financial Officer and the Group Managing Director that:-

   - The financial statements submitted have been prepared in accordance with the statutory requirements and the accounting standards presently in force;
   - All the required information to enable the Board to evaluate the financial position of the Company has been properly disclosed;
   - There is no evidence of any errors, misrepresentation or omission of information and facts, which could distort the true and fair picture of the Company's financial position;
   - A proper review of the results has been made; and
   - Fair comments on the prospects for the next quarter have been made.

   The assurance was transpired during the quarterly financial results presentation by the Group Chief Financial Officer to the Audit Committee dated 24 May 2017, 9 August 2017 and 13 November 2017 for the first, second and third quarters of 2017 respectively.

EXTERNAL AUDIT

1. The Audit Committee had reviewed the results and issues arising from their audit of the year-end financial statements and their resolution of such issues highlighted in the External Auditor report deliberated on 21 February 2017 with regards to the relevant disclosures in the annual audited financial statements for 2016.

2. The Audit Committee had assessed Messrs PricewaterhouseCoopers ("PwC") independence before recommending for its re-appointment and remuneration. The External Auditor had on 16 February 2017 provided written assurance to the Audit Committee that, in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for 2017.

3. Messrs PwC was reappointed as the External Auditor for the financial year ended 2017 by the shareholders at the Media Prima Berhad 16th Annual General Meeting held on 27 April 2017.

4. The Audit Committee had reviewed with the External Auditor their audit plan, strategy and scope of the statutory audits of the Group accounts for the financial year ended 31 December 2017 on 9 August 2017. The audit plan outlines their scope of work and proposed fees for the statutory audit, assurance-related review and review of the Statement on Risk Management and Internal Control.

5. The Audit Committee had recommended the proposed audit fees for the Board's approval which was duly approved by the Board on 14 August 2017.

6. The Audit Committee had been briefed by Messrs PwC on the new reporting standards established by the Malaysian Accounting Standards Board that would be applicable for the financial year ended 2018 for the Group. The two (2) major accounting standards that will be effective for the financial year ending 31 December 2018 are as shown below:-

STANDARDS CODE	ACCOUNTING STANDARD	EFFECTIVE DATE
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customer	1 January 2018

MFRS: Malaysian Financial Reporting Standards

7. In relation to the Financial Statements for the Year Ended 31 December 2017, the Audit Committee at its meeting held on 20 February 2018 had been briefed by the External Auditor on the Key Audit Matters included in the External Auditor's Report. Based on the discussion between the Audit Committee and the External Auditor, the Audit Committee is satisfied with the actions taken by the Management in addressing areas, which involved significant degree of judgement and estimates that the External Auditor regard as most significance in the audit of the financial statements of the Group and the Company. Based on audit procedures performed by the External Auditor on these Key Audit Matters, no significant exceptions were noted.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT

1. The Audit Committee reviewed the Annual Audit Plan for the financial year ended 31 December 2018 during the 57th Audit Committee Meeting held on 13 November 2017.

   The Proposed Audit Plan 2018 emphasises on the business operations underlying factors namely sustainability in core business, new business ventures, Odyssey 2.0 initiatives, market segmentation, rapid changes in technology and dynamic shift in media landscape, among others. There are 11 audit reviews on Group-wide operations and initiatives for 2018.

2. The Audit Committee reviewed and deliberated on audit reports, follow-up reports, audit recommendations and Management responses, prepared by the Group Corporate Governance Department at Audit Committee's quarterly meetings.

   The internal audit reports, audit recommendations and Management's action plan regarding these recommendations were deliberated and closely monitored by the Audit Committee. Where appropriate, the Audit Committee instructed the Management to rectify and improve the internal control systems based on Group Corporate Governance Department's recommendations and suggestions for improvements.

3. The Audit Committee reviewed the adequacy of resources and the competencies of staff within the Group Corporate Governance Department to ensure it has the required expertise and professionalism to discharge its duties.

4. The Chairman of the Audit Committee appraised the 2017 annual performance of the Group General Manager, Group Corporate Governance.

TRAINING

During the year, Audit Committee members had attended various conferences, seminars and training programmes to enhance their knowledge in order to discharge their duties effectively as well as to improve their technical competencies in their respective fields of expertise.

The trainings attended by the Committee members are reported in the Corporate Governance Overview Statement on page 96 of this Annual Report.

E. GROUP CORPORATE GOVERNANCE DEPARTMENT

The Group has an established in-house Internal Audit function carried out by the Group Corporate Governance Department. All internal audit activities during the financial year were conducted by the Group Corporate Governance Department. There was no area of the internal audit function that had been outsourced during the year.

The Group Corporate Governance Department is headed by the Group General Manager, Encik Sere Mohammad bin Mohd Kasim who reports to the Audit Committee. He is an Associate Member of The Institute of Internal Auditors Malaysia. He holds a Bachelor of Business Administration in Finance (Honours) and is also a Certified Integrity Officer accorded by the Malaysian Anti-Corruption Commission.

The activity of the Group Corporate Governance Department are guided by the Internal Audit Charter that defines the roles, responsibilities, accountability and scope of work of the Group Corporate Governance Department. All internal audit activities in 2017 were performed in-house by a group of 10 internal auditors from various background and competencies.

The total costs incurred by the Group Corporate Governance Department in discharging its functions and responsibilities in 2017 amounted to RM1,396,215 (2016: RM1,411,494) comprising mainly of staff costs, travelling and professional membership subscriptions.

The Group Corporate Governance Department is contactable via **gcg@mediaprima.com.my**

Independence and Objectivity

The Group Corporate Governance Department's activities remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing or report content, in order to maintain the necessary independent and objective attitude. The Group Corporate Governance Department has no direct operational responsibility or authority over any of the activities reviewed.

The Group Corporate Governance Department, through a systematic and structured approach is responsible for the following:-

1. Providing independent assurance to the Board and Management that an adequate and effective internal control system is in place to safeguard Group's assets;

2. Recommending improvements and enhancements to the existing system of internal control and work procedures/processes; and

3. Being a reference point to ensure effective implementation of policies and procedures and as an agent of change to promote best corporate governance practices.

AUDIT COMMITTEE REPORT

The Group Corporate Governance Department is a corporate member of The Institute of Internal Auditors Malaysia ("IIAM"). As a member, Group Corporate Governance Department is entitled to access to books, publications, research papers, survey reports and other reference materials to enhance knowledge, attend courses for the continuous professional development and a wide range of educational products.

As a corporate subscriber of the Minority Shareholder Watchdog Group ("MSWG"). The Group Corporate Governance Department receives MSWG's weekly E-newsletter "The Observer", access to the MSWG Monitoring Services, ASEAN Corporate Governance Scorecard, publications and access to on-line Malaysian-ASEAN Corporate Governance materials.

Scope and Coverage

The scope of coverage encompasses all units and operations of the Group, including the subsidiaries. The selection of units to be reviewed is premised on a risk based approach which provides flexibility needed to address emerging current risks as well as potential future risks. This enhances the ability of Group Corporate Governance Department to focus its resources and skills in ensuring alignment with business strategy and goals, thus maintaining relevance and driving continuous improvements within the Group.

The scope of internal audit engagements had been developed by taking into consideration the Group Risk Profile and Business Plan for 2017. The key audit areas performed in 2017 were as follows:-

SCOPE	REVIEWS	AUDIT COMMITTEE MEETING/DATE
Business Activities	Radio Networks Operations	55th/24 May 2017
	Newspaper Sales & Distribution	55th/24 May 2017
	MP CJ O Shopping Operations	57th/13 November 2017
Innovation & Technology Development	System Development & Implementation – All Platforms	57th/13 November 2017
Sustainability	Legal, Secretarial and Regulatory Affairs – All Platforms	55th/24 May 2017
	Content Acquisition – TVN	56th/9 August 2017
	Asset Management – All Platforms	56th/9 August 2017
	Marketing Strategy and Implementation – All Platforms	56th/9 August 2017
	Sales – All Platforms	57th/13 November 2017
Continuous Monitoring & Auditing	Annual Stock Take 2017	58th/20 February 2018
	Annual Assessment 2017	58th/20 February 2018
	Follow-Up Report	55th to 58th/24 May, 9 August & 13 November 2017 and 20 February 2018

The corresponding reports of the audit performed were presented to the Audit Committee and forwarded to the Management for attention and corrective actions.

The Management is responsible for ensuring that corrective actions on reported weaknesses are implemented within the required timeframe. Group Corporate Governance Department continuously monitors the implementation of audit recommendations through periodic follow-up reviews.

Group Corporate Governance Department also works closely with the External Auditor to resolve any control issues and assists in ensuring that appropriate management actions are taken. Management is responsible for ensuring that a written report on actions planned/completed is sent to the Audit Committee and the Group General Manager, Group Corporate Governance Department.

During the year, the following activities were also carried out by the Group Corporate Governance Department:-

- Independent verification of results and/or votes at competition-based programmes organised by the Group such as *Perang Bibir 2017, Clever Girl Malaysia Season 2, Mentor Milenia 2017, Muzik-Muzik 32, Anugerah Juara Lagu 31, Da'i Pendakwah Nusantara 2017, Anugerah Bintang Popular Berita Harian 3.0, National RHB Spell-It-Right Challenge 2017, Anugerah Skrin 2017 and Golden Awards 2017;*

- Process improvements to ground events organised by the Group such as Nationwide *Karnival Jom Heboh* series in 2017;

- Participated in tender opening process for procurement and disposal of fixed assets so as to ensure that due process had been observed and complied with according to the approved Policies and Procedures;

- Communication sessions with Management on internal audit activities and planning of audits to ensure that areas of Management concern are covered; and

- Prepared the Corporate Governance Overview Statement, the Statement on Risk Management and Internal Control and the Audit Committee Report for Media Prima Berhad's Annual Report 2017.

AUDIT COMMITTEE REPORT

Practices and Framework

In order to ensure standardisation and consistency in providing assurance on the adequacy and effectiveness of the overall system of internal controls, all auditing activities of the Group Corporate Governance Department are conducted in line with the Group's objectives and policies and in accordance with applicable laws and regulations and relevant policies and guidelines as guided by the Code of Ethics and International Standards for the Professional Practice of Internal Auditing ("Standards") promulgated by the Institute of Internal Auditors.

Quality Assurance Review

In complying with the requirement of the International Standards for the Professional Practice of Internal Auditing ("Standards"), Media Prima Berhad had in 2017 engaged the Institute of Internal Auditors Malaysia to conduct an external quality assurance review on the Group Corporate Governance's internal audit processes. The Institute of Internal Auditors Malaysia had provided broad recommendations to enhance the ability of the Group Corporate Governance Department to render effective internal audit services to its stakeholders.

Professional Qualifications and Continuous Competency Development

Group Corporate Governance Department is committed to equip MPB's internal auditors with sufficient knowledge, skills and competencies to discharge their duties and responsibilities. The internal auditors are also encouraged to obtain relevant professional certifications and qualifications.

Group Corporate Governance Department personnel had attended various trainings and/or conferences during the year in order to enhance their skills and knowledge and to continuously provide value added services to the Group. Each training programme attended will be followed by an internal knowledge sharing session. Trainings attended in 2017 include:-

CONFERENCES/SEMINARS/COURSES TITLE	DATE	TRAINER/ORGANISER
Certified Internal Auditor ("CIA") Briefing Session	18 January 17	IIA Malaysia
Innovative Conflict Management & Creative Thinking Skills	15 – 16 February 17	In House
Speak Peak for Leaders	20 – 21 February 17 14 – 15 August 17	In House
Creative and Innovative Thinking using Neuro-Lingusitic Programming	22 – 23 February 17	In House
A New Era of Auditor Reporting: Insight for Investors	31 March 17	Bursa Malaysia
Senior Management Development Program: Leading in a VUCA (Volatility, Uncertainty, Complexity, Ambiguity) World 2017.	17 April 17	In House
Digital Speaker Series #1 LYUBOMIR	14 July 17	In House
Odyssey 2.0 – Pillar 6.3 Six Sigma Yellow Belt	26 – 27 July 17	In House
Digital Speaker Series 2	13 September 17	In House
Brain-based Leadership	14 September 17	In House
Board of Directors Workshop 2017	28 September 17	In House
2017 Institute of Internal Auditors National Conference	9 – 10 October 17	IIA Malaysia
Group Corporate Governance Away Day 2017	16 – 17 October 17	In House
Information Security Management System Awareness Session	16 November 17	In House
Malaysian Code on Corporate Governance – Session with Malaysian Institute of Accountants	17 November 17	Securities Commission
Malaysia Digital Economy Corporation: Raising The Bar for Securing Digital Economy	28 November 17	Malaysia Digital Economy Corporation
Internal Controls Masterclass: Best Practices in Implementing Sustainable Internal Controls	18 – 19 December 17	World Class Training Centre
Intellectual Property Valuation	20 December 17	In House

This Audit Committee Report is made on the recommendation of the Audit Committee which was approved by the Board of Directors on 22 February 2018.

RISK MANAGEMENT COMMITTEE REPORT

DIGITAL DISRUPTION HAS SET A SIGNIFICANT CHALLENGE TO THE MEDIA INDUSTRY SINCE THE PAST FEW YEARS. MEDIA PRIMA BERHAD ("MPB"), BEING MALAYSIA'S LEADING MEDIA CORPORATION, IS NOT AN EXCEPTION. RISK MANAGEMENT COMMITTEE ("RMC") IS COGNISANT OF ITS RESPONSIBILITY IN MINIMISING UNCERTAINTIES THAT COULD IMPAIR MPB FROM ACHIEVING ITS STRATEGIC OBJECTIVES IN CRUISING THROUGH THIS CHALLENGING PERIOD.

MPB RISK MANAGEMENT FRAMEWORK, WHICH WAS DEVELOPED BASED ON ISO 31000, HAS BEEN THE FUNDAMENTAL ORIENTATION IN STRATEGISING MITIGATION PLANS TO ENSURE RISKS ARE SOUNDLY MANAGED. RMC CONTINUES TO BE INVOLVED IN DETERMINING RISK APPETITE, IDENTIFYING, ASSESSING AND MONITORING STRATEGIC RISKS, EMERGING RISKS AND POTENTIAL DISRUPTIONS TO THE MPB'S VALUE CREATING SERVICES INCLUDING ADVISING ON MITIGATION STRATEGY AND MEASURES.

A. RESPONSIBILITY AND DUTIES

- The duties of the RMC shall include:
  - Assessment and monitoring of all risks associated with the operations of the Group;
  - Development and implementation of internal compliance and control systems, and procedures to manage risk;
  - Assessment and monitoring of the effectiveness of controls instituted;
  - Review and make recommendation on behalf of the Board in relation to risk management;
  - To consider and make recommendations on behalf of the Board in connection with the compliance by the Group with its risk management strategy;
  - To report to the Board on any material changes to the risk profile of the Group;
  - To monitor and refer to the Board any instances involving material breaches or potential breaches of the Group's risk management strategy; and
  - To report to the Board, when necessary, in connection with the Group's annual reporting responsibilities to Bursa Malaysia in relation to matters pertaining to the Group's risk management strategy.
- RMC shall have the authority to seek any information it requires from any officer or employee of the company or its subsidiary companies and such officers or employees shall be required to respond to such enquiries.
- RMC may, as and when deemed necessary, invite other Board members and management personnel to attend the meetings where risk management issues are discussed.
- RMC has the authority to direct special investigations on behalf of the Board, into significant risk management activities, as and when necessary.
- RMC is authorised to take such independent professional advice as it considers necessary.
- RMC shall make recommendations to the Board but shall have no executive powers with regards to its findings and recommendations.

RISK MANAGEMENT COMMITTEE REPORT

B. COMMITTEE MEMBERS

MEMBER	
Tan Sri Ismee bin Haji Ismail	(Appointed as Chairman on 01.08.2017)
Lydia Anne Abraham	
Tan Sri Dato' Seri Utama Hj Ismail bin Hj Omar	
Raja Datuk Zaharaton Binti Raja Zainal Abidin	(Appointed on 22.02.2018)
Datuk Mohd Nasir bin Ahmad	(Resigned on 22.02.2018)
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	(Resigned as Chairman on 31.07.2017)

- RMC must be composed of no fewer than 4 members.
- Majority of the members must be independent directors.
- The Chairperson shall be an independent, non-executive director.
- No alternate director is appointed as a member of the RMC.
- In the event of any vacancy in the RMC resulting in the non-compliance of the above requirements, the company must fill the vacancy within 3 months.
- The Company Secretary shall act as Secretary to the RMC.

C. MEETINGS

- To form a quorum in respect of a meeting of the Committee shall be a minimum of three (3) members.
- Meeting of the Committee shall be held at least four times per year.
- The Chairperson will call a meeting of the RMC if so directed by the Board. The Chairperson will call a meeting of the RMC if so requested by any Committee Member or the Group Managing Director ("GMD").
- The Secretary is responsible for the coordination of administrative details including calling the meetings, voting and keeping of minutes.

D. ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2017, the Risk Management Committee ("RMC") had met four (4) times and attendances of members are illustrated below:-

MEMBER		ATTENDANCE
Tan Sri Ismee bin Haji Ismail	(Appointed as Group Chairman on 01.08.2017)	2/2
Lydia Anne Abraham		4/4
Tan Sri Dato' Seri Utama Hj Ismail bin Hj Omar		4/4
Datuk Mohd Nasir bin Ahmad		4/4
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	(resigned as Group Chairman on 31.07.2017)	2/2

E. RISK MANAGEMENT COMMITTEE REPORT

- Risk Management Framework - The framework adopted by the Group incorporated the endwise risk management processes on a coordinated and integrated basis. To keep the framework relevant in order to support the ever evolving business, the Group will review the framework on needed basis.

- The framework is architected to realising the Group's objectives, set forth in four categories:

OBJECTIVES OF RISK MANAGEMENT FRAMEWORK

STRATEGIC	OPERATIONS	REPORTING	COMPLIANCE
High level goals aligned with and supporting the Group mission.	Effective and efficient use of the Group resources.	Reliability of reporting.	Compliance with applicable laws and regulations.

- Risk of Industry Disruptions
  - RMC is aware that the digital platform is the present and set to be the future trend for media industry.
  - MPB has carved solid strategies in mitigating the risk of digital disruption which is closely reviewed and monitored by RMC quarterly:
    - Strengthen broadcast leadership and build sustainable multichannel programme by creating contents that travel across multiple platforms; digital and non-linear;
    - Build position as a leading digital promulgator;
    - Capitalising on its reach and grow commerce assets;
    - Creating global sales through local contents; partnering with competitors with regional and international communities; expand regionally.

- Review of Business Continuity Management
  - On regular basis, the RMC will review and discuss on the business discontinuity threats and mitigation strategy to ensure the critical business processes are able to operate in the event of disaster. The mitigation strategy is translated into Business Continuity Plan ("BCP") and is tested annually to assess the readiness and effectiveness. The outcome of the simulation will be reviewed by the RMC.
  - In 2017, apart from conducting simulation on the critical business operations namely broadcasting (live and non-live), transmission of data, printing operations, digital operations and IT systems, the Group also tested its crisis communication plan to evaluate the effectiveness of the defined communication strategy during disaster. As part of the Group ongoing test/simulation programme, the BCP is continuously being enhanced and tested.

- Cyber Risks
  MPB, like many other companies, is not an exception of attempts to gain unauthorised access to its IT systems and data through various channels, including more sophisticated and coordinated attempts often referred to as advanced persistent threats. The cyber risk is one of the prominent topics discussed in the RMC meeting especially in the wake of ransom ware attacks worldwide. Cyber risk assessment is carried out periodically to evaluate the sturdiness of MPB's IT Security ecosystem. Results of the risk assessment and mitigation proposals are deliberated by the RMC to enhance the defence systems towards the cyber threats.

- Availability Time Risk Responses
  - The Group monitors its broadcasting "downtime" (time where there is no transmission of content of audio and/or visual). The average downtime for period under review is well below the 1% allowable downtime target set forth by the authority. The transmission availability for the two major platforms ranges 99.92% to 99.99% throughout the year.

- Review of Risks and Risk Controls
  - On quarterly basis, top risks of the Group were reported and reviewed at the management's Group Risks Management & Audit Committee. Key and material risks were then escalated to Board's Risk Management Committee for deliberation of the controls and policy in place to mitigate or treat these risks.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries.

The principal activities of the Group consist of commercial television and radio broadcasting, publishing and sale of newspapers, home shopping network, provision of internet and digital-based media, provision of outdoor advertising space and related production services, media content production and distribution, property management services, and other media industry related services.

There have been no significant changes in the nature of these activities during the financial year.

The principal activities and details of the subsidiaries and associates are set out in Note 16 and Note 17 to the financial statements respectively.

FINANCIAL RESULTS

	Group RM'000	**Company RM'000**
Net loss for the financial year	**669,665**	**356,747**
Attributable to:		
Owners of the Company	**650,611**	**356,747**
Non-controlling interests	**19,054**	**-**
Net loss for the financial year	**669,665**	**356,747**

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2016 were as follows:

	RM'000
In respect of the financial year ended 31 December 2016, a final single-tier dividend of 4.0 sen per share on 1,109,199,286 ordinary shares, paid on 30 June 2017	**44,368**

The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2017.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

The Companies Act 2016, which came into effect from 31 January 2017, has repealed the Companies Act 1965. Companies Act 2016 has abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may within twenty four months from the commencement of Section 74 of the Companies Act 2016, use the amount standing to the credit of its share premium account of RM415,536,373 for purposes set out in Section 618(3) of the Companies Act 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

DIRECTORS' REPORT

DIRECTORS

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

Tan Sri Ismee bin Haji Ismail	(Appointed on 1 June 2017)
Datuk Kamal bin Khalid	(Appointed on 2 August 2017)
Datuk Shahril Ridza bin Ridzuan	
Datuk Mohd Nasir bin Ahmad	
Lydia Anne Abraham	
Raja Datuk Zaharaton binti Raja Zainal Abidin	
Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar	
Datuk Loo Took Gee	
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	(Resigned on 31 July 2017)
Dato' Sri Amrin bin Awaluddin	(Resigned on 30 September 2017)

Pursuant to Section 253 of the Companies Act 2016, the names of Directors of subsidiaries are set out in the respective subsidiaries financial statements and the said information is deemed incorporated herein by such reference and made part thereof.

