





## OUR STORIES

2016 FOR MALAYSIA WAS AN AMALGAMATION OF MILLIONS OF INDIVIDUAL STORIES AS THE COUNTRY STRIVES TO FACE ITS MANY CHALLENGES. THE IMPACT OF GLOBAL ECONOMIC UNCERTAINTIES THAT STARTED THE PREVIOUS YEAR HAS RESULTED IN THE UNFOLDING OF MANY MORE STORIES. AND WE AT MEDIA PRIMA, HAVING GROWN, RECORDED AND CONTRIBUTED TO NATION-BUILDING EFFORTS WHILE ENHANCING MALAYSIA'S MEDIA ECO-SYSTEM, ARE UNIQUELY POSITIONED TO TELL THOSE STORIES - WE PROVIDE THE SENSORY ACCOMPANIMENT IN DELIVERING THEM TO GLOBAL CONSUMERS. WE ALSO TELL THE STORIES BETTER - SOME HIGHLY CREATIVE INITIATIVES INCLUDING E-PAPERS AND DIGITAL PRODUCTS WERE INTRODUCED TO THE MARKET IN ENSURING THAT THE CONSUMERS' NEEDS ARE MET. AS EXPERIENCED STORY-TELLERS, WE BELIEVE THAT AS LONG AS THERE IS LIFE, THERE IS A STORY TO TELL. SO WE TAKE EVERY STORY THERE IS, AND TOGETHER TURN THEM ALL INTO OUR STORIES.

TELEVISION



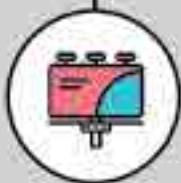
PRINT



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OUT-OF-HOME



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[www.mediaprima.com.my](http://www.mediaprima.com.my)

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## SPECIAL FEATURES



## Feedback

We welcome your feedback to make sure we are covering the things that matter to you.

### GET IT

Download the "QR Code Reader" on App Store or Google Play.

### RUN IT

Run the QR Code Reader app and point your camera to the QR Code.

### ACCESS IT

Get access to the feedback form.

Alternatively, you can also email to [communications@mediaprima.com.my](mailto:communications@mediaprima.com.my)

# INSIDE

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# GROUP CHAIRMAN'S STATEMENT



Dear Shareholders,

History has taught us that during economically challenging times, corporations will similarly face tough business conditions. It happened in 1998-99, and again in 2007-08. Revenues and profits dropped, markets shrunk, and companies were forced to make difficult decisions which also affected their stakeholders, clients and employees.

Some have not yet completely recovered from these crises, until today. Others did not survive at all.

**DATUK SERI FATEH ISKANDAR  
BIN TAN SRI DATO' MOHAMED MANSOR**

Group Chairman

Another lesson from history is that when economic conditions improve, corporations that have taken advantage of the downtime to strengthen their business fundamentals will emerge stronger and reap the benefits when the time comes.

If we take the analogy of a surfer on his surfboard out at sea, waiting and preparing to ride the next big wave, we can liken this to Media Prima Berhad ("Media Prima" or "The Group") too as to how it has taken necessary measures to prepare for the next big wave.

On behalf of the Board of Directors, I am once again, pleased to present Media Prima's Annual Report 2016 for the Financial Year ended 31 December 2016.

## Gearing for the Future

From the Board's perspective, Media Prima has had to journey through uncharted waters and unfamiliar territories, in the face of new technologies, changing consumer patterns, and intense competition, Internet of Things (IOT) plus disruptive technologies. It has come a long way, and its continued resilience is testament of the strong commitment and support from the management, stakeholders, clients and employees, to undertake the right strategies.

The Group had anticipated 2016 would be another challenging year given the intense competition, market uncertainties, weaker consumer sentiments and digital disruptions which have all impacted advertisement

spending and newspaper sales throughout the year, which had resulted in a 10 percent decline in revenue year-on-year. Given the circumstances faced, the Group had aggressively embarked on a Group-wide review of our business and executed key strategies to realise opportunities for new revenue sources while managing costs prudently.