The Company maintains a corporate liability insurance for the Directors and officers of the Group and Company throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group and Company. The insurance premium paid by the Company for the financial year ended 31 December 2017 amounted to RM35,000.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits-in-kind disclosed in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company and any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any interest in shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares			
	At 1.1.2017	**Additions**	**Disposals**	**At 31.12.2107**
Shares in the Company				
Datuk Kamal bin Khalid				
- direct interest	**105,000**	**-**	**(25,000)**	**80,000**

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 10 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount the current assets which they might be expected so to realise.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year except as disclosed in Note 36 to the financial statements.

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

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

(f) In the opinion of the Directors:

(i) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the impairment of non-current assets and acquisition of Rev Asia Holdings Sdn Bhd group as disclosed in Notes 7 and 16 respectively in the financial statements; and

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

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 8 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) was registered on 2 January 2018 and with effect from that date, PricewaterhouseCoopers (AF 1146), a conventional partnership was converted to a limited liability partnership.

This report was approved by the Board of Directors on 22 February 2018. Signed on behalf of the Board of Directors:

TAN SRI ISMEE BIN HAJI ISMAIL
GROUP CHAIRMAN

DATUK KAMAL BIN KHALID
GROUP MANAGING DIRECTOR

Kuala Lumpur
22 February 2018

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Group		Company	
	Note	**2017 RM'000**	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Revenue	4	**1,195,672**	1,289,008	**115,672**	239,091
Other operating income		**31,211**	35,428	**9,226**	10,548
Amortisation of intangible assets		**(186,723)**	(198,702)	**-**	-
Content production and other media costs		**(23,547)**	(22,566)	**-**	-
Newsprint and newspaper production costs		**(85,271)**	(111,173)	**-**	-
Outdoor display and production costs		**(139,144)**	(81,716)	**-**	-
Cost of retail goods sold		**(90,642)**	(41,794)	**-**	-
Transmission, technology and distribution costs		**(76,647)**	(69,556)	**-**	-
Employee benefits costs	6	**(503,028)**	(426,434)	**(67,205)**	(61,114)
Occupancy costs		**(54,871)**	(56,526)	**(21,819)**	(21,709)
Depreciation		**(100,066)**	(101,528)	**(34)**	(28)
Impairment of non-current assets	7	**(364,115)**	(76,491)	**(342,463)**	-
Other operating costs		**(188,808)**	(180,445)	**(35,803)**	(22,722)
(Loss)/profit from operations	8	**(585,979)**	(42,495)	**(342,426)**	144,066
Finance cost	9	**(14,660)**	(13,325)	**(14,321)**	(13,176)
Share of results of an associate		**(4,889)**	(10,089)	**-**	-
(Loss)/profit before taxation		**(605,528)**	(65,909)	**(356,747)**	130,890
Taxation	11	**(64,137)**	(3,874)	**-**	-
Net (loss)/profit and total comprehensive (loss)/income for the financial year		**(669,665)**	(69,783)	**(356,747)**	130,890
Loss attributable to:					
- Owners of the Company		**(650,611)**	(59,198)		
- Non-controlling interests		**(19,054)**	(10,585)		
		(669,665)	(69,783)		
Total comprehensive loss attributable to:					
- Owners of the Company		**(650,611)**	(59,198)		
- Non-controlling interests		**(19,054)**	(10,585)		
		(669,665)	(69,783)		
Loss per share:					
- Basic (sen)	12	**(58.66)**	(5.34)		
- Diluted (sen)	12	**(58.66)**	(5.34)		

The notes on pages 143 to 206 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	**498,580**	623,003	**278**	202
Investment properties	15	**31,681**	32,711	**-**	-
Subsidiaries	16	**-**	-	**1,323,208**	1,665,671
Associates	17	**-**	146,395	**-**	-
Intangible assets	18	**446,058**	437,140	**-**	-
Deferred tax assets	19	**12,762**	110,518	**-**	-
Available-for-sale financial assets	20	**2,472**	2,472	**-**	-
Prepaid transmission station rentals		**-**	437	**-**	-
		991,553	1,352,676	**1,323,486**	1,665,873
CURRENT ASSETS					
Inventories	21	**46,220**	55,244	**-**	-
Trade and other receivables	22	**297,629**	318,872	**3,261**	3,504
Amounts due from subsidiaries	23	**-**	-	**393,020**	233,967
Current tax recoverable		**29,726**	33,456	**43**	88
Financial assets at fair value through profit or loss	24	**-**	90	**-**	-
Deposits, cash and bank balances	25	**205,963**	374,898	**45,674**	126,842
		579,538	782,560	**441,998**	364,401
Non-current assets held for sale	26	**11,171**	16,541	**-**	-
TOTAL ASSETS		**1,582,262**	2,151,777	**1,765,484**	2,030,274
NON-CURRENT LIABILITIES					
Borrowings	27	**292,953**	-	**292,953**	-
Deferred tax liabilities	19	**43,665**	69,563	**-**	-
Trade and other payables	28	**1,526**	-	**-**	-
		338,144	69,563	**292,953**	-
CURRENT LIABILITIES					
Trade and other payables	28	**448,836**	291,626	**68,463**	14,460
Amounts due to subsidiaries	23	**-**	-	**134,900**	45,724
Amount due to an associate	29	**-**	3,170	**-**	-
Borrowings	27	**21,204**	300,108	**301**	300,108
Current tax payable		**1,898**	1,097	**-**	-
		471,938	596,001	**203,664**	360,292
TOTAL LIABILITIES		**810,082**	665,564	**496,617**	360,292

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	30	**1,524,735**	1,109,199	**1,524,735**	1,109,199
Share premium	31	**-**	415,536	**-**	415,536
Other reserves	32	**1,755**	1,755	**-**	-
(Accumulated losses)/retained earnings		**(759,840)**	(64,861)	**(255,868)**	145,247
		766,650	1,461,629	**1,268,867**	1,669,982
NON-CONTROLLING INTERESTS		**5,530**	24,584	**-**	-
TOTAL EQUITY		**772,180**	1,486,213	**1,268,867**	1,669,982
TOTAL LIABILITIES AND EQUITY		**1,582,262**	2,151,777	**1,765,484**	2,030,274

	Sen	Sen
NET ASSETS PER SHARE*	**69.12**	131.77

* Net assets per share is calculated by dividing the net assets (excluding portion allocated to non-controlling interest) of the Group by the number of ordinary shares in issue at the statement of financial position date.

The notes on pages 143 to 206 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Attributable to owners of the Company						
	Note	**Share capital RM'000**	**Share premium RM'000**	**Other reserves RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Group								
2017								
At 1 January 2017		**1,109,199**	**415,536**	**1,755**	**(64,861)**	**1,461,629**	**24,584**	**1,486,213**
Net loss and total comprehensive loss for the financial year		**-**	**-**	**-**	**(650,611)**	**(650,611)**	**(19,054)**	**(669,665)**
Transition to no-par value regime on 31 January 2017*	30	**415,536**	**(415,536)**	**-**	**-**	**-**	**-**	**-**
Transaction with owners:								
Final dividend paid for the financial year ended 31 December 2016	13	**-**	**-**	**-**	**(44,368)**	**(44,368)**	**-**	**(44,368)**
At 31 December 2017		**1,524,735**	**-**	**1,755**	**(759,840)**	**766,650**	**5,530**	**772,180**

* The Companies Act 2016, which came into effect from 31 January 2017, has repealed the Companies Act 1965. Companies Act 2016 has abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may within twenty four months from the commencement of Section 74 of the Companies Act 2016, use the amount standing to the credit of its share premium account of RM415,536,373 for purposes set out in Section 618(3) of the Companies Act 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Attributable to owners of the Company						
	Note	**Share capital RM'000**	**Share premium RM'000**	**Other reserves RM'000**	**(Accumulated losses)/ retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Group								
2016								
At 1 January 2016		1,109,199	415,536	2,255	93,665	1,620,655	14,477	1,635,132
Net loss and total comprehensive loss for the financial year		-	-	-	(59,198)	(59,198)	(10,585)	(69,783)
<u>Transactions with owners:</u>								
Equity contribution from non-controlling interest		-	-	-	-	-	21,070	21,070
Reclassification	32	-	-	(500)	500	-	-	-
Final dividend paid for the financial year ended 31 December 2015	13	-	-	-	(55,460)	(55,460)	-	(55,460)
First interim dividend paid for the financial year ended 31 December 2016	13	-	-	-	(22,184)	(22,184)	-	(22,184)
Second interim dividend paid for the financial year ended 31 December 2016	13	-	-	-	(22,184)	(22,184)	-	(22,184)
Dividends payable to non-controlling interests		-	-	-	-	-	(378)	(378)
Total transactions with owners for the financial year		-	-	(500)	(99,328)	(99,828)	20,692	(79,136)
At 31 December 2016		1,109,199	415,536	1,755	(64,861)	1,461,629	24,584	1,486,213

The notes on pages 143 to 206 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Note	Non-distributable Share capital RM'000	Non-distributable Share premium RM'000	Distributable (Accumulated losses)/ retained earnings RM'000	Total equity RM'000
Company					
2017					
At 1 January 2017		**1,109,199**	**415,536**	**145,247**	**1,669,982**
Net loss and total comprehensive loss for the financial year		**-**	**-**	**(356,747)**	**(356,747)**
Transition to no-par value regime on 31 January 2017*	30	**415,536**	**(415,536)**	**-**	**-**
Transactions with owners:					
Final dividend paid for the financial year ended 31 December 2016	13	**-**	**-**	**(44,368)**	**(44,368)**
At 31 December 2017		**1,524,735**	**-**	**(255,868)**	**1,268,867**

* The Companies Act 2016, which came into effect from 31 January 2017, has repealed the Companies Act 1965. Companies Act 2016 has abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may within twenty four months from the commencement of Section 74 of the Companies Act 2016, use the amount standing to the credit of its share premium account of RM415,536,373 for purposes set out in Section 618(3) of the Companies Act 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

	Note	Non-distributable Share capital RM'000	Non-distributable Share premium RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company					
2016					
At 1 January 2016		1,109,199	415,536	114,185	1,638,920
Net profit and total comprehensive income for the financial year		-	-	130,890	130,890
Transactions with owners:					
Final dividend paid for the financial year ended 31 December 2015	13	-	-	(55,460)	(55,460)
First interim dividend for the financial year ended 31 December 2016	13	-	-	(22,184)	(22,184)
Second interim dividend for the financial year ended 31 December 2016	13	-	-	(22,184)	(22,184)
Total transactions with owners for the financial year		-	-	(99,828)	(99,828)
At 31 December 2016		1,109,199	415,536	145,247	1,669,982

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss)/profit for the financial year		**(669,665)**	(69,783)	**(356,747)**	130,890
Adjustments for:					
Intangible assets					
- Amortisation		**186,723**	198,702	**-**	-
- Impairment		**103,865**	31	**-**	-
- Write offs		**100**	-	**-**	-
Prepaid transmission station rentals					
- Amortisation		**283**	283	**-**	-
Property, plant and equipment					
- Depreciation		**98,732**	100,130	**34**	28
- Gain on disposals		**(2,083)**	(473)	**-**	-
- Impairment		**117,891**	76,460	**-**	-
- Write offs		**179**	7	**-**	-
- Contra arrangement		**-**	(1,853)	**-**	-
Investment properties					
- Depreciation		**1,334**	1,398	**-**	-
- Impairment		**853**	-	**-**	-
- Gain on disposals		**(313)**	-	**-**	-
Non-current assets held for sale					
- Gain on disposal		**(1,638)**	-	**-**	-
Interest expenses		**14,660**	13,325	**14,321**	13,176
Inventories written-down		**47**	1,500	**-**	-
Impairment of investment in subsidiaries		**-**	-	**342,463**	-
Impairment of investment in associates		**141,506**	-	**-**	-
Fair value loss on financial assets at fair value through profit or loss		**90**	-	**-**	-
Share of results of an associate		**4,889**	10,089	**-**	-
Contra arrangement revenue		**(4,412)**	(908)	**-**	-
Unrealised foreign exchange (gain)/loss, net		**(153)**	320	**-**	-
Dividend income		**-**	-	**(35,000)**	(161,329)
Interest income		**(9,161)**	(14,388)	**(9,216)**	(10,535)
Taxation		**64,137**	3,874	**-**	-
Provision for termination benefits		**58,453**	-	**1,777**	-
Net provision for impairment of receivables					
- Trade and other receivables		**14,996**	10,127	**-**	-
- Amounts due from subsidiaries		**-**	-	**26**	-
		121,313	328,841	**(42,342)**	(27,770)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Changes in working capital:					
Inventories		**8,977**	(3,476)	**-**	-
Receivables		**18,054**	39,716	**243**	(2,334)
Payables		**77,178**	(25,298)	**45,179**	415
Intangible assets – acquisition of programme and film rights		**(175,458)**	(204,618)	**-**	-
Amounts due from subsidiaries		**-**	-	**(64,162)**	10,660
Amount due to an associate		**-**	1,444	**-**	-
Cash flows generated from/(used in) operations		**50,064**	136,609	**(61,082)**	(19,029)
Income tax paid (net of refund)		**(5,802)**	(18,289)	**44**	1,514
Net cash flow generated from/(used in) operating activities		**44,262**	118,320	**(61,038)**	(17,515)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries (net cash acquired)	16	**(98,352)**	-	**-**	-
Settlement of deferred purchase consideration of an acquisition in a business		**(1,530)**	-	**-**	-
Property, plant and equipment					
- Additions		**(95,659)**	(77,774)	**(110)**	(98)
- Proceeds from disposals		**4,803**	2,072	**-**	-
Non-current assets held for sale					
- Proceeds from disposal		**7,064**	-	**-**	-
Investment properties					
- Additions		**-**	(50)	**-**	-
- Proceeds from disposals		**313**	-	**-**	-
Intangible assets (excluding programmes and film rights)					
- Additions		**(823)**	(10,083)	**-**	-
Increase in investments in subsidiaries		**-**	-	**-**	(2,100)
Disbursement of intercompany loans		**-**	-	**(53,000)**	(5,000)
Repayment of intercompany loan by a subsidiary		**-**	-	**-**	10,000
Interest received		**9,161**	14,388	**9,216**	10,535
Dividends received		**-**	-	**55,259**	106,070
Net cash flow (used in)/generated from investing activities		**(175,023)**	(71,447)	**11,365**	119,407

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings:					
- Commercial Paper Medium Term Notes		**(400,000)**	-	**(400,000)**	-
- Banker's acceptance		**-**	(5,313)	**-**	-
Drawdown of borrowings:					
- Term loan		**300,000**	-	**300,000**	-
- Commercial Paper Medium Term Notes		**100,000**	-	**100,000**	-
- Banker's acceptance		**20,903**	5,313	**-**	-
Advances from subsidiaries		**-**	-	**27,000**	-
Equity contribution from non-controlling interest		**-**	21,070	**-**	-
Net (increase)/decrease in restricted bank balances		**(4,823)**	1,048	**(4,823)**	1,157
Interest paid		**(14,331)**	(13,325)	**(14,127)**	(13,176)
Dividends paid to shareholders of the Company		**(44,368)**	(99,828)	**(44,368)**	(99,828)
Dividends paid to non-controlling interests		**(378)**	(549)	**-**	-
Net cash flow used in financing activities		**(42,997)**	(91,584)	**(36,318)**	(111,847)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**(173,758)**	(44,711)	**(85,991)**	(9,955)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**370,973**	415,684	**126,842**	136,797
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	25	**197,215**	370,973	**40,851**	126,842

Analysis of debt reconciliation is disclosed in Note 27(d) to the financial statements.

The notes on pages 143 to 206 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1 CORPORATE INFORMATION

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries.

The principal activities of the Group consist of commercial television and radio broadcasting, publishing and sale of newspapers, home shopping network, provision of internet and digital-based media, provision of outdoor advertising space and related production services, media content production and distribution, property management services, and other media industry related services. The principal activities of the subsidiaries and associates are set out in Note 16 and Note 17 to the financial statements respectively.

There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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

Balai Berita Anjung Riong
No. 31 Jalan Riong, Bangsar
59100 Kuala Lumpur

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 22 February 2018.

2 SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

(a) Basis of preparation

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

The financial statements have been prepared under the historical cost convention, except as disclosed in this summary of significant accounting policies.

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(i) Amendments to published standards that are effective

The Group and Company have applied the following amendments for the first time for the financial year beginning on 1 January 2017:

- Amendments to MFRS 107 "Statement of Cash Flows – Disclosure Initiative" introduces and additional disclosure on changes in liabilities arising from financing activities.
- Amendments to MFRS 112 "Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses" clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.
- Annual Improvements to MFRSs 2014 – 2016 Cycle: Amendments to MFRS 12 "Disclosures of Interests in Other Entities" clarifies that an entity's interest in a subsidiary, a joint venture or an associate classified as held for sale in accordance with MFRS 5, the entity is not required to disclose summarised financial information of these interests. Other disclosure requirements in MFRS 12 remain applicable.

The adoption of the amendments of MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Standards, amendments to published standards and interpretations that are applicable to the Group and Company but not yet effective

(i) Financial year beginning on or after 1 January 2018

- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" applies when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the 'date of the transaction' to record foreign currency transactions.

  IC Interpretation 22 provides guidance on how to determine 'the date of transaction' when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made.

  The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk.

  If there are multiple payments or receipts in advance, the entity should determine the date of the transaction for each payment or receipt.

  An entity has the option to apply IC Interpretation 22 retrospectively or prospectively.

- Amendments to MFRS 140 "Classification on 'Change in Use' – Assets transferred to, or from, Investment Properties" (effective from 1 January 2018) clarify that to transfer to, or from investment properties there must be a change in use. A change in use would involve an assessment of whether a property meets, or has ceased to meet, the definition of investment property. The change must be supported by evidence that the change in use has occurred and a change in management's intention in isolation is not sufficient to support a transfer of property.

  The amendments also clarify the same principle applies to assets under construction.

- Amendments to MFRS 128 "Investments in Associates and Joint Ventures" allows:

  (i) Venture capital organisations, mutual funds, unit trusts and similar entities to elect, on an individual basis, measuring their investments in associates and joint ventures at fair value through profit or loss.
  (ii) An entity that is not an investment entity to retain the fair value measurement applied by its associates or joint ventures (that are investment entities) when applying equity method.

  An entity shall apply the amendments retrospectively for annual periods beginning on or after 1 January 2018. Early application is permitted.

- MFRS 9 "Financial Instruments" (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

  MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

  For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

  MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model ("ECL") is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Standards, amendments to published standards and interpretations that are applicable to the Group and Company but not yet effective (continued)

(i) Financial year beginning on or after 1 January 2018 (continued)

- MFRS 9 "Financial Instruments" (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". (continued)

  The Group and Company has reviewed its financial assets and liabilities and is expecting the following impact of adoption of the new standard on 1 January 2018:

  - The Group's equity instruments that are currently classified as available-for-sale will satisfy the conditions for classification under fair value through OCI and hence there will be no change to the accounting treatment of these assets. However, gains or losses on the sale of financial assets at fair value through OCI will no longer be recycled to profit or loss on sale, but instead be reclassified from the fair value through OCI reserve to retained earnings.

  - The new impairment model requiring recognition of impairment provisions to be based on ECL rather than only retrospective provisioning of credit losses as in this case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments taken to date, the Group expects an insignificant impact on the loss allowance for trade receivables.

  - There will be no impact on the Group's and Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. The Group and Company does not have any such financial liabilities. The recognition rules have been transferred from MFRS 139 and have not been changed.

  - The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature of the Group's and Company's disclosures about its financial instruments particularly in the year of adoption of the new standard. Comparatives for financial year ended 31 December 2017 will not be restated.

- MFRS 15 "Revenue from contracts with customers" (effective from 1 January 2018) replaces MFRS 118 "Revenue" and MFRS 111 "Construction contracts" and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

  Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

  A new five-step process is applied before revenue can be recognised:

  - Identify contracts with customers;
  - Identify the separate performance obligations;
  - Determine the transaction price of the contract;
  - Allocate the transaction price to each of the separate performance obligations; and
  - Recognise the revenue as each performance obligation is satisfied.

  Key provisions of the new standard are as follows:

  - Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
  - If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
  - The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
  - There are new specific rules on licenses, warranties, non- refundable upfront fees, and consignment arrangements, to name a few.
  - As with any new standard, there are also increased disclosures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Standards, amendments to published standards and interpretations that are applicable to the Group and Company but not yet effective (continued)

(i) Financial year beginning on or after 1 January 2018 (continued)

- MFRS 15 "Revenue from contracts with customers" (effective from 1 January 2018) replaces MFRS 118 "Revenue" and MFRS 111 "Construction contracts" and related interpretations. (continued)

  The Group has assessed the effects of applying the new standard on the Group's financial statements and has identified the following areas:

  - Accounting for multiple element arrangements in advertising contracts – Where a contractual arrangement consists of two or more separate deliverables that have value to the customer on a stand-alone basis, revenue is recognised for each element as if it was an individual contract. Total contract consideration is allocated between separate deliverables based on their fair value. Identification of separate deliverables in relation to advertising contracts will affect the timing of the recognition of advertising revenue moving forward. Judgement is applied in both identifying separate deliverables and allocating the consideration between them. The impact is not expected to be material to the advertising revenue of the Group as majority of existing contracts have already incorporated these separation of deliverables into value attached to each deliverable.

  - The Group does not expect any material impact to the basis of recognition for its sale of goods, which comprises newspaper sales and home shopping retail sales, and revenue from content sales and services.

  - The Group intends to adopt the standard using modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

(ii) Financial year beginning on or after 1 January 2019

- MFRS 16 "Leases" (effective from 1 January 2019) supersedes MFRS 117 "Leases" and the related interpretations.

  Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

  MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

  The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in profit or loss.

  For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

  The standard shall be applied retrospectively with transitional reliefs available. Early application is only permitted if MFRS 15 has been adopted.

- IC Interpretation 23 "Uncertainty over Income Tax Treatments" (effective 1 January 2019) provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

  An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that approach will be accepted by the tax authority.

  If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

  IC Interpretation 23 will be applied retrospectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Standards, amendments to published standards and interpretations that are applicable to the Group and Company but not yet effective (continued)

(ii) Financial year beginning on or after 1 January 2019 (continued)

- Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures" (effective from 1 January 2019) clarify that an entity should apply MFRS 9 "Financial Instruments" (including the impairment requirements) to long-term interests in an associate or joint venture, which are in substance form part of the entity's net investment, for which settlement is neither planned nor likely to occur in the foreseeable future.

  In addition, such long-term interest are subject to loss allocation and impairment requirements in MFRS 128.

  The amendments shall be applied retrospectively.

- Amendments to MFRS 9 "Prepayment features with negative compensation" (effective 1 January 2019) allow companies to measure some prepayable financial assets with negative compensation at amortised cost. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than the unpaid amounts of principal and interest. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract, and the asset must be held within a "held to collect" business model.

  The amendments will be applied retrospectively.

- Annual Improvements to MFRSs 2015 – 2017 cycle

  - Amendments to MFRS 3 "Business Combinations" (effective from 1 January 2019) clarify that when a party obtains control of a business that is a joint operation, the acquirer should account the transaction as a business combination achieved in stages. Accordingly, it should remeasure its previously held interest in the joint operation (rights to the assets and obligations for the liabilities) at fair value on the acquisition date.

  - Amendments to MFRS 11 "Joint Arrangements" (effective from 1 January 2019) clarify that when a party obtains joint control of a business that is a joint operation, the party should not remeasure its previously held interest in the joint operation.

  - Amendments to MFRS 112 "Income Taxes" (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised. Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

  - Amendments to MFRS 123 "Borrowing Costs" (effective from 1 January 2019) clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

(iii) Effective date yet to be determined by Malaysian Accounting Standards Board

- Amendments to MFRS 10 and MFRS 128 on Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The effects of the above standards and amendments to published standards which are effective from the financial year beginning on or after 1 January 2019 are currently being assessed by the Directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in profit or loss. Refer to accounting policy Note (f)(ii) on goodwill.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The Group applies predecessor accounting to account for business combinations under common control. Under the predecessor accounting assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to retained earnings. No additional goodwill is recognised.

The acquired entity's results, assets and liabilities are consolidated from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred. The corresponding amounts for the previous year are not restated.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

(ii) Associates

Associates are those corporations, partnerships or other entities in which the Group has significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of comprehensive income.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates and unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

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

Dilution gains and losses in associates are recognised in the profit or loss.

For incremental interest in an associate, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. There is no "step up to fair value" of net assets previously acquired and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

(iii) Transactions with non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners to the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

(iv) Changes in ownership interests

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value is its fair value on initial recognition as a financial asset in accordance with MFRS 139. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investments in subsidiaries and associates

In the Company's separate financial statements, investments in subsidiaries and associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged/credited to the profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investment in subsidiaries.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use.

Depreciation on the other property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Buildings	20 – 50 years
Plant and machinery	4 – 25 years
Broadcasting and transmission equipment	10 years
Production equipment	5 – 10 years
Office equipment, furniture and fittings	3 – 10 years
Office renovations	3 – 10 years
Motor vehicles	5 years
Leasehold improvements	3 – 15 years
Structures	5 – 10 years

Leasehold land is amortised over the remaining period of the respective leases ranging from 40 and 96 years.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each financial position date.

At each financial position date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment properties

Investment properties comprise principally land and buildings held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Freehold land is not depreciated as it has an infinite life.

Depreciation on the other investment properties is calculated so as to write off the cost of the assets to their residual values on a straight line basis over the expected useful lives of 20 to 99 years.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss in the financial year of the retirement or disposal.

(f) Intangible assets

(i) Programmes and film rights

Programmes and film rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

The programmes and film rights are recognised after they are contracted for, after receipt of materials and after approvals are obtained from the censorship authority. Cost comprises contracted cost and direct expenditure. Amortisation is calculated so as to write off the relevant portion of the cost of programmes and film rights which fairly represents its relevant attached rights, to match against the pattern of consumption of these programmes and film rights.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose identified according to the operating segment. See accounting policy Note 2(g) on impairment of non-financial assets.

(iii) Acquired concession rights and outdoor advertising rights

Acquired concession rights and outdoor advertising rights that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of concession rights and outdoor advertising rights over their respective concession lives of 2 to 17 years. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

Acquired concession rights and outdoor advertising rights that have an indefinite useful life are assessed for any indication of impairment on an annual basis or where an indication of impairment exist. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (continued)

(iv) Acquired publishing rights, brands and digital publishing

Acquired publishing rights, brands and digital publishing that have an indefinite useful life are assessed for any indication of impairment on an annual basis or where an indication of impairment exist. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

(v) Computer software and software development costs

Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Computer software recognised are amortised from the point at which asset is ready for use over their estimated useful lives, which does not exceed 3 years.

Research and development costs are charged to the profit or loss in the financial year in which they are incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent financial year. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
(ii) management intends to complete the intangible asset and use or sell it;
(iii) there is an ability to use or sell the intangible asset;
(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
(v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding 3 years.

(g) Impairment of non-financial assets

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

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(h) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

(i) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less accumulated impairment losses which are determinable based on accounting policy at Note 2(g) on impairment of financial assets.

Advanced billings are billings made to customers in advance of display rental, advertisement production works or events. Advanced billings collected are disclosed in the financial statements as deferred income. Advanced billings not collected are excluded from trade receivables until revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs.

Cost comprises direct labour, materials, sub-contract costs and related expenditure. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimate of the selling price in the ordinary course of business, less costs of completion and applicable variable selling expenses.

(k) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, bank balances, demand deposits, short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Leases

(i) Accounting by lessee

(i) Finance leases

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

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance lease is charged to the statement of comprehensive income over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

Property, plant and equipment acquired under finance leases are depreciated over the estimated useful lives of the assets, in accordance with the annual rates stated in Note 2(d) above. Where there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its estimated useful life.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Prepaid lease rentals for transmission stations are charged to the profit or loss on a straight line basis over the respective period of the leases, ranging between 31 and 36 years.

(ii) Accounting by lessor

(i) Operating leases

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the net profit for the financial year except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction occurring, it affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets (including tax benefit from reinvestment allowances) are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

(n) Employee benefits

(i) Short-term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the net profit/(loss) for the financial year after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Wages, salaries, sick leave, paid annual leave, bonuses and non-monetary employee benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits - defined contribution plans

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

The Group's contributions to defined contribution plans, including the national defined contribution plan, the Employees' Provident Fund ("EPF"), are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits which are due more than 12 months after the financial position date are discounted to present value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(p) Provisions

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

Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

(q) Contingent liabilities and contingent assets

The Group and Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non-occurrence of one or more uncertain future events beyond the control of the Group and Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and Company. The Group and Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

(r) Share capital

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. However, in the case of interim dividends, it is recognised as liability upon approval by the Board of Directors of the Company.

(s) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Borrowings (continued)

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(t) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group’s activities. Revenue is shown net of estimated returns, discounts, commissions, rebates and taxes and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group’s activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Advertising revenue

Advertising revenue is recognised when advertisements are broadcast on television or radio, published in newspapers or displayed on digital platforms.

Display rental revenue from outdoor advertising is recognised over the period the display is provided.

(ii) Sale of goods

Revenue from the sale of goods, including the sale of newspapers and the sale of retail goods and merchandise from home shopping network is recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the delivery of the goods to the customer.

(iii) Content and programme sales

Revenue from the sale of programme rights is recognised upon delivery and customer acceptance of the programmes concerned in accordance with the terms of the contract.

Revenue from theatrical film releases is recognised in the period the feature films are screened in cinemas.

Subscription revenue from the provision of content on over-the-top and other digital platforms are recognised over the period the access is provided.

(iv) Rendering of services

Revenue from rendering of services, including management services, talent services and advertising production services are recognised when the services have been rendered.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue recognition (continued)

(vi) Rental income

Rental income from rental of investment properties, cellular antenna space on outdoor structures and broadcasting equipment is recognised on a straight-line basis over the period of the lease or usage.

(vii) Interest income

Interest income is recognised using the effective interest rate method.

Revenue received in advance is disclosed in the financial statements as deferred income.

(u) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the net profit for the financial year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within "finance income or cost". All other foreign exchange gains and losses are presented in profit or loss within other operating expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(iii) Group companies

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Senior Management and the Board of Directors that makes strategic decisions.

(w) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. The assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in the profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses (see accounting policy Note 2(g)) and foreign exchange gains and losses on monetary assets.

Interest and dividend income on available-for-sale financial assets are recognised separately in the profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in net profit for the financial year. Dividends income on available-for-sale equity instruments are recognised in net profit for the financial year when the Group's right to receive a payment is established.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Financial assets (continued)

(v) Subsequent measurement - impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the net profit for the financial year. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(b) Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for "assets carried at amortised cost" above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in net profit for the financial year, the impairment loss is reversed through the profit or loss.

In the case of equity securities classified as available-for-sale, in addition to the criteria for "assets carried at amortised cost" above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative losses that had been recognised directly in equity is removed from equity and recognised in net profit for the financial year. The amount of cumulative losses that is reclassified to net profit for the financial year is the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognised in net profit for the financial year. Impairment losses recognised in net profit for the financial year on equity instruments classified as available-for-sale are not reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Financial assets (continued)

(vi) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(x) Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial liabilities with another enterprise under conditions that are potentially unfavourable.

The Group's and the Company's financial liabilities are classified as "other financial liabilities" and are recognised initially at fair value plus transaction costs and thereafter, at amortised cost using the effective interest method. Amortisation is charged to profit or loss. It is capitalised as part of the cost of a qualifying asset only if the amortisation is directly attributable to the acquisition, construction or production of the asset. Capitalisation of such borrowing costs commences when the activities to prepare the asset are incurred. Borrowings costs are capitalised until the assets are substantially completed for their intended use or sale.

Financial liabilities are classified as current liabilities for those having maturity dates of less than 12 months after the reporting date, and the balance is classified as non-current.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Assessment of impairment of non-financial assets

The Group assesses impairment of the non-financial assets (excluding goodwill), in particular impairment assessments on the Company's investment in The New Straits Times Press (Malaysia) Berhad ("NSTP"), whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable (i.e. the carrying amount is more than the recoverable amount).

The Group also tests annually whether goodwill or intangible assets with indefinite life has suffered any impairment, in accordance with the accounting policy (Note 2(g)).

Recoverable amount of an asset is measured at the higher of the fair value less cost to sell ("FVLCS") for that asset and its value-in-use ("VIU"). The VIU is the net present value of the projected future cash flows derived from the cash generating units discounted at an appropriate discount rate. Projected future cash flows are estimates made based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. For recoverable amount that is based on FVLCS which include fair value of assets or properties, the Group engaged independent valuers to assess the fair value of the assets.

Projected future cash flows are based on Group's judgement in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, contribution margins, discount rates and other available information. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

The key assumptions used, results and conclusion of the impairment assessments are set out in Notes 14, 16 and 18 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii) Deferred tax assets

Deferred tax assets arose from unused tax losses, unabsorbed capital allowances and deductible temporary differences. Deferred tax assets were recognised to the extent that it is probable that future taxable profit will be available against which deferred tax asset can be utilised.

In evaluating whether it is probable that future taxable profits will be available in future periods, all available evidence was considered, including approved budgets and business plans, completed and planned restructuring exercises, continuous effective cost management initiatives and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes.

(iii) Estimated fair value and useful lives of intangible assets acquired through business combination

When the Group completed the acquisition of Rev Asia Holdings Sdn Bhd and its subsidiaries (Note 16(a)(i)), the identified assets acquired and liabilities and contingent liabilities assumed were measured initially at their fair values at the acquisition date.

In determining the fair value of the intangible assets acquired, the brands were measured by estimating the royalty rate representing the savings expected to be realised by owning or holding the right to use the brand name (as opposed to paying a royalty fee to a third party). In determining the future cash flows from the savings realised, the Group have used a combination of historical data and estimates regarding revenue growth, and are risk-adjusted using discount rates specific to the asset. Although the Group believes that the estimate of fair values are appropriate, the use of different techniques or assumptions could result in different measurements of fair value.

The brands estimated useful life is estimated to have an indefinite useful life with the presumption that any renewal are at negligible cost and the Group is expected to continue utilising the brands indefinitely.

4 REVENUE

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Advertising revenue	**950,822**	1,074,441	**-**	-
Newspaper sales	**88,121**	125,234	**-**	-
Content and programme sales	**22,212**	21,768	**-**	-
Sale of retail goods	**129,512**	61,413	**-**	-
Talent revenue	**1,239**	1,791	**-**	-
License income	**741**	563	**-**	-
Rental income from investment properties and outdoor cellular antenna space	**3,025**	3,798	**-**	-
Management fees	**-**	-	**80,672**	77,762
Dividends from subsidiaries	**-**	-	**35,000**	161,329
	1,195,672	1,289,008	**115,672**	239,091

Revenue recognised from exchanges of goods and services ("contra arrangements") included in advertising revenue amounted to RM4.4 million (2016: RM2.8 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Senior Management and the Board of Directors (chief operating decision-maker) that are used to make strategic decisions.

The chief operating decision-maker considers the business primarily from a product perspective as the activities of the Group are predominantly domestic based.

The reportable operating segments derive their revenue primarily from the following activities:

Television Networks	Commercial television broadcasting and video-on-demand services
Radio Networks	Commercial radio broadcasting
Outdoor Media	Outdoor advertising space and related outdoor advertisement production services
Print Media	Publishing and sale of newspapers
Digital Media	Digital media content and services
Content Creation	Media content production, procurement and distribution, music production and studio recording, and talent management of artistes
Home Shopping	Home shopping network

The chief operating decision-maker assesses the performance of the operating segments, before its respective tax charged or tax credits, based on a measure of Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA"). Since the chief operating decision-maker reviews EBITDA, the share of associates' results are not included in the measure of EBITDA.

The chief operating decision-maker assesses the assets and liabilities of the operations on a Group basis whereby the Television Networks, Radio Networks, Outdoor Media, Print Media, Digital Media, Content Creation and Home Shopping makes up individual segments. Within each segment, a significant portion of the assets and operations are based on shared resources basis i.e. centralised Group treasury, management services, finance, engineering, information technology, human resource and other support services.

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

2017	Television Networks RM'000	Radio Networks RM'000	Outdoor Media RM'000	Print Media RM'000	Digital Media RM'000	Content Creation RM'000	Home Shopping RM'000	#Corporate RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	485,800	66,413	166,592	317,060	12,158	18,137	129,512	-	-	1,195,672
Inter-segment revenue	5,870	143	1,347	5,531	43,363	86,727	-	115,672	(258,653)	-
	491,670	66,556	167,939	322,591	55,521	104,864	129,512	115,672	(258,653)	1,195,672
Royalties	(899)	(320)	-	-	-	-	-	-	-	(1,219)
	490,771	66,236	167,939	322,591	55,521	104,864	129,512	115,672	(258,653)	1,194,453
EBITDA	8,204	26,993	3,853	(26,517)	10,173	12,177	(14,093)	12,984	(38,189)	(4,415)
Depreciation and amortisation	(48,983)	(1,914)	(11,379)	(36,227)	(5,144)	(69)	(1,391)	(35)	(2,880)	(108,022)
Impairment loss and termination benefits	(37,157)	-	(269)	(314,315)	-	(10,752)	-	(352,992)	241,943	(473,542)
Finance cost	(4,624)	(308)	(54)	(1,539)	(86)	-	-	(14,321)	6,272	(14,660)
Share of results of an associate	-	-	-	(4,889)	-	-	-	-	-	(4,889)
Taxation	(30,303)	(1,124)	(48)	(49,562)	(7,246)	(1,901)	-	(498)	26,545	(64,137)
Reportable segment profit/(loss) after tax before allocation to non-controlling interest	(112,863)	23,647	(7,897)	(433,049)	(2,303)	(545)	(15,484)	(354,862)	233,691	(669,665)

\# These items are predominantly (more than 90%) relating to the Company for which, the financial information is disclosed separately on the face of the financial statements as well as the Notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the chief operating decision-maker for the reportable segments is as follows: (continued)

2016	Television Networks RM'000	Radio Networks RM'000	Outdoor Media RM'000	Print Media RM'000	Digital Media RM'000	Content Creation RM'000	Home Shopping RM'000	#Corporate RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	569,072	68,124	157,495	410,095	2,319	20,490	61,413	-	-	1,289,008
Inter-segment revenue	6,769	270	1,248	5,395	30,141	94,785	-	239,091	(377,699)	-
	575,841	68,394	158,743	415,490	32,460	115,275	61,413	239,091	(377,699)	1,289,008
Royalties	(2,900)	(321)	-	-	-	-	-	-	-	(3,221)
	572,941	68,073	158,743	415,490	32,460	115,275	61,413	239,091	(377,699)	1,285,787
EBITDA	86,173	25,660	59,054	7,102	4,786	11,477	(16,098)	144,094	(158,616)	163,632
Depreciation and amortisation	(43,160)	(1,508)	(9,661)	(45,454)	(4,455)	(74)	(966)	(28)	(2,909)	(108,215)
Impairment loss, termination benefits and restructuring expenses	-	-	-	(97,912)	-	-	-	-	-	(97,912)
Finance cost	(4,400)	(682)	-	(686)	-	-	-	(13,176)	5,619	(13,325)
Share of results of an associate	-	-	-	(10,089)	-	-	-	-	-	(10,089)
Taxation	(16,369)	2,196	(12,342)	22,820	-	(989)	-	-	810	(3,874)
Reportable segment profit/(loss) after tax before allocation to non-controlling interest	22,244	25,666	37,051	(124,219)	331	10,414	(17,064)	130,890	(155,096)	(69,783)

\# These items are predominantly (more than 90%) relating to the Company for which, the financial information is disclosed separately on the face of the financial statements as well as the Notes to the financial statements.

Certain comparatives were reclassified to conform to the current year's presentation.

6 EMPLOYEE BENEFITS COSTS

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Wages, salaries and bonus	**311,892**	325,312	**40,295**	44,926
Defined contribution retirement plan	**45,133**	47,923	**6,063**	6,985
Termination benefits	**110,706**	18,632	**10,529**	-
Other employee benefits	**35,297**	34,567	**10,318**	9,203
	503,028	426,434	**67,205**	61,114

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7 IMPAIRMENT OF NON-CURRENT ASSETS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property, plant and equipment (Note 14)	**117,891**	76,460	**-**	-
Investment properties (Note 15)	**853**	-	**-**	-
Investments in subsidiaries (Note 16)	**-**	-	**342,463**	-
Investment in an associate (Note 17)	**141,506**	-	**-**	-
Intangible assets (Note 18)	**103,865**	31	**-**	-
	364,115	76,491	**342,463**	-

8 LOSS/(PROFIT) FROM OPERATIONS

Loss/(profit) from operations is stated after charging:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Royalties	**1,219**	3,221	**-**	-
Auditors' remuneration:				
- Statutory audit				
- PricewaterhouseCoopers PLT	**1,400**	1,400	**98**	65
- Other auditors of subsidiaries	**90**	-	**-**	-
- Other services	**4**	343	**4**	131
- Tax services	**320**	711	**317**	18
Amortisation:				
- Prepaid transmission station rentals	**283**	283	**-**	-
Depreciation:				
- Property, plant and equipment	**98,732**	100,130	**34**	28
- Investment properties	**1,334**	1,398	**-**	-
Inventories written down	**47**	1,500	**-**	-
Provision for impairment:				
- Trade and other receivables (net)	**14,996**	10,127	**-**	-
- Amounts due from subsidiaries	**-**	-	**26**	-
Fair value loss on financial assets at fair value through profit or loss	**90**	-	**-**	-
Write-offs:				
- Property, plant and equipment	**179**	7	**-**	-
- Intangible asset	**100**	-	**-**	-
Rental expenses:				
- Transmitters	**16,140**	16,397	**-**	-
- Outdoor display sites	**71,396**	52,254	**-**	-
- Premises	**26,029**	22,385	**13,357**	13,038
- Office equipment	**2,555**	4,157	**2,281**	1,434
Road reserve fees payable to the Malaysian Highway Authority	**34,900**	8,107	**-**	-
Distribution costs	**36,701**	29,547	**-**	-
Repair and maintenance	**46,175**	46,364	**11,090**	8,245
Research and development	**8,854**	9,149	**2**	-
Professional and consultancy	**24,435**	11,869	**9,107**	1,450
Advertising and promotion	**23,616**	32,331	**1,258**	1,681

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

8 LOSS/(PROFIT) FROM OPERATIONS (CONTINUED)

Loss/(profit) from operations is stated after charging (continued):

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Foreign exchange losses (net):				
- Realised	**25**	-	**33**	58
- Unrealised	**-**	320	**-**	-
and after crediting:				
Finance income	**9,161**	14,388	**9,216**	10,535
Gain on disposal:				
- Property, plant and equipment	**2,083**	473	**-**	-
- Non-current assets held for sale	**1,638**	-	**-**	-
- Investment properties	**313**	-	**-**	-
Net income from sale of newsprint and unsold newspapers	**5,169**	6,450	**-**	-
Rental income:				
- Equipment and facilities	**5,925**	2,502	**-**	-
- Premises	**588**	810	**-**	-
Foreign exchange gains (net):				
- Realised	**-**	199	**-**	-
- Unrealised	**153**	-	**-**	-

9 FINANCE COST

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Interest on borrowings	**14,520**	13,325	**14,321**	13,176
Discount for payables	**140**	-	**-**	-
	14,660	13,325	**14,321**	13,176

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10 DIRECTORS' REMUNERATION

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Non-executive Directors:				
- Fees	**775**	783	**452**	464
- Allowances	**896**	693	**620**	419
- Other remuneration	**35**	104	**35**	102
Executive Directors:				
- Basic salaries and bonus	**1,176**	1,359	**1,176**	1,359
- Allowances	**209**	144	**209**	144
- Defined contribution retirement plan	**267**	284	**267**	284
	3,358	3,367	**2,759**	2,772
Estimated monetary value of benefits-in-kind	**19**	24	**19**	10

11 TAXATION

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Current tax:				
- Current financial year	**8,897**	23,114	**-**	-
- Under accruals in prior financial year	**701**	5,979	**-**	-
	9,598	29,093	**-**	-
Deferred tax:				
- Origination and reversal of temporary differences (Note 19)	**54,539**	(25,219)	**-**	-
Tax expense	**64,137**	3,874	**-**	-

Income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11 TAXATION (CONTINUED)

The explanation of the relationship between taxation and (loss)/profit before taxation is as follows:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
(Loss)/profit before taxation	**(605,528)**	(65,909)	**(356,747)**	130,890
Tax calculated at the Malaysian corporate income tax rate of 24% (2016: 24%)	**(145,327)**	(15,818)	**(85,619)**	31,414
Tax effects of:				
- Expenses not deductible for tax purpose	**55,112**	7,652	**86,370**	3,461
- Income not subject to tax	**(2,149)**	(4,801)	**(10,612)**	(41,247)
- Deferred tax assets not recognised in respect of current year's temporary differences, allowances and unused tax losses	**68,250**	6,786	**11,434**	1,295
- Reversal of previously recognised deferred tax assets	**94,652**	-	**-**	-
- Temporary differences in respect of prior years	**(7,371)**	1,895	**-**	-
- Share of results of an associate	**1,173**	2,421	**-**	-
- Expenses eligible for double deduction	**(240)**	(240)	**-**	-
- Tax-exempt income under pioneer status	**(664)**	-	**-**	-
- Under accruals of taxation in prior financial years	**701**	5,979	**-**	-
- Utilisation of group tax relief	**-**	-	**(1,573)**	5,077
Taxation	**64,137**	3,874	**-**	-

Included in income tax expense of the Group are tax savings amounting to RM9.6 million (2016: RM15.2 million) from utilisation of group tax reliefs.