The year under review saw Media Prima continuing to make progress on its five-year Odyssey Project, to defend its existing business and expand into new revenue streams via Business to Consumer (B2C) and digital business. The Group ventured into home shopping, launched new digital applications for consumers, capitalised on its Intellectual Properties (IPs) and sold content to



From the Board’s perspective, MPB has journeyed through uncharted waters and unfamiliar territories before, in the face of new technologies, changing consumer patterns, and intense competition. It has come a long way, and its continued resilience is testament of the strong management, solid support of stakeholders, clients and employees, to undertake the right strategies.

new markets. These are examples of our efforts. Results have been encouraging with new revenue sources, richer customer data, new acquired skillsets, talent and opportunities in these new business areas.

The new initiatives have helped cushion the impact of declining traditional revenue. For instance, revenue contributions from the Group’s home shopping venture, CJ Wow shop, surpassed RM60 million having been in operation for only nine months. This had mitigated the decline in Free-To-Air (FTA) television advertising revenue for Media Prima Television Networks (MPTN). The Group had also made disciplined investments in new digital initiatives such as the revamp of tonton into a subscriber based Over-The-Top (OTT) service, digital publishing and mobile application development. Whilst these initiatives are still in their gestation period, we firmly believe that these strategic actions taken are key for the Group’s long-term growth and sustainability.

2016 also saw Media Prima continuously reviewing its business operations to further optimise its cost structures and be more efficient. The Group had undertaken a restructuring exercise of its print manufacturing operations to optimise its printing plant capacity and unlock potential cost savings while investing in digital expansion activities and new business initiatives. The exercise has enabled the Group to fully utilise the capacity of its manufacturing facilities, thus reducing cost and improve competitiveness without impacting

newspaper delivery or quality. The cost of the restructuring exercise is incorporated in the Group’s 2016 financial results.

Provider of Great Content and Platforms

Media Prima’s Out-Of-Home (OOH) advertising and Radio business did well in 2016 which will spur both platforms further. The Group’s OOH business in Big Tree Outdoor (Big Tree) had successfully secured the outdoor exterior advertising package of the Mass Rapid Transit (MRT) Sungai Buloh-Kajang (SBK) Line through a joint venture with Seni Jaya Sdn Bhd in September 2016. Prior to that, Big Tree was also awarded the advertising concession for RapidKL’s two Light Rapid Transit Lines.





For Radio, Kool FM was successfully launched in March 2016, to capture the lucrative 24-44 year-old Malay market segment, and bringing the total number of radio stations under Media Prima to four. Here, Media Prima Radio Networks (MPRN) also embarked on various smart partnerships with global brand. They executed new digital initiatives to deliver content which includes video content on YouTube and drove a strong following on social media, both of which have provided opportunities to achieve new source for revenue.

Media Prima is proud of its award winning content, which continue to draw record number of viewers, listeners, readers, downloads, likes and shares. Its total reach and engagement with the public, through various media platforms and channels in its stable,

number close to 24 million every day. The Group’s media platforms are recognised for being providers of quality content, winning multiple awards and dominating the audience ratings. Media Prima’s very own content production company, Primeworks Studios (PWS), the country’s biggest content production company, annually produces more than 6,000 hours of content every year not only for our television networks, but which have also been sold abroad.

Media Prima’s success in delivering content is attributed to the Group’s understanding of consumer’s preference. In order to ensure the Group maintains its competitive edge, Media Prima has also embraced new technologies and established smart partnerships as it embarks on the next phase of development, in Big Data. With Big Data, Media Prima can understand what consumers want and then can cater its content, its look and feel and its products to meet them.

Media Prima’s leadership position and strong reputation has attracted global interests. The year 2016 saw Media Prima enter into smart collaborations with major global brands such as Google, Yahoo, Spotify, Samsung, as well as media partners in Hong Kong, Indonesia, Japan, South Korea, Singapore and Brunei, to name a few. The year also saw Media Prima sealing smart partnerships with local telco players, fully aware of the future potential that mobile represents.