There is no tax charge/credit relating to components of other comprehensive income.

12 LOSS PER SHARE

		Group	
		2017	**2016**
Net loss attributable to owners of the Company	(RM'000)	**650,611**	59,198
Weighted average number of ordinary shares in issue	('000)	**1,109,199**	1,109,199
Basic loss per share	(sen)	**58.66**	5.34
Diluted loss per share	(sen)	**58.66**	5.34

The basic loss per share is calculated by dividing the net loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year. There are no potential ordinary shares as at 31 December 2017 and 31 December 2016.

13 DIVIDENDS

	Group and Company			
	2017		2016	
	Dividend per share Sen	**Amount of tax-exempt dividend RM'000**	**Dividend per share Sen**	**Amount of tax-exempt dividend RM'000**
Dividends paid:				
Final single tier dividend for the previous financial year	**4.0**	*44,368	**5.0**	55,460
First interim single tier dividend	**-**	-	**2.0**	22,184
Second interim single tier dividend	**-**	-	**2.0**	22,184
	4.0	44,368	**9.0**	99,828

* Paid during the financial year

No final single tier dividend in respect of the financial year ended 31 December 2017 will be proposed for shareholders' approval.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Broad-casting and transmission equipment RM'000	Production equipment RM'000	Office equipment, furniture and fittings RM'000	Office renovations RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Structures RM'000	Assets under construction RM'000	Total RM'000
Group													
2017													
Cost													
At 1.1.2017	17,575	95,278	310,780	690,230	769,472	1,358	441,214	31,072	19,294	44,290	149,210	18,232	2,588,005
Acquisition of subsidiaries (Note 16)	-	-	-	-	-	-	426	-	-	227	-	-	653
Additions	-	-	-	1,691	13,542	-	11,208	1,912	332	1,598	5,438	59,938	95,659
Disposals	-	-	-	(540)	(952)	-	(2,471)	-	(3,097)	(222)	(333)	(1,728)	(9,343)
Write-offs	-	-	-	-	-	(766)	(93)	-	-	-	-	(179)	(1,038)
Transfer to non-current assets held for sale (Note 26)	(1,500)	-	-	-	-	-	-	-	-	-	-	-	(1,500)
Reclassification	-	-	-	3,805	10,276	-	5,503	-	-	485	21,278	(41,347)	-
At 31.12.2017	16,075	95,278	310,780	695,186	792,338	592	455,787	32,984	16,529	46,378	175,593	34,916	2,672,436
Accumulated depreciation													
At 1.1.2017	5,338	-	141,431	486,123	577,996	1,294	343,115	29,877	13,559	36,216	113,367	-	1,748,316
Charge for the financial year	409	-	5,656	15,225	36,752	-	26,424	569	1,816	4,824	7,057	-	98,732
Disposals	-	-	-	(306)	(829)	-	(1,951)	-	(2,903)	(222)	(332)	-	(6,543)
Write-offs	-	-	-	-	-	(750)	(93)	-	-	-	-	-	(843)
Transfer to non-current assets held for sale (Note 26)	(287)	-	-	-	-	-	-	-	-	-	-	-	(287)
At 31.12.2017	5,460	-	147,087	501,042	613,919	544	367,495	30,446	12,472	40,818	120,092	-	1,839,375
Accumulated impairment losses													
At 1.1.2017	-	3,265	70,226	93,656	38,422	-	9,409	-	1,326	-	382	-	216,686
Charge for the financial year	-	-	-	88,957	19,791	-	8,915	-	228	-	-	-	117,891
Disposal	-	-	-	-	-	-	-	-	(80)	-	-	-	(80)
Write-offs	-	-	-	-	-	-	(16)	-	-	-	-	-	(16)
At 31.12.2017	-	3,265	70,226	182,613	58,213	-	18,308	-	1,474	-	382	-	334,481
Net book value													
At 31.12.2017	10,615	92,013	93,467	11,531	120,206	48	69,984	2,538	2,583	5,560	55,119	34,916	498,580

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Broad-casting and transmission equipment RM'000	Production equipment RM'000	Office equipment, furniture and fittings RM'000	Office renovations RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Structures RM'000	Assets under construction RM'000	Total RM'000
Group													
2016													
Cost													
At 1.1.2016	16,075	95,278	310,780	683,067	742,371	1,358	421,398	30,356	19,818	38,739	144,622	10,490	2,514,352
Additions	-	-	-	1,205	27,101	-	14,620	716	2,729	5,551	285	27,420	79,627
Disposals	-	-	-	(539)	-	-	(3,625)	-	(3,253)	-	-	-	(7,417)
Write offs	-	-	-	-	-	-	-	-	-	-	(57)	-	(57)
Transfer from non-current assets held for sale (Note 26)	1,500	-	-	-	-	-	-	-	-	-	-	-	1,500
Reclassification	-	-	-	6,497	-	-	8,821	-	-	-	4,360	(19,678)	-
At 31.12.2016	17,575	95,278	310,780	690,230	769,472	1,358	441,214	31,072	19,294	44,290	149,210	18,232	2,588,005
Accumulated depreciation													
At 1.1.2016	4,641	-	134,237	467,098	546,023	1,294	316,658	29,610	15,203	32,420	106,630	-	1,653,814
Charge for the financial year	457	-	7,194	19,508	31,973	-	28,539	267	1,609	3,796	6,787	-	100,130
Disposals	-	-	-	(483)	-	-	(2,082)	-	(3,253)	-	-	-	(5,818)
Write offs	-	-	-	-	-	-	-	-	-	-	(50)	-	(50)
Transfer from non-current assets held for sale (Note 26)	240	-	-	-	-	-	-	-	-	-	-	-	240
At 31.12.2016	5,338	-	141,431	486,123	577,996	1,294	343,115	29,877	13,559	36,216	113,367	-	1,748,316
Accumulated impairment losses													
At 1.1.2016	-	3,265	50,020	42,985	38,422	-	4,242	-	910	-	382	-	140,226
Charge for the financial year	-	-	20,206	50,671	-	-	5,167	-	416	-	-	-	76,460
At 31.12.2016	-	3,265	70,226	93,656	38,422	-	9,409	-	1,326	-	382	-	216,686
Net book value													
At 31.12.2016	12,237	92,013	99,123	110,451	153,054	64	88,690	1,195	4,409	8,074	35,461	18,232	623,003

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Company	
	2017 RM'000	**2016 RM'000**
Office equipment, furniture & fittings		
Cost		
At 1 January	**3,869**	3,771
Additions	**110**	98
At 31 December	**3,979**	3,869
Accumulated depreciation		
At 1 January	**3,667**	3,639
Charge for the financial year	**34**	28
At 31 December	**3,701**	3,667
Net book value		
At 31 December	**278**	202

(a) Impairment of property, plant and equipment

(i) Print Media

Challenging operating environment of the operating segment and continuing losses incurred by Print Media were identified as indicators for an impairment test to be performed for the non-financial assets in relation to the cash-generating units ("CGU") for Print Media. The recoverable amount of Print Media's property, plant and equipment is determined based on fair value less costs to sell ("FVLCS") using Print Media's newspaper business CGU cash flow projections covering a seven-year period that reflects the remaining useful life of the CGU's plant and machinery.

The key assumptions used for the CGU's plant and machinery discounted future cash flow calculations are as follows:

	2017
Average revenue decline rate	**(5.5%)**
Pre-tax discount rate	**9.6%**
Terminal growth rate	**0%**

The terminal value comprises the estimated value of land and building amounting to RM228.6 million based on independent external valuations and approximates the present value of the cash flows expected to be received from these assets at the end of seven (7) years. The value for the plant and machinery and other assets is expected to be nil as these assets would be fully depreciated and scrapped at the end of the useful life with minimal recoverable amounts.

As a result of the impairment assessment, the Group recognised an impairment charge of RM98.1 million on property, plant and equipment. The impairment charge had been recorded in "impairment of non-current assets" in profit or loss.

In the previous financial year, the Group undertook a consolidation exercise of its regional printing plants ("RPPs") in response to the overall challenging operating environment faced by its Print Media reportable segment. Under the consolidation exercise, newspaper printing and production operations were permanently ceased at its Senai and Ajil RPPs. Due to these factors, an impairment assessment on the two RPPs were performed. Consequently, the carrying amount of the related property, plant and equipment of RM76.5 million had been fully impaired.

(ii) Television Networks

During the financial year, the Group undertook a broadcasting modernisation programme to support its Television Networks operating segment. Due to these factors, an impairment assessment on broadcasting equipment was performed. Consequently, the Group recognised an impairment charge of RM19.8 million on property, plant and equipment affected by greater than anticipated technological obsolescence. The impairment charge had been recorded in "impairment of non-current assets" in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Revision of remaining useful lives of property, plant and equipment

Estimates of the remaining useful life of certain broadcasting and transmission equipment of the Group were shortened following a review of technological development and obsolescence of analogue television transmission assets. The change in accounting estimates reflects the remaining period over which the Group expects to obtain value from the identified analogue television transmission assets.

Depreciation charged to the Group's profit or loss increased by RM9.8 million (2016: RM1.4 million) in the current financial year ended 31 December 2017 as a result of the change in accounting estimates.

(c) Property, plant and equipment pledged as security

The carrying amount of property, plant and equipment of the Group pledged to financial institutions as security for borrowings of the Company are as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Freehold land	**65,088**	-
Buildings	**38,266**	-
	103,354	-

15 INVESTMENT PROPERTIES

	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Cinema RM'000	Total RM'000
Group					
Cost					
At 1 January 2017	**6,487**	**6,300**	**30,177**	**2,382**	**45,346**
Disposal	**-**	**-**	**(1,448)**	**-**	**(1,448)**
Transfer from non-current assets held for sale (Note 26)	**-**	**-**	**1,350**	**-**	**1,350**
At 31 December 2017	**6,487**	**6,300**	**30,079**	**2,382**	**45,248**
Accumulated depreciation					
At 1 January 2017	**452**	**-**	**7,718**	**750**	**8,920**
Charge for the financial year	**6**	**-**	**1,278**	**50**	**1,334**
Disposal	**-**	**-**	**(175)**	**-**	**(175)**
Transfer from non-current assets held for sale (Note 26)	**-**	**-**	**193**	**-**	**193**
At 31 December 2017	**458**	**-**	**9,014**	**800**	**10,272**
Accumulated impairment losses					
At 1 January 2017	**2,239**	**-**	**1,273**	**203**	**3,715**
Charge for the financial year	**853**	**-**	**-**	**-**	**853**
Disposal	**-**	**-**	**(1,273)**	**-**	**(1,273)**
At 31 December 2017	**3,092**	**-**	**-**	**203**	**3,295**
Net book value					
At 31 December 2017	**2,937**	**6,300**	**21,065**	**1,379**	**31,681**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

15 INVESTMENT PROPERTIES (CONTINUED)

	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Cinema RM'000	Total RM'000
Group					
Cost					
At 1 January 2016	6,487	9,200	32,701	-	48,388
Additions	-	-	50	-	50
Transfer from non-current assets held for sale (Note 26)	-	-	-	2,382	2,382
Transfer to non-current assets held for sale (Note 26)	-	(2,900)	(2,574)	-	(5,474)
At 31 December 2016	6,487	6,300	30,177	2,382	45,346
Accumulated depreciation					
At 1 January 2016	417	-	6,755	-	7,172
Charge for the financial year	35	-	1,313	50	1,398
Transfer from non-current assets held for sale (Note 26)	-	-	-	700	700
Transfer to non-current assets held for sale (Note 26)	-	-	(350)	-	(350)
At 31 December 2016	452	-	7,718	750	8,920
Accumulated impairment losses					
At 1 January 2016	2,239	-	1,273	-	3,512
Transfer from non-current assets held for sale (Note 26)	-	-	-	203	203
At 31 December 2016	2,239	-	1,273	203	3,715
Net book value					
At 31 December 2016	3,796	6,300	21,186	1,429	32,711

The following amounts have been recognised in profit or loss in respect of investment properties:

	Group 2017 RM'000	2016 RM'000
Rental income	**168**	810
Direct operating expenses incurred from investment properties that generate rental income	**(278)**	(277)
Direct operating expenses incurred from investment properties that did not generate rental income	**(161)**	(108)

(a) Impairment of investment properties

The Group recognised an impairment charge in respect of investment properties in the current financial year amounted to RM0.9 million (2016: Nil). The impairment was attributed to greater than anticipated wear and tear. The impairment charge had been recorded in "impairment of non-current assets" in profit or loss.

(b) Fair value of investment properties

The fair value of the properties is estimated at RM86.5 million (2016: RM87.7 million) based on valuations by an independent professional valuer during the financial year. The valuation techniques and inputs used in the fair value measurement are set out in Note 40.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 SUBSIDIARIES

	Company 2017 RM'000	2016 RM'000
Unquoted shares, at cost	**1,178,279**	1,091,879
Less: Accumulated impairment losses	**(343,212)**	(749)
	835,067	1,091,130
Redeemable preference shares ("RPS")	**491,284**	577,684
Less: Accumulated impairment losses	**(3,143)**	(3,143)
	488,141	574,541
	1,323,208	1,665,671

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Interest in equity 2017 %	2016 %
Sistem Televisyen Malaysia Berhad ("STMB")	Malaysia	Commercial television broadcasting and video-on-demand services	**100**	100
Synchrosound Studio Sdn Bhd	Malaysia	Commercial radio broadcasting	**100**	100
Big Tree Outdoor Sdn Bhd ("BTO")	Malaysia	Outdoor advertising, investment holding and management services	**100**	100
Primeworks Studios Sdn Bhd ("PWS")	Malaysia	Production of television content and motion picture films, acquiring ready made films from local producers and production houses	**100**	100
Big Events Sdn Bhd	Malaysia	Events management	**100**	100
The Talent Unit Sdn Bhd	Malaysia	Talent management of artistes	**100**	100
Alternate Records Sdn Bhd	Malaysia	Album production and recording studio	**100**	100
Amity Valley Sdn Bhd^	Malaysia	Dormant	**-**	100
Esprit Assets Sdn Bhd	Malaysia	Property investments and provision of property management services	**100**	100
Animated & Production Techniques Sdn Bhd	Malaysia	Dormant	**100**	100
Primeworks Distribution Sdn Bhd ("PWD")	Malaysia	Content and programme sales and distribution	**100**	100
Able Communications Sdn Bhd	Malaysia	Dormant	**100**	100
Encorp Media Technology Sdn Bhd^	Malaysia	Dormant	**-**	100
Star Crest Media Sdn Bhd	Malaysia	Dormant	**100**	100
Lazim Juta Sdn Bhd	Malaysia	Investment holding	**100**	100
The New Straits Times Press (Malaysia) Berhad ("NSTP")	Malaysia	Publishing and sale of newspapers and investment holding	**98.17**	98.17
Media Prima Digital Sdn Bhd ("MPD") (Note 16 (a)(ii))	Malaysia	Digital media services	**100**	-
Held by STMB				
Ch-9 Media Sdn Bhd ("TV9")	Malaysia	Commercial television broadcasting	**100**	100
Natseven TV Sdn Bhd ("ntv7")	Malaysia	Commercial television broadcasting	**100**	100
MP CJ O Shopping Sdn Bhd ("MPCJ") (Note 16 (c)(i))	Malaysia	Home shopping network	**51**	51
Merit Idea Sdn Bhd	Malaysia	Investment holding	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity 2017 %	2016 %
Held by Merit Idea Sdn Bhd				
Metropolitan TV Sdn Bhd ("8TV")	Malaysia	Commercial television broadcasting	**100**	100
Held by Synchrosound Studio Sdn Bhd				
Perintis Layar Sdn Bhd	Malaysia	Investment holding	**100**	100
One FM Radio Sdn Bhd ("OneFM")	Malaysia	Commercial radio broadcasting	**99.6**	99.6
Kool FM Radio Sdn Bhd ("KoolFM")	Malaysia	Commercial radio broadcasting	**100**	100
Held by Perintis Layar Sdn Bhd				
Max-Airplay Sdn Bhd ("FlyFM")	Malaysia	Commercial radio broadcasting	**100**	100
Held by NSTP				
Berita Book Centre Sdn Bhd^	Malaysia	Dormant	**-**	100
Berita Harian Sdn Bhd	Malaysia	Dormant	**100**	100
Business Times (Malaysia) Sdn Bhd	Malaysia	Dormant	**100**	100
Marican Sdn Bhd	Malaysia	Dormant	**92.5**	92.5
New Straits Times Sdn Bhd	Malaysia	Dormant	**100**	100
New Straits Times Technology Sdn Bhd^	Malaysia	Dormant	**-**	100
NSTP e-Media Sdn Bhd	Malaysia	Digital media services	**100**	100
Shin Min Publishing (Malaysia) Sdn Bhd	Malaysia	Dormant	**89.6**	89.6
The New Straits Times Properties Sdn Bhd	Malaysia	Property management services	**100**	100
Held by New Straits Times Technology Sdn Bhd				
Berita Information Systems Sdn Bhd^	Malaysia	Dormant	**-**	100
Held by Jupiter Outdoor Network Sdn Bhd				
Calcom Sdn Bhd	Malaysia	Dormant	**100**	100
Lokasi Sejagat Sdn Bhd	Malaysia	Dormant	**100**	100
Skyten Marketing Sdn Bhd	Malaysia	Dormant	**100**	100
Held by BTO				
UPD Sdn Bhd ("UPD")	Malaysia	Outdoor advertising	**100**	100
The Right Channel Sdn Bhd ("TRC")	Malaysia	Outdoor advertising	**100**	100
Kurnia Outdoor Sdn Bhd ("Kurnia")	Malaysia	Outdoor advertising	**100**	100
Jupiter Outdoor Network Sdn Bhd	Malaysia	Dormant	**100**	100
Big Tree Productions Sdn Bhd	Malaysia	Production of outdoor advertising display	**100**	100
Uniteers Outdoor Advertising Sdn Bhd	Malaysia	Advertising contracting and agents, sale of advertising space	**100**	100
Gotcha Sdn Bhd	Malaysia	Outdoor advertising	**100**	100
Eureka Outdoor Sdn Bhd	Malaysia	Dormant	**100**	100
Anchor Heights Sdn Bhd	Malaysia	Dormant	**100**	100
Uni-Talent Gateway Sdn Bhd^	Malaysia	Dormant	**-**	100
Big Tree Seni Jaya Sdn Bhd (Note 16 (c)(ii))	Malaysia	Outdoor advertising	**60**	60

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity 2017 %	2016 %
Held by Alternate Records Sdn Bhd				
Booty Studio Productions Sdn Bhd	Malaysia	Dormant	**60**	60
Held by UPD Sdn Bhd ("UPD")				
Utusan Sinar Media Sdn Bhd^	Malaysia	Dormant	**-**	100
Held by The Right Channel Sdn Bhd ("TRC")				
MMC-AD Sdn Bhd	Malaysia	Dormant	**100**	100
Media Master Industries (M) Sdn Bhd	Malaysia	Dormant	**100**	100
Held by Kurnia Outdoor Sdn Bhd				
Kurnia Outdoor Productions Sdn Bhd	Malaysia	Production of advertising display	**100**	100
Held by Lazim Juta Sdn Bhd				
Strategic Media Asset Mgmt Co Ltd	Labuan	Dormant	**100**	100
Held by MPD				
Rev Asia Holdings Sdn Bhd (Note 16 (a)(i))*	Malaysia	Investment holding	**100**	-
Held by Rev Asia Holdings Sdn Bhd				
Rev Social Malaysia Sdn Bhd*	Malaysia	Digital publishing and social media content sharing platform	**100**	-
Rev Digital Sdn Bhd*	Malaysia	Digital publishing	**100**	-
Rev Lifestyle Sdn Bhd*	Malaysia	Digital publishing	**100**	-
Rev Entertainment Sdn Bhd*^	Malaysia	Dormant	**-**	-
Held by Rev Social Malaysia Sdn Bhd				
Rev Social International Sdn Bhd*	Malaysia	Digital publishing	**100**	-

* Audited by an auditor other than PricewaterhouseCoopers PLT
^ As at 31 December 2017, the companies had been struck-off from the Registrar of Companies

(a) Acquisition of subsidiaries during the financial year

(i) Rev Asia Holdings Sdn Bhd and its subsidiaries ("Rev Asia Holdings group")

On 1 August 2017, MPD, a wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Rev Asia Holdings Sdn Bhd, a company incorporated in Malaysia, and its subsidiaries, for a total consideration of RM105.0 million.

Rev Asia Holdings group is principally engaged in digital publishing. The acquisition of Rev Asia Holdings group is expected to accelerate the Group's expansion into digital media.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries during the financial year (continued)

(i) Rev Asia Holdings Sdn Bhd and its subsidiaries ("Rev Asia Holdings group") (continued)

Details of the fair value of assets, liabilities and net cash outflow arising from the acquisition of Rev Asia Holdings group when control was obtained by the Group were as follows:

	RM'000
Purchase consideration:	
- Cash and cash equivalents	**100,000**
- Consideration payable (Note 28)	**5,000**
Total consideration	**105,000**
Recognised amounts of fair value of identifiable assets and liabilities assumed:	
- Property, plant and equipment (Note 14)	**653**
- Intangible assets (excluding goodwill) (Note 18)	**71,921**
- Trade and other receivables	**7,239**
- Current tax recoverable	**41**
- Deposits, cash and bank balances	**1,648**
- Trade and other payables	**(9,812)**
- Current tax payable	**(775)**
- Deferred tax liabilities (Note 19)	**(17,319)**
Fair value of net identifiable assets and liabilities	**53,596**
Goodwill (Note 18)	**51,404**
Total	**105,000**
Purchase consideration settled in cash and cash equivalents	**(100,000)**
Deposits, cash and bank balances acquired	**1,648**
Net cash outflow of the Group on acquisition	**(98,352)**

The goodwill of RM51.4 million comprises of the value of expected potential synergistic benefits to upsell the Group's digital products and services by having a wider digital audience base. None of the goodwill is expected to be deductible for income tax purposes.

The fair value of trade receivables was RM6.5 million. The gross contractual amount for trade receivables due amounted to RM6.9 million of which RM0.4 million was unexpected to be uncollectible.

Acquisition-related costs of RM1.1 million was charged to profit or loss as "other operating costs".

The results of Rev Asia Holdings group attributable to the Group for the financial year ended 31 December 2017 from its date of acquisition are as follows:

	RM'000
Revenue	**11,604**
Profit for the financial year	**3,705**

Had Rev Asia Holdings group been consolidated from 1 January 2017, the Group's consolidated statement of comprehensive income would show a pro-forma loss for the financial year of RM675.4 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries during the financial year (continued)

(ii) MPD

On 1 June 2017, the entire equity interest in MPD was transferred from PWS, a wholly-owned subsidiary of the Company, for a total cash consideration of RM1.00, which represents the entire paid-up capital of MPD.

The transfer of MPD did not have any effect to the Group.

(b) Conversion of RPS during the financial year

(i) PWD

On 29 December 2017, the Company converted 86,400,000 RPS of PWD, which represented the entire issued and paid-up RPS of PWD amounted to RM86.4 million into new ordinary shares. The conversion was made without payment of any consideration (cash or otherwise) with a conversion ratio of one new ordinary share for one RPS held.

The conversion of RPS did not have any effect to the Group.

(c) Incorporation of subsidiaries and subscription of shares in subsidiaries during the previous financial year

(i) Incorporation of a subsidiary – MP CJ O Shopping Sdn Bhd

On 18 January 2016, STMB, a wholly owned subsidiary of the Company, entered into a shareholders' agreement with CJ O Co. Ltd to establish a company for the purpose of a home shopping business. The company was incorporated on 22 February 2016 as MP CJ O Shopping Sdn Bhd ("MPCJ") with an initial issued and paid-up capital of RM100 comprising 100 ordinary shares, issued to STMB and CJ O of 51% and 49% respectively.

On 13 April 2016, STMB and CJ O subscribed for a further 21,929,949 and 21,069,951 ordinary shares of RM1.00 each in MPCJ, proportionate to their respective shareholding proportion of 51% and 49% respectively.

(ii) Incorporation of a subsidiary – Big Tree Seni Jaya Sdn Bhd

On 10 October 2016, BTO, a wholly owned subsidiary of the Company, incorporated Big Tree Seni Jaya Sdn Bhd ("BTSJ") for the purpose of design, build, operate and transfer advertising infrastructure under Projek Mass Rapid Transit Lembah Kelang – Jajaran Sungai Buloh-Kajang for MRT Corp (Exterior Station).

BTSJ had been incorporated with an initial and paid-up share capital of RM2.00 comprising two ordinary shares. The definitive shareholders agreement was executed between the shareholders of BTSJ in 2017.

(iii) Subscription of new shares issued by a subsidiary – Big Tree Outdoor Sdn Bhd

On 14 June 2016 and 15 November 2016, the Company subscribed to 500,000 and 1,600,000 ordinary shares in BTO, a wholly-owned subsidiary of the Company, for RM0.5 million and RM1.6 million respectively.

(d) Subsidiaries of the Company that have material non-controlling interests to the Group

Set out below are the summarised financial information of subsidiaries of the Company with non-controlling interests, which, in the opinion of the Directors, are material to the Group.

Proportion of equity interest held by non-controlling interests:

	Interest in equity	
	2017	**2016**
	%	**%**
MPCJ	**49.0**	49.0
NSTP group	**1.83**	1.83

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 SUBSIDIARIES (CONTINUED)

(d) Subsidiaries of the Company that have material non-controlling interests to the Group (continued)

	2017	2016
	RM'000	RM'000
Carrying amount of non-controlling interests:		
MPCJ	**5,121**	12,708
NSTP group	**3,724**	11,649
Other subsidiaries with immaterial non-controlling interests	**(3,315)**	227
	5,530	24,584
(Loss)/profit attributable to non-controlling interests:		
MPCJ	**(7,587)**	(8,362)
NSTP group	**(7,925)**	(2,273)
Other subsidiaries with immaterial non-controlling interests	**(3,542)**	50
	(19,054)	(10,585)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before intercompany elimination.

Summarised statements of comprehensive income for the financial year ended 31 December 2017 and 31 December 2016:

	MPCJ RM'000	**NSTP group RM'000**
2017		
Revenue	**129,512**	**322,591**
Net loss and total comprehensive loss for the financial year	**(15,484)**	**(433,049)**
2016		
Revenue	61,413	415,490
Net loss and total comprehensive loss for the financial year	(17,064)	(124,219)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 SUBSIDIARIES (CONTINUED)

(d) Subsidiaries of the Company that have material non-controlling interests to the Group (continued)

Summarised statements of financial position as at 31 December 2017 and 31 December 2016:

	MPCJ RM'000	NSTP group RM'000
2017		
Non-current assets	**3,614**	**271,702**
Current assets	**30,910**	**163,907**
Non-current liabilities	**-**	**(717)**
Current liabilities	**(24,073)**	**(239,431)**
Net assets	**10,451**	**195,461**
2016		
Non-current assets	4,085	589,180
Current assets	51,218	169,120
Non-current liabilities	-	(717)
Current liabilities	(29,367)	(129,073)
Net assets	25,936	628,510

Summarised cash flows information for the financial year ended 31 December 2017 and 31 December 2016:

	MPCJ RM'000	NSTP group RM'000
2017		
Net cash flow from operating activities	**(22,472)**	**(23,621)**
Net cash flow generated from/(used in) investing activities	**351**	**(6,564)**
Net cash flow generated from financing activities	**-**	**37,721**
Net (decrease)/increase in cash and cash equivalents	**(22,121)**	**7,536**
2016		
Net cash flow from operating activities	9,315	19,483
Net cash flow used in investing activities	(4,095)	(15,024)
Net cash flow generated from/(used in) financing activities	43,000	(30,021)
Net increase/(decrease) in cash and cash equivalents	48,220	(25,562)

(e) Impairment assessment on investment in NSTP

Challenging operating environment of the Print Media operating segment during the financial year and continuing losses were identified as indicators for an impairment test to be performed for the investment in NSTP.

In view of the nature of the current business of NSTP, management has identified two separate CGU which would be attributable to digital publishing (the CGU which would be covered by online and digital revenue of NSTP) and those attributed to the Print business. The allocation of the CGUs was based on the proportion of the business that is attributable to digital publishing, which the Directors are of the view would continue to enjoy significant growth. Therefore the investments in respect of the Digital business and Print business are assessed separately for impairment.

The recoverable amount of NSTP is determined based on fair value less cost to sell calculation (Level 3 fair value computation) applying a discounted cash flow model using cash flow projections based on approved management budget for 2018 and covering:

- A subsequent four (4) year period that reflects the Digital business plus terminal value;
- A subsequent six (6) year period that reflects the Print business' remaining useful life of its RPPs plus terminal value

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 SUBSIDIARIES (CONTINUED)

(e) Impairment assessment on investment in NSTP (continued)

The cash flow projections are based on management's plans, reflecting management's expectation of revenue growth, operating costs and contribution margins for the cash-generating units based on current assessment of market share and expectations of market growth.

The key assumptions used for the FVLCS calculations are as follows:

	Digital business %	Print business %
2017		
Average revenue growth	**27.7**	**(5.5)**
Pre-tax discount rate	**27.3**	**11.4**
2016		
Average revenue growth	-	(1.0)
Pre-tax discount rate	-	13.2

The estimated fair values of land and buildings based on independent external valuations are deemed as present fair values of the assets and have been included as part of the recoverable amounts in the terminal periods of the Digital business and Print business:

	2017 RM'000	2016 RM'000
Digital business	**285,485**	-
Print business	**228,550**	356,800
	514,035	356,800

As a result of the impairment assessment, the Company recognised an impairment charge of RM342.5 million on its investment in NSTP. The impairment charge had been recorded in "impairment of non-current assets" in the Company's profit or loss.

Based on the sensitivity analysis performed, a 50 basis points increase in discount rate, with all other variables being held constant, would result in a further impairment loss of approximately RM0.2 million.

Based on the sensitivity analysis performed, a 50 basis points decrease in revenue growth rate, with all other variables being held constant, would result in a further impairment loss of approximately RM0.8 million.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17 ASSOCIATES

	Group	
	2017 RM'000	**2016 RM'000**
Share of net assets	**141,506**	146,395
Less: Accumulated impairment losses	**(141,506)**	-
	-	146,395

The amount recognised in the statement of comprehensive income is as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Share of results of an associate	**(4,889)**	(10,089)

The Group's equity interests in the associates and their respective principal activities

		Group effective interest in equity	
Name of company	**Principal activities**	**2017 %**	**2016 %**
Held by NSTP			
Asia Magazines Limited (Incorporated in Hong Kong)	Dormant	**26.41^**	26.41^
Malaysian Newsprint Industries Sdn Bhd ("MNI")*	Manufacture and sale of newsprint and related paper products	**21.36^**	21.36^

^ Effective interest via 98.17% interest in NSTP.

* MNI had commenced creditors' voluntary winding-up proceeding during the financial year. As such the Directors are of the view that the Group has lost significant influence over its investment in MNI.

The associates are private companies and there is no quoted market price available for its shares.

MNI supplies newsprint materials to the Group's Print business.

There are no contingent liabilities relating to the Group's interest in the associates.

On 1 August 2017, MNI had commenced a creditors' voluntary winding-up proceeding. Arising from MNI's creditors' voluntary winding up, the Group recognised a full impairment charge of RM141.5 million, which is the Group's carrying amount of its investment in MNI and the amount had been recorded in "impairment of non-current assets" in profit or loss. The Group no longer equity account the future results of MNI with effect from the date of the creditors' voluntary winding-up proceeding as the Directors are of the view that the Group has lost significant influence over MNI.

Recoverable amount of the investment in MNI is highly uncertain as it depends on the realisable amounts of the underlying assets of the investment. In the event of any residual value from the liquidation process, the Group will recognise any recoveries in future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17 ASSOCIATES (CONTINUED)

Summarised financial information of a material associate

Set out below is the summarised financial information for MNI, which, in the opinion of the Directors, is material to the Group and is accounted for using the equity method until creditors' voluntary winding-up date.

Summarised key financial information from the statement of comprehensive income:

	2017 RM'000	2016 RM'000
Revenue	**202,285**	412,020
Net loss and total comprehensive loss for the financial year	**(22,887)**	(47,233)
Share of loss for the financial year	**(4,889)**	(10,089)

Summarised statement of financial position:

	As at date of creditors' voluntary winding-up RM'000	As at 31 December 2016 RM'000
Non-current assets	**628,479**	644,798
Cash and cash equivalents	**5,612**	5,425
Other current assets (excluding cash and cash equivalents)	**51,419**	71,142
Current assets	**57,031**	76,567
Financial liabilities (excluding trade payables)	**(107,647)**	(129,846)
Other current liabilities (including trade payables)	**(52,848)**	(57,381)
Current liabilities	**(160,495)**	(187,227)
Non-current liabilities	**(35,708)**	(21,944)
Net assets attributable to:		
- ordinary shares	**359,206**	382,093
- redeemable preference shares	**130,101**	130,101

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17 ASSOCIATES (CONTINUED)

Reconciliation of the summarised financial information of the Group's associate presented to the carrying amount of its interest in associate

	2017 RM'000	2016 RM'000
Opening net assets as at 1 January	**382,093**	429,326
Net loss and total comprehensive loss for the financial year	**(22,887)**	(47,233)
Closing net assets as at date of creditors' voluntary winding-up/ 31 December	**359,206**	382,093
Interest in associates (21.36%)	**76,726**	81,615
Redeemable preference shares (49.79%)	**64,780**	64,780
Accumulated impairment loss	**(141,506)**	-
Carrying value	**-**	146,395

18 INTANGIBLE ASSETS

	Arising from business combinations					Acquired separately				
	Goodwill (Indefinite life) RM'000	Brands and digital Publishing (Indefinite life) RM'000	Publishing rights (Indefinite life) RM'000	Outdoor concession rights (Indefinite life) RM'000	Outdoor concession rights (Definite life) RM'000	Programme rights (Definite life) RM'000	Film production (Definite life) RM'000	Computer software and software development (Definite life) RM'000	Software under development (Definite life) RM'000	Total RM'000
Group										
Carrying amount at 1 January 2017	**147,831**	**-**	**161,012**	**39,446**	**5,964**	**58,078**	**14,049**	**10,309**	**451**	**437,140**
Acquisition of subsidiaries (Note 16)	**51,404**	**71,921**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**123,325**
Additions	**-**	**-**	**-**	**-**	**-**	**165,286**	**10,172**	**-**	**823**	**176,281**
Reclassification	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**38**	**(38)**	**-**
	199,235	**71,921**	**161,012**	**39,446**	**5,964**	**223,364**	**24,221**	**10,347**	**1,236**	**736,746**
Amortisation during the financial year	**-**	**-**	**-**	**-**	**(3,086)**	**(165,824)**	**(12,943)**	**(4,870)**	**-**	**(186,723)**
Impairment during the financial year	**-**	**-**	**(100,519)**	**-**	**-**	**-**	**(1,279)**	**(2,067)**	**-**	**(103,865)**
Write-off	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(100)**	**-**	**(100)**
Carrying amount at 31 December 2017	**199,235**	**71,921**	**60,493**	**39,446**	**2,878**	**57,540**	**9,999**	**3,310**	**1,236**	**446,058**
Carrying amount at 1 January 2016	147,831	-	161,012	39,446	9,081	47,492	12,063	4,247	-	421,172
Additions	-	-	-	-	-	181,853	22,765	9,632	451	214,701
	147,831	-	161,012	39,446	9,081	229,345	34,828	13,879	451	635,873
Amortisation during the financial year	-	-	-	-	(3,117)	(171,236)	(20,779)	(3,570)	-	(198,702)
Impairment during the financial year	-	-	-	-	-	(31)	-	-	-	(31)
Carrying amount at 31 December 2016	147,831	-	161,012	39,446	5,964	58,078	14,049	10,309	451	437,140

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

18 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment assessments for intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are tested for impairment on an annual basis. Included in intangible assets are goodwill, acquired publishing rights, brands and digital publishing and outdoor advertising concession rights, which have indefinite useful lives, totalling RM371.1 million (2016: RM348.3 million) as at 31 December 2017. These assets are deemed to have indefinite useful lives as they are renewable with minimum cost to the Group and there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group.

The carrying amounts of intangible assets allocated to the Group's CGUs are as follow:

Group	**Goodwill RM'000**	**Publishing rights, brands and digital publishing RM'000**	**Outdoor advertising concession rights RM'000**	**Total RM'000**
At 1 January 2017	**147,831**	**161,012**	**39,446**	**348,289**
Acquisition of subsidiaries (Note 16)	**51,404**	**71,921**	**-**	**123,325**
Impairment charge for the financial year	**-**	**(100,519)**	**-**	**(100,519)**
At 31 December 2017	**199,235**	**132,414**	**39,446**	**371,095**
Represented by:				
At 31 December 2017				
Radio Networks	**34,747**	**-**	**-**	**34,747**
Print Media	**-**	**60,493**	**-**	**60,493**
Outdoor Media	**113,084**	**-**	**39,446**	**152,530**
Digital Media (Note 16)	**51,404**	**71,921**	**-**	**123,325**
	199,235	**132,414**	**39,446**	**371,095**
At 31 December 2016				
Radio Networks	34,747	-	-	34,747
Print Media	-	161,012	-	161,012
Outdoor Media	113,084	-	39,446	152,530
	147,831	161,012	39,446	348,289

The recoverable amounts of the CGUs are determined based on VIU and FVLCS calculations.

(i) VIU

The VIU calculations apply a discounted future cash flow model using cash flow projections based on approved management budget for 2018 and covering a subsequent four (4) year period for Radio Networks, Outdoor Media and Digital Media with terminal values.

The cash flow projections are based on management's plans, reflecting management's expectation of revenue growth, operating costs and contribution margins for the cash-generating units based on current assessment of market share and expectations of market growth.

The key assumptions used for the VIU calculations are as follows:

	Radio Networks %	**Outdoor Media %**	**Digital Media %**
2017			
Average revenue growth	**1.2**	**4.0**	**24.8**
Pre-tax discount rate	**17.3**	**15.6**	**18.1**
Terminal growth rate	**2.0**	**3.0**	**3.0**
2016			
Average revenue growth	4.0	3.0	-
Pre-tax discount rate	14.3	18.1	-
Terminal growth rate	2.0	2.0	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

18 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment assessments for intangible assets with indefinite useful lives (continued)

(i) VIU (continued)

The key assumptions used for the VIU calculations are as follows: (continued)

(i) The growth in overhead costs are determined based on past performance and expected inflationary factors and is consistent with previous years.

(ii) Contribution margins and EBITDA margins are projected based on the industry trends, together with the trends observed within the Group.

Based on above assessments, the goodwill and intangible assets with indefinite useful lives for Radio Networks (RM34.7 million), Outdoor Media (RM152.5 million) and Digital Media (RM123.3 million) CGU are not impaired as the recoverable amounts exceed the carrying amounts included in the financial statements.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the above goodwill and intangible assets to materially exceed their recoverable amounts.

(ii) FVLCS

In view of the nature of the current business of the Group's Print Media reportable segment, management has identified the proportion of publishing rights, which would be attributable to the digital publishing (the segment which would be covered by the online and digital revenue of Print Media) and those relating to the Print business.

The allocation of the publishing rights of RM161.0 million was based on the proportion of the business that is attributable to the digital publishing, which the Directors are of the view would continue to enjoy significant growth. Royalty rate representing estimated savings by holding the digital publishing right has been applied in determining the allocation. The estimated future cash flows from the savings expected to be realised by the Group has been determined using a combination of historical data and estimates regarding revenue growth and are risk-adjusted using discount rate specific to the business. Based on this, RM60.5 million of the publishing rights has been allocated to the Digital business and the remaining RM100.5 million allocated to the Print business. Therefore the publishing rights intangible assets in respect of the Digital business and Print business are assessed separately for impairment.

The FVLCS calculations apply a discounted future cash flow model using cash flow projections based on approved management budget for 2018 and covering:

- A subsequent four (4) year period that reflects the Digital business with terminal value; and
- A subsequent six (6) year period that reflects the Print business' remaining useful life of its RPPs with terminal value.

The cash flow projections are based on management's plans, reflecting management's expectation of revenue growth, operating costs and contribution margins for the cash-generating units based on current assessment of market share and expectations of market growth.

The key assumptions used for the FVLCS calculations are as follows:

	Digital business %	**Print business %**
2017		
Average revenue growth	**27.7**	**(5.5)**
Pre-tax discount rate	**27.3**	**9.6**
2016		
Average revenue growth	-	(1.0)
Pre-tax discount rate	-	10.3

The estimated fair values of land and buildings based on independent external valuations are deemed as present fair values of the assets and have been included as part of the recoverable amounts in the terminal periods of the Digital business and Print business.

	2017 RM'000	**2016 RM'000**
Digital business	**247,160**	-
Print business	**228,550**	356,800

As a result of the impairment assessment, the publishing rights in respect of Print business of RM100.5 million had been fully impaired during the financial year. The impairment charge had been recorded in "impairment of non-current assets" in profit or loss. No impairment loss is required for publishing rights in respect to Digital business as the recoverable amount exceeds the carrying amount.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the publishing rights in respect of the Digital publishing to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

18 INTANGIBLE ASSETS (CONTINUED)

(b) Impairment of intangible assets with definite useful life

During the financial year, the Group recognised an impairment charge of RM3.3 million (2016: RM31,000) in respect of film production and software development as the carrying amounts exceed the recoverable amounts. The impairment charge had been recorded in "impairment of non-current assets" in profit or loss.

19 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group	
	2017 RM'000	**2016 RM'000**
Deferred tax assets		
- To be recovered after more than 12 months	**4,923**	67,438
- To be recovered within 12 months	**7,839**	43,080
	12,762	110,518
Deferred tax liabilities		
- To be recovered after more than 12 months	**(43,532)**	(67,790)
- To be recovered within 12 months	**(133)**	(1,773)
	(43,665)	(69,563)
	(30,903)	40,955

The movement during the financial year relating to deferred tax is as follows:

	Group	
	2017 RM'000	**2016 RM'000**
At 1 January	**40,955**	15,736
Acquisition of subsidiaries (Note 16)	**(17,319)**	-
(Charged)/credited to profit or loss (Note 11):		
- Property, plant and equipment	**34,063**	22,967
- Intangible assets	**26,590**	844
- Allowances and provisions	**474**	(3,786)
- Unused tax losses	**(40,427)**	3,354
- Unabsorbed capital allowances	**(16,922)**	3,533
- Advance billings and deferred income	**1,330**	355
- Reinvestment allowance	**(59,282)**	(2,408)
- Inventories	**(365)**	360
	(54,539)	25,219
At 31 December	**(30,903)**	40,955
Deferred tax assets (before offsetting)		
- Property, plant and equipment	**1,904**	92
- Allowances and provisions	**12,653**	12,179
- Unused tax losses	**4,033**	44,460
- Advance billings and deferred income	**6,073**	4,743
- Unabsorbed capital allowances	**1,892**	18,814
- Reinvestment allowances	**-**	59,282
- Inventories	**-**	365
	26,555	139,935
Offsetting	**(13,793)**	(29,417)
Deferred tax assets (after offsetting)	**12,762**	110,518
Deferred tax liabilities (before offsetting)		
- Intangible assets	**(36,967)**	(46,296)
- Property, plant and equipment	**(20,491)**	(52,684)
	(57,458)	(98,980)
Offsetting	**13,793**	29,417
Deferred tax liabilities (after offsetting)	**(43,665)**	(69,563)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

19 DEFERRED TAXATION (CONTINUED)

The amount of allowances, deductible temporary differences and unused tax losses (which have no expiry date) for which no deferred tax asset is recognised in the statement of financial position is as follows:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Unused tax losses	**310,471**	178,541	**39,179**	49,552
Unabsorbed capital allowances	**125,103**	2,838	**-**	365
Unutilised reinvestment allowances	**247,008**	-	**-**	-
Deductible temporary differences	**214,244**	36,687	**65,180**	6,799
	896,826	218,066	**104,359**	56,716
Deferred tax assets not recognised at 24%	**215,238**	52,336	**25,046**	13,612

The deductible temporary differences and unused tax losses are available indefinitely for offset against future taxable profits of the Group and Company, subject to agreement with the Inland Revenue Board. These tax benefits will only be obtained if the Group and Company derive future assessable income of a nature and amount sufficient for the tax benefits to be utilised. Deferred tax assets have not been recognised in respect of the tax losses and deductible temporary differences of certain entities within the Group as these entities have a history of losses or are dormant.

20 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2017 RM'000	**2016 RM'000**
At 1 January/31 December	**2,472**	2,472

Available-for-sale financial assets comprise of unquoted shares and are denominated in Ringgit Malaysia.

21 INVENTORIES

	Group	
	2017 RM'000	**2016 RM'000**
Raw materials	**46,013**	54,954
Goods held for resale	**207**	290
	46,220	55,244

Cost of inventories recognised as expenses during the financial year amounted to RM86.5 million (2016: RM111.2 million).

22 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Trade receivables	**315,589**	341,378	**-**	-
Less: Provision for impairment	**(67,419)**	(72,376)	**-**	-
	248,170	269,002	**-**	-
Less: Advanced billings	**(5,910)**	(10,685)	**-**	-
	242,260	258,317	**-**	-
Deposits	**22,092**	24,040	**187**	178
Prepayments	**10,901**	25,610	**2,781**	3,013
Other receivables	**191,675**	180,649	**293**	313
	224,668	230,299	**3,261**	3,504
Less: Provision for impairment of other receivables	**(169,299)**	(169,744)	**-**	-
	55,369	60,555	**3,261**	3,504
	297,629	318,872	**3,261**	3,504

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22 TRADE AND OTHER RECEIVABLES (CONTINUED)

All receivables are mostly due within 12 months from the end of the reporting period. The credit terms of the trade receivables range from 60 days to 120 days (2016: 60 days to 120 days).

The fair values of trade and other receivables approximates the carrying value.

As at 31 December 2017, trade receivables of RM157.6 million (2016: RM155.5 million) were not past due and were fully performing for the Group.

As of 31 December 2017, trade receivables that were past due but not impaired are as disclosed below. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Trade receivables	
Group	**2017 RM'000**	**2016 RM'000**
Ageing 3 to 6 months	**73,699**	84,489
Ageing 7 to 12 months	**13,546**	23,491
Over 12 months	**3,402**	5,483
	90,647	113,463

As of 31 December 2017, trade receivables of RM67.4 million (2016: RM72.4 million) and other receivables of RM169.3 million (2016: RM169.7 million) were impaired and provided for. The individually impaired receivables mainly relate to customers that defaulted in payment, which are in unexpectedly difficult financial position. It was assessed that an insignificant portion of the receivables is only expected to be recovered. The ageing of these receivables is as follows:

	Trade receivables		Other receivables	
Group	**2017 RM'000**	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Ageing 7 to 12 months	**682**	95	**-**	-
Over 12 months	**66,737**	72,281	**169,299**	169,744
	67,419	72,376	**169,299**	169,744

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	Group	
	2017 RM'000	**2016 RM'000**
RM	**315,386**	341,352
USD	**145**	20
SGD	**58**	6
	315,589	341,378

Movements on the Group's provision for impairment of receivables are as follows:

	Group			
	2017 Trade receivables RM'000	**2017 Other receivables RM'000**	**2016 Trade receivables RM'000**	**2016 Other receivables RM'000**
At 1 January	**72,376**	**169,744**	66,453	169,743
Charge for the financial year	**15,858**	**471**	11,164	2
Reversal during the financial year	**(1,312)**	**(21)**	(1,038)	(1)
Written-off	**(19,503)**	**(895)**	(4,203)	-
At 31 December	**67,419**	**169,299**	72,376	169,744

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22 TRADE AND OTHER RECEIVABLES (CONTINUED)

The creation and release of provision for impaired receivables have been included as a net amount in the profit and loss. Amounts charged as impairment are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group holds bank guarantees and deposits placed by customers amounting to RM40.4 million (2016: RM46.2 million) as collateral to reduce its credit risk.

23 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2017 RM'000	**2016 RM'000**
Amounts due from subsidiaries (Note a)	**228,066**	122,104
Less: Provision for impairment	**(46)**	(137)
	228,020	121,967
Intercompany loans receivable (Note b)	**165,000**	112,000
	393,020	233,967
Amounts due to subsidiaries (Note c)	**(134,900)**	(45,724)

(a) The amounts due from subsidiaries classified as current are denominated in Ringgit Malaysia, unsecured and interest free.

(b) Intercompany loans to subsidiaries classified as current are denominated in Ringgit Malaysia, unsecured, repayable on demand and charged at prevailing market rate applicable on the day of the disbursement.

(c) The amounts due to subsidiaries are denominated in Ringgit Malaysia, unsecured, have no fixed terms of repayment and bear no interest.

(d) Movements on the provision for impairment on amounts due from subsidiaries are as follows:

	2017 RM'000	**2016 RM'000**
At 1 January	**137**	137
Charge for the financial year	**26**	-
Written-off	**(117)**	-
At 31 December	**46**	137

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2017 RM'000	**2016 RM'000**
Shares in corporations, quoted in Malaysia	**2**	2
Shares in corporations, unquoted in Malaysia	**88**	88
	90	90
Less: Fair value loss	**(90)**	-
	-	90

During the financial year, the Group recognised fair value loss of RM90,000 (2016: Nil) on financial assets at fair value through profit or loss due to significant decline in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Cash and bank balances	**78,212**	107,719	**5,588**	485
Deposits with licensed banks	**127,751**	267,179	**40,086**	126,357
Deposits, cash and bank balances	**205,963**	374,898	**45,674**	126,842
Less: Restricted deposits	**(8,748)**	(3,925)	**(4,823)**	-
Cash and cash equivalents	**197,215**	370,973	**40,851**	126,842

The deposits, cash and bank balances are denominated in Ringgit Malaysia.

During the financial year, the interest rates for the deposits ranged from 2.90% to 3.95% (2016: 2.93% to 3.96%) per annum for the Group and for the Company.

Bank balances are deposits held at call with banks and earn no interest.

Bank balances at the end of the financial year include the following deposits, which are not available for use by the Group and the Company:

(a) Deposit with a licensed bank, amounting to RM4.8 million (2016: RM Nil), which has been placed with the licensed bank in respect of a secured term loan of RM300.0 million obtained by the Company during the financial year as disclosed in Note 27. The deposit is required to be placed with the lender until the loan is fully repaid.

(b) Deposit with a licensed bank, amounting to RM3.9 million (2016: RM3.9 million), which have been placed with the licensed bank for bank guarantee facilities extended to a subsidiary company.

26 NON-CURRENT ASSETS HELD FOR SALE

The details of non-current assets held for sale are as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Property, plant and equipment	**10,946**	-
Investment properties	**225**	16,541
	11,171	16,541

The movements during the financial year relating to non-current assets held for sale are as follows:

	Group	
	2017 RM'000	**2016 RM'000**
At 1 January	**16,541**	14,156
Transfer from property, plant and equipment (Note 14)	**1,213**	-
Transfer to property, plant and equipment (Note 14)	**-**	(1,260)
Transfer to investment properties (Note 15)	**(1,157)**	(1,479)
Transfer from investment properties (Note 15)	**-**	5,124
Disposals	**(5,426)**	-
At 31 December	**11,171**	16,541

During the financial year, property with carrying value of RM5.4 million was disposed off at a total consideration of RM7.1 million, giving rise to a gain on disposal of RM1.6 million.

Non-current assets held for sale of RM1.2 million had been reclassified to investment properties as at 31 December 2017 due to uncertainty over the completion of the disposal of the asset over the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27 BORROWINGS

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Non-current:				
Secured				
- Term loan (Note a)	**292,953**	-	**292,953**	-
Current:				
Secured				
- Term loan (Note a)	**301**	-	**301**	-
Unsecured				
- Banker's acceptance (Note b)	**20,903**	-	**-**	-
- Commercial Paper Medium Term Notes (Note c)	**-**	300,108	**-**	300,108
	21,204	300,108	**301**	300,108
	314,157	300,108	**293,254**	300,108

(a) Term loan

On 13 December 2017, the Company obtained a RM300.0 million secured loan to repay existing Commercial Paper Medium Term Notes as disclosed in Note (c) below from a licensed bank, which bears a fixed interest rate of 2.75% per annum above effective cost of funds. The loan will mature on 27 December 2019 and is repayable in entirety on its maturity date. The effective interest rate of the term loan is 7.65% per annum.

The loan is secured by a charge over certain property, plant and equipment of a subsidiary of the Company and a charge over the Debt Service Reserve Account of the Company, where an amount of RM4.8 million is placed with the licensed bank until the loan is fully repaid, as disclosed in Note 25.

(b) Banker's acceptance

During the financial year, the Group had drawn down a RM20.9 million banker's acceptance facility with a term of 3 months. The facility's effective interest rate is 3.77% per annum and is repayable in entirety on its maturity date.

(c) Commercial Paper Medium Term Notes

On 28 December 2012, the Company undertook a Commercial Paper Medium Term Notes ("CPMTN") programme of up to RM500.0 million in nominal value. The CPMTN is for a tenure of five years. The CPMTN bore an effective interest rate of 4.33% per annum and the amount issued of RM400.0 million was fully repaid during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27 BORROWINGS (CONTINUED)

(d) Reconciliation of financial liabilities arising from financing activities

The table below details changes in the Group and Company's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and Company's statement of cash flows as cash flows from financing activities.

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Term loan				
At 1 January	**-**	-	**-**	-
Net cash changes (i)	**300,000**	-	**300,000**	-
Interest accretion	**301**	-	**301**	-
Other changes (ii)	**(7,047)**	-	**(7,047)**	-
At 31 December	**293,254**	-	**293,254**	-
CPMTN				
At 1 January	**300,108**	300,108	**300,108**	300,108
Net cash changes (i)	**(314,127)**	(13,176)	**(314,127)**	(13,176)
Interest accretion	**14,019**	13,176	**14,019**	13,176
At 31 December	**-**	300,108	**-**	300,108
Banker's acceptance				
At 1 January	**-**	-	**-**	-
Net cash changes (i)	**20,903**	-	**-**	-
At 31 December	**20,903**	-	**-**	-
Advances due to subsidiaries				
At 1 January	**-**	-	**-**	-
Net cash changes (i)	**-**	-	**27,000**	-
At 31 December	**-**	-	**27,000**	-
Total as at 1 January	**300,108**	300,108	**300,108**	300,108
Total as at 31 December	**314,157**	300,108	**320,254**	300,108

(i) The net cash changes from borrowings represent the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes include payments for transaction cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

28 TRADE AND OTHER PAYABLES

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Non-current:				
Trade payables (Note a)	**1,311**	-	**-**	-
Other payables (Note b)	**215**	-	**-**	-
	1,526	-	**-**	-
Current:				
Trade payables (Note a)	**58,820**	50,009	**-**	-
Programme rights payables	**13,927**	16,351	**-**	-
Accrued expenses	**176,898**	160,281	**9,455**	10,971
Other payables (Note b)	**56,117**	52,830	**6,795**	3,489
Provision for termination benefits (Note c)	**58,453**	-	**1,777**	-
Deferred income (Note d)	**84,621**	11,777	**50,436**	-
Dividend payable to non-controlling interests	**-**	378	**-**	-
	448,836	291,626	**68,463**	14,460
	450,362	291,626	**68,463**	14,460

The trade and other payables are denominated as follows:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Ringgit Malaysia	**443,783**	283,633	**68,463**	14,460
US Dollar	**6,369**	7,368	**-**	-
Others	**210**	625	**-**	-
	450,362	291,626	**68,463**	14,460

Credit terms of trade payables normally range from no credit to 90 days (2016: 90 days).

(a) Malaysian Highway Authority ("MHA") fees

Included in trade payables of the Group are road reserve occupancy fees payable to the MHA for rental of outdoor structural space within MHA's jurisdiction. At the end of the financial year, the total fair values of the fees payable amounted to RM31.8 million, recorded as current and RM1.3 million is recorded as non-current (2016: nil).

(b) Contingent and deferred consideration from business combinations

Included in other payables of the Group is deferred consideration of RM5.0 million for the acquisition of Rev Asia Holdings Sdn Bhd as disclosed in Note 16 and certain deferred and contingent considerations of RM2.1 million for the acquisition of digital publishing businesses by Rev Digital Sdn Bhd and Rev Lifestyle Sdn Bhd prior to both subsidiaries being acquired by the Group during the financial year. These deferred and contingent considerations under Rev Digital Sdn Bhd and Rev Lifestyle Sdn Bhd are dependent on achievement of certain amounts of website traffic guarantee and profit before tax related to the respective websites as agreed in the sale and purchase agreements. At the end of the financial year, the total fair values of the deferred and contingent consideration amounted to RM6.9 million recorded as current payables and RM215,000 recorded as non-current payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

28 TRADE AND OTHER PAYABLES (CONTINUED)

(c) Provision for termination benefits

The provision for termination benefits relates to provision in respect of manpower rationalisation arising from exercise undertaken by management to rescale operations across the Group and Company. The provision is expected to be utilised within twelve months.

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
At 1 January	**-**	-	**-**	-
Charge for the financial year	**110,706**	18,632	**10,529**	-
Utilisation	**(52,253)**	(18,632)	**(8,752)**	-
At 31 December	**58,453**	-	**1,777**	-

(d) Deferred income

Deferred income of the Group represent advance receipts from customers on sales and services that have yet to be rendered or completed, outdoor display rental charges in advance and the monetary value of awarded points under customer loyalty programmes.

Deferred income of the Company represent advance receipts from customers received on behalf of its subsidiaries, of which the allocation of the advertising services has yet to be determined as at financial position date.

29 AMOUNT DUE TO AN ASSOCIATE

The amount due to an associate was denominated in Ringgit Malaysia, unsecured, interest free and repayable on demand.

30 SHARE CAPITAL

	Group and Company			
	2017		**2016**	
	Number of shares RM'000	**Amount '000**	**Number of shares RM'000**	**Amount '000**
Ordinary shares				
Issued and fully paid				
At 1 January	**1,109,199**	**1,109,199**	1,109,199	1,109,199
Transition to no-par value regime on 31 January 2017*	**-**	**415,536**	-	-
At 31 December	**1,109,199**	**1,524,735**	1,109,199	1,109,199

* Transition to no-par value regime on 31 January 2017

The Companies Act 2016, which came into effect from 31 January 2017, has repealed the Companies Act, 1965. Companies Act 2016 has abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may within twenty four months from the commencement of Section 74 of the Companies Act 2016, use the amount standing to the credit of its share premium account of RM415,536,373 for purposes set out in Section 618(3) of the Companies Act 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

31 SHARE PREMIUM

	Group and Company	
	2017 RM'000	**2016 RM'000**
At 1 January	**415,536**	415,536
Transition to no-par value regime on 31 January 2017 (Note 30)	**(415,536)**	-
At 31 December	**-**	415,536

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

32 OTHER RESERVES

	Other reserve RM'000	Available-for-sale reserve RM'000	Total RM'000
Group			
2017			
At 1 January/31 December	**-**	**1,755**	**1,755**
2016			
At 1 January	500	1,755	2,255
Reclassification	(500)	-	(500)
At 31 December	-	1,755	1,755

33 SIGNIFICANT NON-CASH TRANSACTIONS

The significant non-cash transactions during the financial year were as follows:

	Group	
Group	**2017 RM'000**	**2016 RM'000**
Property, plant and equipment obtained through: - contra arrangements with customers	**-**	1,853
Services received through: - contra arrangements with customers	**4,412**	908

34 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Key management personnel of the Company are the Executive Directors, Non-Executive Directors and the senior management of the Company. Summary of the key management compensation is set out below:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Key management:				
- Fees	**775**	783	**452**	464
- Basic salaries, bonus and other remunerations	**9,046**	8,645	**4,176**	2,688
- Allowances	**1,681**	1,419	**924**	670
- Defined contribution retirement plan	**1,446**	1,633	**529**	526
	12,948	12,480	**6,081**	4,348
Estimated monetary value of benefits-in-kind	**132**	99	**94**	30

Included in the key management compensation is Directors' remuneration as disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Transactions between related parties

Name of company	**Relationship**
The New Straits Times Press (Malaysia) Berhad ("NSTP")	A subsidiary of the Company
Sistem Televisyen Malaysia Berhad ("STMB")	A subsidiary of the Company
Metropolitan TV Sdn Bhd ("8TV")	A subsidiary of the Company
Natseven TV Sdn Bhd ("ntv7")	A subsidiary of the Company
Big Tree Outdoor Sdn Bhd	A subsidiary of the Company
Synchrosound Studio Sdn Bhd	A subsidiary of the Company
One FM Radio Sdn Bhd	A subsidiary of the Company
Max-Airplay Sdn Bhd	A subsidiary of the Company
Media Prima Digital Sdn Bhd ("MPD")	A subsidiary of the Company
Primeworks Studios Sdn Bhd ("PWS")	A subsidiary of the Company
Malaysian Newsprint Industries Sdn Bhd ("MNI")	An associate of the Group
CIMB Bank Berhad ("CIMB")	Related by virtue of a common director of both CIMB and the Company

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions:

Sales and purchases of goods and services

	Group	
	2017 RM'000	**2016 RM'000**
(i) Purchase of newsprint by NSTP from:		
- MNI	**(31,401)**	(60,338)
(ii) Sale of unsold newspapers and newsprint by NSTP to:		
- MNI	**2,179**	6,450

	Company	
	2017 RM'000	**2016 RM'000**
(i) Management fees charged to:		
- NSTP	**20,502**	21,261
- STMB	**31,896**	29,891
- PWS	**9,662**	9,721
(ii) Production services for advertising and promotional events from:		
- PWS	**-**	(250)
(iii) Rental of premises under an operating lease arrangement:		
- NSTP	**(5,013)**	(4,709)
(iv) Dividend income from:		
- STMB	**30,000**	60,040
- Big Tree Outdoor Sdn Bhd	**-**	55,000
- NSTP	**-**	20,259
- Synchrosound Studio Sdn Bhd	**5,000**	26,030
(v) Intercompany loans:		
- Disbursement to STMB	**15,000**	-
- Disbursement to NSTP	**38,000**	5,000
- Interest income from intercompany loans	**5,623**	5,109

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Transactions between related parties (continued)

Sales and purchase of goods and services (continued)

	Group and Company	
	2017 RM'000	**2016 RM'000**
(i) Borrowings:		
- Term loan obtained from CIMB	**300,000**	-
- Interest on borrowings due to CIMB	**301**	-
- Arrangement fee charged by CIMB	**5,100**	-

(c) Significant related party balances

	Company	
	2017 RM'000	**2016 RM'000**
(i) Amounts due from/(to) subsidiaries:		
- ntv7	**14,561**	9,061
- STMB	**(112,619)**	(44,915)
- MPD	**136,701**	18,877
- Big Tree Outdoor Sdn Bhd	**(7,940)**	25,217
- PWS	**24,724**	12,785
- Synchrosound Studio Sdn Bhd	**(1,490)**	3,772
- NSTP^	**50,738**	45,546
(ii) Intercompany loans:		
STMB	**115,000**	100,000
NSTP	**43,000**	5,000
Synchrosound Studio Sdn Bhd	**7,000**	7,000
(iii) Advances due to subsidiaries:		
- Big Tree Outdoor Sdn Bhd	**8,000**	-
- One FM Radio Sdn Bhd	**4,000**	-
- Synchrosound Studio Sdn Bhd	**3,800**	-
- 8TV	**3,000**	-

^ During the current financial year, the Company received dividend payment of RM20.3 million from NSTP in respect of prior year dividend income.

	Group	
	2017 RM'000	**2016 RM'000**
(iv) Amount due to an associate:		
- MNI	**-**	3,170

	Group and Company	
	2017 RM'000	**2016 RM'000**
(v) Borrowings:		
- CIMB	**293,254**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

35 COMMITMENTS

(a) Capital commitments

	Group 2017 RM'000	Group 2016 RM'000
Capital commitments, approved but not contracted for		
- Property, plant and equipment	**92,562**	99,545
- Intangible assets	**217,729**	176,288
	310,291	275,833
Capital commitments, approved and contracted for		
- Property, plant and equipment	**8,537**	12,626
	318,828	288,459
Share of an associate's capital commitments	**-**	119

(b) Operating lease commitments – as lessee

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
- Not later than one year	**14,802**	14,512	**16,948**	16,948
- Later than one year and not later than five years	**56,017**	55,867	**74,344**	72,974
- Later than five years	**33,062**	47,699	**33,062**	51,379
	103,881	118,078	**124,354**	141,301

The Group and Company leases premises for the use of offices, studios and warehousing under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The Group and Company recognised operating lease payments of RM14.8 million (2016: RM17.5 million) and RM16.9 million (2016: RM16.4 million) as expenses respectively in the financial year.

36 CONTINGENT LIABILITIES

The Group is a defendant in 24 (2016: 20) legal suits with contingent liabilities amounting to approximately RM5.7 million (2016: RM4.0 million) as at 31 December 2017. Of the 24 (2016: 20) legal suits, 20 (2016: 20) of the suits are for alleged defamation and 4 (2016: None) are for alleged breach of contract.

It is noted that despite the amount claimed, the current trend of award for defamation are significantly lower. Hence, the likelihood of the amount claimed crystallising into the sum as claimed is highly unlikely.

Based on the above and after taking appropriate legal advice, no provision has been made in the financial statements of the Group as at the date of this report as the Directors are of the opinion that most of the claims have no sustainable merit. The Directors do not therefore expect the outcome of the legal suits against the Group to have a material impact on the financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

37 FINANCIAL INSTRUMENTS BY CATEGORY

(a) Financial assets and financial liabilities are categorised as follows:

	Loans and receivables RM'000	Assets designated at fair value through profit and loss RM'000	Assets designated as available-for-sale RM'000	Total RM'000
Group				
Financial assets				
31 December 2017				
Trade and other receivables excluding prepayments and statutory refundables	**285,993**	**-**	**-**	**285,993**
Deposit, cash and bank balances	**205,963**	**-**	**-**	**205,963**
Available-for-sale financial assets	**-**	**-**	**2,472**	**2,472**
Total	**491,956**	**-**	**2,472**	**494,428**
31 December 2016				
Trade and other receivables excluding prepayments and statutory refundables	281,603	-	-	281,603
Deposit, cash and bank balances	374,898	-	-	374,898
Financial assets at fair value through profit or loss	-	90	-	90
Available-for-sale financial assets	-	-	2,472	2,472
Total	656,501	90	2,472	659,063

	Other financial liabilities at amortised cost RM'000
Group	
Financial liabilities	
31 December 2017	
Trade and other payables excluding statutory liabilities and deferred income	**351,273**
Borrowings	**314,157**
Total	**665,430**
31 December 2016	
Trade and other payables excluding statutory liabilities and deferred income	258,850
Borrowings	300,108
Amount due to an associate	3,170
Total	562,128

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

37 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

(a) Financial assets and financial liabilities are categorised as follows: (continued)

	2017 RM'000	2016 RM'000
Company		
Financial assets classified as loans and receivables		
Trade and other receivables excluding prepayments and statutory refundables	**480**	491
Deposit, cash and bank balances	**45,674**	126,842
Amounts due from subsidiaries	**393,020**	233,967
Total	**439,174**	361,300
Financial liabilities classified as other financial liabilities at amortised cost		
Trade and other payables excluding statutory liabilities and deferred income	**14,261**	12,611
Borrowings	**293,254**	300,108
Amounts due to subsidiaries	**134,900**	45,724
Total	**442,415**	358,443

(b) Offsetting of financial assets and financial liabilities:

(i) Financial assets

The following financial assets are subject to offsetting:

	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set-off in the statement of financial position RM'000	Net amount RM'000
Company			
At 31 December 2017			
Amounts due from subsidiaries	**605,408**	**(212,388)**	**393,020**
At 31 December 2016			
Amounts due from subsidiaries	235,350	(1,383)	233,967

(ii) Financial liabilities

The following financial liabilities are subject to offsetting:

	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set-off in the statement of financial position RM'000	Net amount RM'000
Company			
At 31 December 2017			
Amounts due to subsidiaries	**344,697**	**(209,797)**	**134,900**
At 31 December 2016			
Amounts due to subsidiaries	85,405	(39,681)	45,724

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

38 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2017 RM'000	2016 RM'000
Group		
Trade receivables:		
Counterparties without external credit rating		
- Group 1	**10,548**	6,693
- Group 2	**231,712**	251,624
Total unimpaired trade receivables	**242,260**	258,317

Group 1 – new customers (less than 6 months).
Group 2 – existing customers (more than 6 months) with no defaults in the past.

None of the financial assets that are fully performing has been renegotiated in the last year.

	2017 RM'000	2016 RM'000
Group		
Cash at bank and short-term bank deposits:		
AAA/P1	**158,975**	291,110
AA3/P1	**33,053**	63,353
AA2/P1	**13,780**	19,861
A1/P1	**-**	302
Unrated	**155**	272
	205,963	374,898
Company		
Cash at bank and short-term bank deposits:		
AAA/P1	**15,423**	78,764
AA3/P1	**30,251**	48,078
	45,674	126,842

39 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including:

(a) Market risks

(i) foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates

(ii) fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates

(iii) cash flow interest rate risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value

(iv) price risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market

(b) Credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss

(c) Liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Market risks

(i) Foreign currency exchange risk

The Group operates nationally but some of its cost is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. The main costs with such exposure are programme rights and newsprint.

The Group monitors the foreign currency market closely to ensure optimal levels of inventories are purchased when prices are favourable to mitigate purchase requirement when prices are unfavourable.

If the Ringgit Malaysia ("RM") had weakened or strengthened by 10% against the foreign currencies for which the financial instruments are denominated in, with all other variables remain unchanged, post-tax profit for the year would have been higher or lower by the following amounts:

	Foreign currency denominated financial instruments			**Impact of changes in exchange rate to profit and loss (net of tax)**	
Foreign currency	**Trade receivables (Note 22) RM'000**	**Trade payables (Note 28) RM'000**	**Currency translation rate RM**	**RM weaken by 10% RM'000**	**RM strengthen by 10% RM'000**
As at 31 December 2017					
1USD	**145**	**(6,369)**	**4.0475**	**(473)**	**473**
1SGD	**58**	**-**	**3.0293**	**4**	**(4)**
1EUR	**-**	**(210)**	**4.8440**	**(16)**	**16**
	203	**(6,579)**		**(485)**	**485**
As at 31 December 2016					
1USD	20	(7,368)	4.4860	(558)	558
1SGD	6	(625)	3.1006	(47)	47
	26	(7,993)		(605)	605

* No sensitivity analysis is performed for Company level as it has no balance denominated in foreign currency.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings and debt instruments. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group policy is to maintain appropriate level of borrowings in fixed rate instruments to ensure that some level of predictability in cash flows are preserved while ensuring that the Group maintains its cost of debt and gearing ratio at healthy levels within the limits of any covenants.

The interest rate profile of the Group and Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of financial year:

	Group and Company	
	2017 RM'000	**2016 RM'000**
Term loan	**293,254**	-

A 10% change in interest rate of the term loan at the end of the reporting period would have affected the Group and Company's profit or loss and equity by RM26,000 (2016: nil).

(iii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group classified on the consolidated statement of financial position as available- for-sale and fair value through profit and loss. The Group is not exposed to commodity price risk. No financial instruments or derivatives have been employed to hedge this risk as the risk is deemed to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The Group has no significant concentration of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia.

The Group trades with a large number of customers who are nationally and internationally dispersed but within the commercial television, radio broadcasting, outdoor advertising, content production/provision and publishing/print industry. Due to these factors, the Group believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. Customer's credit quality is assessed, taking into account its financial position, past experience and other factors if no external credit ratings available for the customers. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored. The Group does not expect any losses from non-performance by these counterparties.

At the Company level, the Company monitors the results of the subsidiaries regularly. As at 31 December 2017, there was no indication that the loans and advances extended to the subsidiaries are not recoverable.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group Treasury. Group Treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. The Group Treasury also considers the impact of discharging borrowings within the Group by relocating cash between subsidiaries whereby new borrowings are entered into whilst available cash is used to settle existing loans in a manner that reduces the Group's finance cost.

Available credit facilities of the Group as at 31 December 2017 amounts to RM117.4 million (2016: RM363.4 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the Group's and Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statements of financial position date to the contractual maturity date. As the amounts included in the table are contractual undiscounted cash flows, these amount will not reconcile to the amounts disclosed on the statement of financial position for borrowings, debt instruments and trade and other payables.

	Less than 3 months RM'000	Between 3 months and 1 year RM'000	Between 1 – 2 years RM'000	Total RM'000	Carrying amount RM'000
Group					
At 31 December 2017					
Trade and other payables	**342,935**	**6,762**	**1,576**	**351,273**	**450,362**
Borrowings	**25,726**	**14,468**	**319,290**	**359,484**	**314,157**
	368,661	**21,230**	**320,866**	**710,757**	**764,519**
At 31 December 2016					
Trade and other payables	238,611	20,239	-	258,850	291,626
Amount due to an associate	3,170	-	-	3,170	3,170
Borrowings	-	313,140	-	313,140	300,108
	241,781	333,379	-	575,160	594,904
Company					
At 31 December 2017					
Trade and other payables	**14,261**	**-**	**-**	**14,261**	**68,463**
Amounts due to subsidiaries	**134,900**	**-**	**-**	**134,900**	**134,900**
Borrowings	**4,823**	**14,468**	**319,290**	**338,581**	**293,254**
	153,984	**14,468**	**319,290**	**487,742**	**496,617**
At 31 December 2016					
Trade and other payables	12,611	-	-	12,611	14,460
Amounts due to subsidiaries	45,724	-	-	45,724	45,724
Borrowings	-	313,140	-	313,140	300,108
	58,335	313,140	-	371,475	360,292

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital risk management

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

For the purposes of sustaining or changing the capital structure, the Group may adjust the amount of dividends paid to shareholders of the Company.

The Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated statement of financial position). Total equity is calculated as "equity" as shown in the consolidated statement of financial position.

The Group's and the Company's strategy was to maintain the gearing ratio within the limits allowed by covenants.

The Group and Company have complied with the capital requirements imposed by their borrowings as at financial year end.

The gearing ratios as at 31 December 2017 and 2016 were as follows:

	2017 RM'000	2016 RM'000
Total debt	**314,157**	300,108
Total equity	**772,180**	1,486,213
Gearing ratio	**0.41**	**0.20**

40 FAIR VALUE

(a) Fair value

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2017		2016	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Investment in quoted shares^	**-**	**-**	2	2
Investment in unquoted shares**	**2,472**	**2,472**	2,560	2,560
Investment properties^^	**31,681**	**86,549**	32,711	87,679
Trade and other payables (non-current)	**1,526**	**1,526**	-	-
Borrowings*	**314,157**	**314,157**	300,108	300,108
Company				
Borrowings*	**293,254**	**293,254**	300,108	300,108

* The fair value of these financial instruments has been estimated using future contractual cash flows discounted at current market interest rates available for similar financial instruments/loans.

^ The fair value of these items has been estimated using quoted market prices at financial position dates.

^^ The fair value of these items has been based on valuations by independent professional valuers as at financial position dates using the cost and comparison method of valuation.

** The fair value of the unquoted shares are based on market value of the unlisted securities derived from arm's length transactions.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

40 FAIR VALUE (CONTINUED)

(b) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2017				
Financial assets				
Investment in unquoted shares	**-**	**2,472**	**-**	**2,472**
2016				
Financial assets				
Investment in quoted shares	2	-	-	2
Investment in unquoted shares	-	2,560	-	2,560
	2	2,560	-	2,562

Assets and liabilities with fair value disclosure

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2017				
Assets				
Investment properties	**-**	**86,549**	**-**	**86,549**
Financial liabilities				
Trade and other payables (non-current)	**-**	**1,526**	**-**	**1,526**
Borrowings (non-current)*	**-**	**292,953**	**-**	**292,953**
	-	**294,479**	**-**	**294,479**
2016				
Assets				
Investment properties	-	87,679	-	87,679

* These also apply to the Company level liabilities measured at fair value.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Ismee bin Haji Ismail and Datuk Kamal bin Khalid, two of the Directors of Media Prima Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 134 to 206 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and financial performance of the Group and of the Company for the financial year ended 31 December 2017 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016.

Signed on behalf of the Board of Directors in accordance with their resolution dated 22 February 2018.

TAN SRI ISMEE BIN HAJI ISMAIL
GROUP CHAIRMAN

DATUK KAMAL BIN KHALID
GROUP MANAGING DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Farnida binti Ngah, the Officer primarily responsible for the financial management of Media Prima Berhad, do solemnly and sincerely declare that the financial statements set out on pages 134 to 206 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

FARNIDA BINTI NGAH
GROUP CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the above named at Kuala Lumpur, Malaysia on 22 February 2018, before me.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA PRIMA BERHAD

(Incorporated in Malaysia) (Company No. 532975 A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Media Prima Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 134 to 206.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Our audit approach

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

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

Key audit matters

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA PRIMA BERHAD

(Incorporated in Malaysia) (Company No. 532975 A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the Key Audit Matters
Impairment assessment on intangible assets with indefinite useful life and property, plant and equipment ("PPE") of the Group's print business The intangible assets with indefinite life and PPE of the Group's print business amounted to RM100.5 million and RM98.1 million respectively. Management performed impairment assessments on intangible assets with indefinite life, that is subject to annual impairment testing and on PPE of the Group's print business, which had impairment indicators. Management assessed the impairment of intangible assets with indefinite life together with PPE as one Cash Generating Unit ("CGU"). The recoverable amount of the PPE is determined based on discounted future cash flows projections, which requires judgement on the future financial performance of the print business. Significant estimates are also involved in deriving the recoverable amount e.g. revenue growth rate, growth in rate for costs, contribution margin and terminal value based on valuation of land and buildings of the print business. Hence, an area of focus for us. Based on management's assessment, impairment losses of RM100.5 million and RM98.1 million were required for the intangible assets with indefinite life and PPE of the print business as at 31 December 2017, as stated in Note 18 and Note 14 to the financial statements. Refer to Note 2(d), Note 2(f) and Note 2(g) in the summary of significant accounting policies, Note 3(i) in the critical accounting estimates and judgements, and Note 18 and Note 14 to the financial statements.	Our procedures in relation to management's impairment assessment included the following: • We checked the key assumptions used by management in the discounted future cash flows projections, in particular average revenue growth rate, growth rate for costs and contribution margin by comparing with business plans, historical results and market data; • We assessed the reasonableness of the valuation method and key assumptions used by an independent external valuer engaged by management in determining the fair value of land and buildings, by comparing price per square foot with market data. We also assessed the objectivity, capability and competency of the valuer by comparing the valuer's professional background reputation and experience in similar industry and held discussions with the valuer; • We assessed the reliability of management's forecast through the review of past trends of actual financial performances against previous forecasted results; • Sensitivity analysis had been performed on revenue growth rate and discount rate to evaluate the impact on the impairment assessment; and • We assessed the adequacy and reasonableness of the disclosures in the financial statements. Based on our procedures, we noted no significant exceptions.
Impairment assessment on goodwill and intangible assets with indefinite useful life other than for print business The Group has goodwill of RM199.2 million as at 31 December 2017. In addition, the Group has intangible assets with indefinite life (other than for print business) totalling RM171.9 million. No impairment charge has been recorded by management against these balances in the current financial year because the recoverable amounts of the CGUs prepared by management are higher than the carrying values. The recoverable amounts of the cash generating units were based on discounted future cash flows projections, which require judgement on the part of management in valuing the relevant CGUs. Significant estimates are also involved in deriving the recoverable amounts, in particular, average revenue growth rate, growth rate for costs, terminal growth rate and contribution margin and hence, an area of focus for us. Refer to Note 2(f) and Note 2(g) in the summary of significant accounting policies, Note 3(i) in the critical accounting estimates and judgements, and Note 18 to the financial statements.	We assessed management's impairment assessments and our procedures included the following: • We have checked the key assumptions used by management in the discounted future cash flows projections, in particular, the average revenue growth rate, growth rate for cost, terminal growth rate and contribution margin by comparing with business plans, historical results and market data; • We assessed the reliability of management's forecast through the review of past trends of actual financial performances against previous forecasted results; • Sensitivity analysis had been performed on average revenue growth rate, discount rate and terminal growth rate to evaluate the impact on the impairment assessment; and • We assessed the adequacy and reasonableness of the disclosures in the financial statements. Based on our procedures, we noted no significant exceptions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA PRIMA BERHAD

(Incorporated in Malaysia) (Company No. 532975 A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the Key Audit Matters
Impairment assessment on investment in subsidiaries Management performed impairment assessments of certain investment in subsidiaries, which had impairment indicators. As a result, impairment of RM342.5 million had been made in respect of Media Prima Berhad's investment in The News Straits Times Press (Malaysia) Berhad ("NSTP") as stated in Note 16 to the financial statements. This is an area of focus as the recoverable amount of the investment is determined based on discounted future cash flows projections, which require judgement on the part of management estimation of the future financial performance and key assumptions used, in particular revenue growth rate, growth rate for cost, contribution margin and the valuation of the land and buildings as terminal value. Refer to Note 2(c) and Note 2(g) in the summary of significant accounting policies, Note 3(i) in the critical accounting estimates and judgements, and Note 16 to the financial statements.	We have assessed management's impairment assessments. Our procedures in relation to management's impairment assessment includes the following: • We assessed the reliability of management's forecast through the review of past trends of actual financial performances against previous forecasted results; • We checked the key assumptions used by management in the discounted future cash flows projections, in particular revenue growth rate, growth rate for costs and contribution margin, by comparing with business plans, historical results and market data; • We assessed the reasonableness of the valuation method and key assumptions used by an independent external valuer engaged by management in determining the fair value of land and buildings, by comparing price per square foot with market data. We also assessed the objectivity, capability and competency of the valuer by comparing the valuer's professional background reputation and experience in similar industry and held discussions with the valuer; • Sensitivity analysis had been performed on revenue growth rate, royalty rate, terminal growth rate and discount rate to evaluate the impact on the impairment assessment; and • We assessed the adequacy and reasonableness of the disclosures in the financial statements. Based on our procedures, we noted no significant exceptions.
Purchase Price Allocation ("PPA") for the acquisition of Rev Asia Holdings Group On 1 August 2017, the Group completed the acquisition of Rev Asia Holdings Sdn Bhd, a company incorporated in Malaysia, and its subsidiaries (together known as "Rev Asia Holdings Group") for a total consideration of RM105.0 million. Goodwill arising from the acquisition of Rev Asia Holdings Group amounted to RM51.4 million. Management performed a PPA exercise in accordance with MFRS 3 "Business Combination", which requires the Group to recognise the fair values of identifiable assets acquired and liabilities assumed, with the excess of the cost of acquisition over the fair values recognised as goodwill. The PPA is sensitive to changes to key assumptions and subject to estimation uncertainty. We focus on this area because of management's judgment involved in the identification and valuation of the assets acquired and liabilities assumed. Refer to Note 2(c) in the summary of significant accounting policies, and Note 16 to the financial statements.	We have performed the following audit procedures: • We assessed management's identification and valuation of identifiable assets acquired and liabilities assumed by way of understanding the rationale of the acquisition; • We checked the valuation of the identifiable assets acquired and liabilities assumed as follows: - We evaluated the appropriateness of the methodology adopted by management to determine the fair values of identifiable assets acquired and liabilities assumed; - We assessed the reasonableness of the fair value model and key assumptions used, in particular, in particular average revenue growth rate, royalty rate, terminal growth rate and discount rate, used by an independent external valuer engaged by management in determining the fair value of the intangible assets, by comparing against historical results of the acquired businesses and market data on certain key assumptions; • We read the Sales and Purchase Agreement for the acquisitions and board minutes to agree the purchase consideration; and • We checked the adequacy of the related disclosures in the financial statements. Based on our procedures, we noted no significant exceptions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA PRIMA BERHAD

(Incorporated in Malaysia) (Company No. 532975 A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises Chairman's Statement, Group Managing Director's Statement, Statement of Risk Management and Internal Control, Group Financial Review, Sustainability Report, Corporate Governance Overview Statement, Audit Committee Report, Director's Report, and other sections of the 2017 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA PRIMA BERHAD

(Incorporated in Malaysia) (Company No. 532975 A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

AZIZAN BIN ZAKARIA
2930/05/18 (J)
Chartered Accountant

Kuala Lumpur
22 February 2018

ANALYSIS OF SHAREHOLDINGS

(AS AT 28 FEBRUARY 2018)

Total Number of Issued Shares	:	1,109,199,286
Class of Share	:	Ordinary Shares
No. of Shareholders	:	24,362
Voting Rights	:	One (1) vote per Ordinary Share

Distribution of Shareholdings
As At 28 February 2017

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	4,888	20.06	185,990	0.02
100 - 1,000	8,874	36.42	4,334,442	0.39
1,001 - 10,000	8,071	33.13	30,222,127	2.72
10,001 - 100,000	2,197	9.02	65,563,477	5.91
100,001 to less than 5 % of issued shares	328	1.35	511,637,771	46.13
5% and above of issued shares	4	0.02	497,255,479	44.83
Total	**24,362**	**100.00**	**1,109,199,286**	**100.00**

Directors' Direct and Deemed Interest in the Company
As At 28 February 2018

No.	Name of Directors	No. of Shares	%
1.	Tan Sri Ismee Bin Haji Ismail	-	-
2.	Datuk Kamal Bin Khalid	80,000	0.01
3.	Datuk Shahril Ridza Bin Ridzuan	-	-
4.	Lydia Anne Abraham	-	-
5.	Raja Datuk Zaharaton Binti Raja Zainal Abidin	-	-
6.	Datuk Mohd Nasir Bin Ahmad	-	-
7.	Tan Sri Dato' Seri Utama Hj Ismail Bin Hj Omar	-	-
8.	Datuk Loo Took Gee		
	Total	**80,000**	**0.01**

Substantial Shareholders
As At 28 February 2018

No.	Name of Shareholders	No. of Shares	%
1.	**Employees Provident Fund Board** Citigroup Nominees (Tempatan) Sdn Bhd for Employees Provident Fund	146,994,538	13.25
2.	**HSBC Nominees (Asing) Sdn Bhd** Morgan Stanley & Co. International PLC (Firm A/C)	138,945,000	12.53
3.	**KAF Trustee Berhad** KIFB for Gabungan Kesturi Sdn Bhd *Amanah Raya Berhad	123,024,270	11.09
4.	**KAF Trustee Berhad** KIFB for Altima, Inc	88,291,671	7.96
	Total	**497,255,479**	**44.83**

* Deemed interest in 123,024,270 shares by virtue of its 100% equity interest in Gabungan Kesturi Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS

(AS AT 28 FEBRUARY 2018)

Top 30 Securities Account Holders
As At 28 February 2018

No.	Name of Shareholders	No. of Shares	%
1.	Employees Provident Fund Board Citigroup Nominees (Tempatan) Sdn Bhd for Employees Provident Fund	146,994,538	13.25
2.	HSBC Nominees (Asing) Sdn Bhd Morgan Stanley & Co. International PLC (Firm A/C)	138,945,000	12.53
3.	KAF Trustee Berhad KIFB for Gabungan Kesturi Sdn Bhd	123,024,270	11.10
4.	KAF Trustee Berhad KIFB for Altima, Inc	88,291,671	7.96
5.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	44,543,400	4.02
6.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	39,616,720	3.57
7.	Valuecap Sdn Bhd	39,125,300	3.53
8.	HSBC Nominees (Asing) Sdn Bhd TNTC For Edgbaston Asian Equity Trust	37,950,500	3.42
9.	Citigroup Nominees (Tempatan) Sdn Bhd GSCO For Blackwell Partners LLC (Series A)	25,740,900	2.32
10.	Kumpulan Wang Persaraan (Diperbadankan)	22,990,200	2.07
11.	Amanahraya Trustees Berhad Amanah Saham Malaysia	22,660,300	2.04
12.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	20,087,180	1.81
13.	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	20,000,000	1.80
14.	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund NJ3F For Discerene Fund LP	18,047,700	1.63
15.	HSBC Nominees (Asing) Sdn Bhd TNTC For Somerset Emerging Markets Small Cap Fund LLC	13,642,248	1.23
16.	AmanahRaya Trustees Berhad AS 1Malaysia	12,228,500	1.10
17.	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund NJ4P For Dinard Fund LP	11,485,000	1.04
18.	HSBC Nominees (Asing) Sdn Bhd TNTC For The EdgeBaston Asian Equity (Jersey) Trust	10,788,500	0.97

ANALYSIS OF SHAREHOLDINGS

(AS AT 28 FEBRUARY 2018)

No.	Name of Shareholders	No. of Shares	%
19.	Citigroup Nominees (Asing) Sdn Bhd Goldman Sachs International	8,167,900	0.74
20.	Citigroup Nominees (Asing) Sdn Bhd CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc.	7,341,220	0.66
21.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	6,922,000	0.62
22.	Citigroup Nominees (Asing) Sdn Bhd CBNY For Dimensional Emerging Markets Value Fund	6,026,700	0.54
23.	Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small Cap Series	5,840,803	0.53
24.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for AMB Value Trust Fund (4249)	5,400,000	0.49
25.	RHB Nominees (Tempatan) Sdn Bhd Telekom Malaysia Berhad	5,222,214	0.47
26.	AmanahRaya Trustees Berhad Public Dividend Select Fund	3,874,200	0.35
27.	HSBC Nominees (Asing) Sdn Bhd TNTC For MI Somerset Emerging Markets Small Cap Fund	3,342,218	0.30
28.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt AN For Nomura PB Nominees Ltd	3,111,600	0.28
29.	HSBC Nominees (Asing) Sdn Bhd HSBC-FS For Singapore Asean Equity Fund	2,703,200	0.24
30.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	2,630,400	0.24
	Total	**896,744,382**	**80.85**

TOP 10 PROPERTIES HELD BY GROUP

					Area				
No	**Properties**	**Type**	**Tenure**	**Date of acquisition/ revaluation**	**Built-up area (Sq ft)**	**Land area (Sq ft)**	**Description**	**Age of building (years)**	**Net book value as at 31 December 2017 (RM'000)**
1	16, Jalan U8/88 Bukit Jelutong Industrial Park, 40000 Shah Alam, Selangor	Freehold	-	2017 (Revaluation)	333,311	653,154	Regional Printing Plant	16	93,969
2	31, Jalan Riong, Off Jalan Bangsar, 59100 Kuala Lumpur	Freehold	-	2017 (Revaluation)	680,391	81,203	Head Office	44	47,934
	9, Jalan Liku, 59100 Kuala Lumpur	Freehold	-	2017 (Revaluation)		70,611		25	
3	Lot PLO T2 & T3, Kawasan Perindustrian Senai, 81400 Senai, Johor	Leasehold	60 years Expiry: June 2040	2017 (Revaluation)	160,801	183,823	Former Regional Printing Plant	37	19,355
	Lot PL02, Kawasan Perindustrian Bebas, 81400 Senai, Johor	Leasehold	60 years Expiry: 2043	2017 (Revaluation)		174,240		19	
4	Lot 322 & 323, Kawasan Perusahaan Prai, 13600 Seberang Prai, Pulau Pinang	Leasehold	60 years Expiry: 2035	2017 (Revaluation)	143,876	87,076	Regional Printing Plant	38	14,950
	Lot. No. PT28, Mukim 1, Kawasan Perusahaan Prai, 13600 Seberang Prai, Pulau Pinang	Leasehold	60 years Expiry: 2039	2017 (Revaluation)		157,185		16	
5	Lot 33, Lebuh Sultan Mohamad 1, Jalan Lebuh 1, Kawasan Perindustrian Bandar Sultan Sulaiman, Pelabuhan Klang Utara, 42000 Klang, Selangor	Leasehold	99 years Expiry: 2105	2017 (Revaluation)	139,368	251,552	Warehouse	21	12,123
6	Lot 7 & 9, Jalan Jurubina U1/18, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	Freehold	-	2017 (Revaluation)	81,970	80,062	Broadcasting Studio	20	10,813
7	33, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang	Freehold	-	2017 (Revaluation)	12,951	13,771	Office block	24	6,269
8	Lot 1024, KM13, Mukim Sri Rusa, Batu 8 3/4, Jalan Pantai Teluk Kemang, Port Dickson, Negeri Sembilan	Freehold	-	2017 (Revaluation)	35,122	64,305	Training Centre Building	25	4,146
9	Kawasan Perindustrian Ajil, 21800 Hulu Terengganu, Terengganu	Leasehold	60 years Expiry: 2061	2017 (Revaluation)	98,862	630,442	Former Regional Printing Plant	16	3,106
10	Flat 108, 4 Whitehall Court, London SW1A 2EP	Leasehold	99 years Expiry: 2086	2017 (Revaluation)	865	N/A	Residential Apartment	40	3,044

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Ismee bin Haji Ismail*
Group Chairman

Datuk Kamal bin Khalid
Group Managing Director

Datuk Shahril Ridza bin Ridzuan***

Datuk Mohd Nasir bin Ahmad**

Lydia Anne Abraham*

Raja Datuk Zaharaton binti Raja Zainal Abidin*

Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar*

Datuk Loo Took Gee*

** Independent Non-Executive Director*
*** Senior Independent Non-Executive Director*
**** Non-Independent Non-Executive Director*

GROUP COMPANY SECRETARIES

Jessica Tan Say Choon
(MAICSA 7057849)

Farnida Ngah
(MIA 22495)

REGISTERED OFFICE

Media Prima Berhad
Balai Berita, Anjung Riong
No. 31, Jalan Riong, Bangsar
59100 Kuala Lumpur
Tel : 1300 300 672
Fax : 03 2282 0806

AUDIT COMMITTEE MEMBERS

Chairman
Datuk Mohd Nasir bin Ahmad**

Members
Lydia Anne Abraham*
Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar*
Datuk Loo Took Gee*

** Independent Non-Executive Director*
*** Senior Independent Non-Executive Director*

SOLICITORS

M/s Wong & Partners
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M/s Raja Riza & Associates
Advocates & Solicitors
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M/s Suflan TH Liew & Partners
Advocates & Solicitors
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BANKERS

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17th Floor Menara CIMB
No. 1 Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel : 03 2261 8888

Malayan Banking Berhad
No.2, Lorong Rahim Kajai 14
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : 03 7727 9459
Fax : 03 7729 2770

AUDITORS

PricewaterhouseCoopers PLT
Level 10, 1 Sentral Jalan Rakyat
Kuala Lumpur Sentral P. O. Box 10192
50706 Kuala Lumpur
Tel : 03 2173 1188
Fax : 03 2173 1288

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 7841 8000/7849 0777
Fax : 03 7841 8151/8152

MEDIA PRIMA BERHAD

Tan Sri Ismee bin Haji Ismail
Group Chairman, MPB

Datuk Kamal bin Khalid
Group Managing Director, MPB

Farnida Ngah
Group Chief Financial Officer, MPB

Fan Chen Yip
Head, Key Account Mgmt & Media Sales Planning, MPB

Alain Boey Cheng Choong
Chief Transformation Officer, MPB

Zuraidah Atan
Chief Technology Officer,
Group IT, MPB

Sere Mohammad Mohd Kasim
Group General Manager,
Group Corporate Governance, MPB

Mohd Hisham Md Shazli
Group General Manager,
Group Risk Management, MPB

Tuan Hj Zulkifli Hj Mohd Salleh
Group General Manager, Stakeholder Management & Regulatory Affairs, MPB

Nor Arzlin Redzwan
Group General Manager,
Group Human Resources, MPB

Azlan Abdul Aziz
Group General Manager,
Group Corporate Communications, MPB

Aida Karimah Hussain
Group General Manager,
Group Management Services, MPB

Rosli Sabarudin
Group General Manager, Group Finance, MPB

Jessica Tan Say Choon
Group Company Secretary, MPB

Amal @ Nur Amal Abdul Manaf
General Manager, Group Legal, MPB

Sharifah Nur Adibah Syed Tahir
General Manager, Corporate Finance & Investor Relations, MPB

CORPORATE INFORMATION

BIG TREE OUTDOOR

Mohamad Shukor Ariffin
Chief Executive Officer

Muhamad Fariz Mustafa
General Manager, Operations

Ling Siew Lan
General Manager, Sales (Big Drive)

Gan Kai Wen
General Manager, Sales (Big Ride, Big Buy, Big Fly & Big D'gital)

Nismanita Zulkifli
General Manager, Integrated & Intelligence Marketing

Fong Kok Chin
Head of Sales, Big Tree Seri Jaya

MEDIA PRIMA TELEVISION NETWORKS

Johan Mohamed Ishak
Chief Executive Officer

Datuk Seri Mohd Ashraf Abdullah
Group Managing Editor
News & Current Affairs

Sherina Nordin
Director of Brand, Content & Strategy

Airin Zainul
Director of tonton, Licensing & Merchandising

Dr Ahmad Zaki Mohd Salleh
Director, Technical Operations

Nini Yusof
Director of Sales & Strategy

Marzina Ahmad
General Manager, Research

Douglas Khoo Hong Seng
Creative Director,
Creative Services

Desmond Cheng
General Manager,
Consumer Communications Group

Yang Hyun Kim
Chief Executive Officer
MP CJ O Shopping Sdn Bhd

MEDIA PRIMA DIGITAL

Rafiq Razali
Chief Executive Officer

Voon Tze Khay
Managing Director

Nicholas Sagau Tony Ngimat
Group General Manager,
Media Prima Labs & Operations

Paul Moss
General Manager, Data Services

MEDIA PRIMA RADIO NETWORKS

Seelan Paul
Chief Executive Officer

Anida Mohd Tahrim
Group General Manager
Network Programming, Production, Engineering, Brand & Promotion

Elaine Lee Yee Lim
General Manager, Marketing

Alex Poon
Head of Network Digital

Faizah Ahmad Kamari
Head, Finance and Admin

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

Datuk Seri Abdul Jalil Hamid
Chief Executive Officer

Alfian Abu Talib
Chief Commercial Officer

Dato' Yushaimi Maulud Yahaya
Editor-in-Chief, New Straits Times Press

Sazali Hashim
Head, Production

Azizi Othman
General Manager, Digital Business & Development

PRIMEWORKS STUDIOS SDN BHD

Datuk Ahmad Izham Omar
Chief Executive Officer

Azhar Borhan
Group General Manager, Production & Operations

Nurin Marini Ramlan
General Manager, Primeworks Distribution & Innovation

Asturiyanti Zuhrufadila Ishak
General Manager, Corporate Affairs

Datin Jacynta Au Yong Yim San
Head, Talent Unit & Monkey Bone

Siti Murni Ayu Mohd Amir Rol
Head, Content Development

Nazlina Nasihin
Head, Content Sales

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth (17th) Annual General Meeting of **MEDIA PRIMA BERHAD** ("the Company") will be held at Ballroom 2, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Wednesday, 25 April 2018 at 10.00 a.m. for the transaction of the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 and the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**

2. To re-elect Raja Datuk Zaharaton binti Raja Zainal Abidin who retires in accordance with Article 100 of the Company's Articles of Association. **Resolution 1**

3. To re-elect the following Directors who retire in accordance with Article 105 of the Company's Articles of Association:-

   i. Tan Sri Ismee bin Haji Ismail **Resolution 2**
   ii. Datuk Kamal bin Khalid **Resolution 3**

4. To approve the payment of Directors' fees of RM451,740.00 for the financial year ended 31 December 2017. **Resolution 4**

5. To approve the payment of benefits payable to the Non-Executive Group Chairman and Non-Executive Directors up to an amount of RM1,400,000.00, from 26 April 2018 until the next AGM of the Company. **Resolution 5**

6. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration. **Resolution 6**

SPECIAL BUSINESS

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

7. **Authority to Allot and Issue Shares**

   "THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the governmental and/or regulatory authorities, where such approval is necessary, the Directors be and are hereby given full authority to allot and issue shares in the Company, at any time, and upon such terms and conditions and for such purposes at the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are hereby given full authority to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company". **Resolution 7**

8. To transact any other business of which due notice has been given.

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)
FARNIDA BINTI NGAH (MIA 22495)
Group Company Secretaries

Kuala Lumpur
Date : 28 March 2018

NOTICE OF ANNUAL GENERAL MEETING

Notes:-

Proxy

1. Only members whose names appear in the Record of Depositors on 18 April 2018 ("General Meeting Record of Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
4. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
6. Duly completed Proxy Form must be deposited at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

Explanatory Notes:-

1. Audited Financial Statements for financial year ended 31 December 2017

The Audited Financial Statements in Agenda 1 are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, will not be put for voting.

2. Resolution 4 : Directors' Fees

The fees for the Directors as set out below has been implemented since Financial Year ("FY") 2010 and the Board had agreed that the Directors' Fees in respect of FY 2017 be maintained as follows:-

Non-Executive Group Chairman	RM75,000 per annum
Non-Executive Director ("NED")	RM60,000 per annum

The payment of the Directors Fees in respect of the FY 2017 will only be made if the proposed Resolution 4 has been approved at the 17th AGM of the Company.

3. Resolution 5 : Benefits payable to the NEDs

The benefits payable to the NEDs comprise the allowances and other emoluments payable to the Non-Executive Group Chairman and Members of the Board and Board Committees as set out below:-

1	Monthly Fixed Allowance	Group Chairman	RM45,000 per month	
		Chairman of Operating Subsidiaries of Media Prima Berhad ("MPB")	RM3,000 to RM5,000 per month	
2	Meeting Allowance (per meeting)		**Chairman**	**Member**
		Board of MPB	RM2,000	RM1,000
		Board of Operating Subsidiaries of MPB	RM1,000	RM750
		Board Committees	RM2,000	RM1,000
3	Other benefits	Medical coverage and other claimable benefits.		

The Monthly Fixed Allowance is given to the Group Chairman and Chairman of the Operating Subsidiaries of MPB, in recognition of their significant roles in leadership and oversight, and their wide-ranging scope of responsibilities.

The total amount of benefits payable to the NEDS is estimated to be up to RM1,400,000.00 (from 26 April 2018 to the next AGM in 2019), taking into account various factors which include amongst others, the number of scheduled meetings for the Board, Board of subsidiaries and Board Committees as well as the number of NEDs involved in these meetings.

The payment of the benefits to the NEDs will be made on a monthly basis and/or as and when incurred if the proposed Resolution No. 5 has been passed at the 17th AGM. The Board is of the view that it is fair and equitable for the NEDs to be paid the Directors' remuneration (excluding Director's fees) on a monthly basis and/or as and when incurred, given that they have duly discharged their responsibilities and provided their services to the Company and the Group throughout the said period.

4. Resolution 7 : Authority to Directors to Allot and Issue Shares

The proposed resolution is a general mandate from the shareholders of the Company in accordance with Section 75 and 76 of the Companies Act 2016 for Directors to allot and issue new shares in the Company of up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Company may deem fit in the best interest of the Company including for any possible fund raising for the Company's working capital requirements and strategic investments.

The Resolution, if approved, will give the Company and its Directors the mandate and flexibility to allot and issue shares in the Company for possible fund raising initiatives without the need to seek shareholders' approval via a general meeting subsequent to this 17th AGM, which may delay the capital raising initiatives and incur relevant cost in organising the general meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors who are standing for re-election at the Seventeenth (17th) Annual General Meeting of Media Prima Berhad are:-

(i) Raja Datuk Zaharaton binti Raja Zainal Abidin (Resolution 1)

(ii) Tan Sri Ismee bin Haji Ismail (Resolution 2)

(iii) Datuk Kamal bin Khalid (Resolution 3)

The details of the above Directors who are seeking re-election are set out in the "Board of Directors Profiles" which appear from page 76 to 85 of the Annual Report.

The details of Directors' interests in the securities of the Company are set out in the "Directors' Direct and Deemed Interest in the Company" which appear on page 213 of the Annual Report.

FINANCIAL CALENDAR

ANNOUNCEMENT OF CONSOLIDATED RESULTS

29 MAY 2017

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2017.

14 AUGUST 2017

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2017.

29 NOVEMBER 2017

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2017.

22 FEBRUARY 2018

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2017.

ANNUAL GENERAL MEETING

28 MARCH 2018

Notice of Annual General Meeting

25 APRIL 2018

17th Annual General Meeting

media prima

CDS Account No	
Number of Ordinary Share(s) held	

(Company No: 532975 A)

PROXY FORM

I/We ....

(FULL NAME OF SHAREHOLDER AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

NRIC No./Company No. .... of ....

....

(FULL ADDRESS)

being a member of MEDIA PRIMA BERHAD hereby appoint :

First Proxy

Full Name of Proxy in capital letters		Proportion of shareholdings	
		Number of shares	Percentage (%)
NRIC Number			

and/or failing him/her,

Second Proxy

Full Name of Proxy in capital letters		Proportion of shareholdings	
		Number of shares	Percentage (%)
NRIC Number			

or failing him/her the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Seventeenth (17th) Annual General Meeting of the Company to be held at Ballroom 2, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Wednesday, 25 April 2018 at 10.00 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of 17th AGM. My/our proxy is to vote as indicated below:-

RESOLUTION NO	RESOLUTIONS	FOR	AGAINST
Resolution 1	To re-elect Raja Datuk Zaharaton binti Raja Zainal Abidin as Director of the Company.		
Resolution 2	To re-elect Tan Sri Ismee bin Haji Ismail as Director of the Company.		
Resolution 3	To re-elect Datuk Kamal bin Khalid as Director of the Company.		
Resolution 4	To approve the payment of Directors' fees of RM451,740.00 for the financial year ended 31 December 2017.		
Resolution 5	To approve the payment of benefits payable to the Non-Executive Group Chairman and Non-Executive Directors up to an amount of RM1,400,000.00, from 26 April 2018 until the next AGM of the Company.		
Resolution 6	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.		
Resolution 7	To approve the proposed Authority to Allot and Issue Shares.		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Dated this_________________ day of _________________ 2018

____

Signature of Member/Common Seal

Notes:

1. Only members whose names appear in the Record of Depositors on 18 April 2018 ("General Meeting Record of Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
4. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
6. Duly completed Proxy Form must be deposited at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof

STAMP

MEDIA PRIMA BERHAD

C/O REGISTRAR
SYMPHONY SHARE REGISTRARS SDN BHD

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

GROUP DIRECTORY

MEDIA PRIMA BERHAD
Balai Berita, Anjung Riong
31, Jalan Riong, Bangsar
59100 Kuala Lumpur
Tel : 1 300 300 672
Fax : +603 - 2283 0353
Email : communications@mediaprima.com.my
Website : www.mediaprima.com.my

SYNCHROSOUND STUDIO / MAX – AIRPLAY / ONE FM
PH, North Wing, Sri Pentas,
Persiaran Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia
Office : +603 - 7710 5022
Studio : +603 - 7710 8822
Fax : +603 - 7710 7098
Website : http://www.hotfm.com.my
: http://www.flyfm.com.my
: http://www.onefm.com.my
: http://www.koolfm.com.my

MP CJ O SHOPPING SDN BHD
Level 1, Balai Berita, Anjung Riong,
No. 31, Jalan Riong, 59100 Bangsar,
Kuala Lumpur, Malaysia
Hotline : 1-800-18-0808
Office : 1 300 226 787
Fax : 03 - 2280 0044
Website : http://www.cjwowshop.com.my

SISTEM TELEVISYEN MALAYSIA BERHAD
Sri Pentas, No 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan (Mailbox 11124, 50736 KL)
Tel : +603 - 7621 3333
Fax : +603 - 7726 0971
Email : enquiries@tv3.com.my
Website : http://www.tv3.com.my

CH-9 MEDIA SDN BHD
Sri Pentas, No 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan (Mailbox 11124, 50736 KL)
Tel : +603 - 7621 3333
Fax : +603 - 7726 0971
Website : http://www.tv9.com.my

METROPOLITAN TV SDN BHD
Sri Pentas, No 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan (Mailbox 11124, 50736 KL)
Tel : +603 - 7621 3333
Website : http://www.8tv.com.my

NATSEVEN TV SDN BHD
Sri Pentas, No. 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan
Tel : +603 - 7621 3333
Email : feedback@ntv7.com.my
Website : http://www.ntv7.com.my

BIG TREE OUTDOOR SDN BHD
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Fax : +603 - 7729 3999
: +603 - 2282 1639
Website : http://bigtreeoutdoor.com

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: +603 - 2056 9499 (International)
Classified : 1 300 808 123
Fax : +603 - 2282 1428
Email : NSTPCorpComm@mediaprima.com.my
Website : www.nstp.com.my

PRIMEWORKS STUDIOS SDN BHD
Sri Pentas, 1st Floor, North Wing
No.3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan
Tel : +603 - 7621 3020
Fax : +603 - 7727 1799
Website : http://www.primeworks.com.my

MEDIA PRIMA DIGITAL SDN BHD
3rd Floor, North Wing, Sri Pentas
No.3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan
Tel : +603 - 7621 3333
Fax : +603 - 7710 3876
Website : http://www.mediaprimadigital.com.my

REV ASIA HOLDINGS SDN BHD
The Penthouse, Level 19,
Uptown 1, Jalan SS21/58,
Damansara Utama,
47400, Petaling Jaya
Selangor D.E, Malaysia
Tel : +603 - 7710 0180
Website : http://www.revasia.com

www.mediaprima.com.my

MEDIA PRIMA BERHAD (532975-A)

Balai Berita, Anjung Riong
31, Jalan Riong, Bangsar
59100 Kuala Lumpur, Malaysia