THE CHALLENGES	THE PLAN	THE WAY	THE RESULTS
			
<ul style="list-style-type: none"><li>▪ Consumption patterns changed</li></ul>	<b>ODYSSEY PROJECT:</b>  <b>Expand and Diversify Revenue Sources</b>	<ul style="list-style-type: none"><li>• Home Shopping</li></ul>	<ul style="list-style-type: none"><li>▪ Business to Consumer (B2C): direct revenue</li></ul>
<ul style="list-style-type: none"><li>▪ Intense competition from local and global players</li></ul>		<ul style="list-style-type: none"><li>• New Digital Apps</li></ul>	<ul style="list-style-type: none"><li>▪ High potential for monetisation</li></ul>
<ul style="list-style-type: none"><li>▪ New Technologies</li></ul>		<ul style="list-style-type: none"><li>• Venture into new markets – overseas and domestic</li></ul>	<ul style="list-style-type: none"><li>▪ Spreading content worldwide</li></ul>
<ul style="list-style-type: none"><li>▪ Drop in advertising expenditure (Adex)</li></ul>		<ul style="list-style-type: none"><li>• Strengthen winning content</li></ul>	<ul style="list-style-type: none"><li>▪ Tailor-make content for targeted audience preferences</li></ul>
		<ul style="list-style-type: none"><li>• Embrace new technologies</li></ul>	<ul style="list-style-type: none"><li>▪ More offerings for partners/advertisers</li></ul>
		<ul style="list-style-type: none"><li>• Smart Partnerships</li></ul>	<ul style="list-style-type: none"><li>▪ More direct access to bigger consumers</li></ul>



# GROUP CHAIRMAN'S STATEMENT

## Social Responsibility and Good Governance

On the CSR front, MPB continued to give back to society through programmes such as TV3 Bersamamu, NST Outreach, Semarak Ramadan BH, Semarak Korban BH, Titipan Kasih Harian Metro, and Jom Singgah.

Besides direct social responsibility initiatives, the Group, especially the New Straits Times Press' businesses, is known for organising educational programmes for its consumers. These annual programmes such as NSTP-RHB Spell-It-Right (SIR) and Bengkel ADD BH have grown to become household names in helping school children appreciate the English language.

Media Prima leverages on its media platforms to raise awareness of dire situations impacting lives of the less fortunate. The Media Prima Humanitarian Fund was set up as a channel for donations contributed by the public to support the appropriate causes or crises. The flow of this funds between donors to beneficiaries is tightly governed to ensure that it is delivered to the intended cause or individuals. This is how Media Prima best touches lives – connecting those without the means and rallying the help of those who want to give. Details of the various programmes are highlighted in the Fund's Donour's Report which is available to the public on the Group's website.

Media Prima subscribes religiously to corporate governance and good practices in getting things done. It has another reason to celebrate, for Media Prima was recognised by Asiamoney as the Best Managed Company (Small Cap) across 13 Asian

PART OF ODYSSEY PROJECT: CJ WOW SHOP HOME SHOPPING BUSINESS, LAUNCHED IN MARCH 2016 (SEEN HERE IN PICTURE), ENABLED MEDIA PRIMA TO HAVE DIRECT DEALING WITH CONSUMERS



ANNUAL PROGRAMMES LIKE SIR (BELOW) HAVE GROWN TO BECOME HOUSEHOLD NAMES. SEEN IN PICTURE ARE STATE-LEVEL WINNERS IN 2016



markets in 2016. The Group was also awarded as Best for Disclosure and Transparency and Best for Corporate Social Responsibility in Malaysia at the 2016 Asiamoney polls. It was ranked second for Best for Investor Relations, Best for Overall Corporate Governance, Best for Responsibilities of Management and the Board of Directors and Best for Shareholders Rights and Equitable

Treatment. The recognitions received are indeed a testament to the level of commitment the Group has placed to ensure governance, transparency and implementation of industry best practices as it continues to deliver value to its shareholders. An extensive list of awards and accolades the Group received throughout 2016 can be read on pages 60-63.



LAUNCH OF FULLAMARK BY NSTP HAD THE EVENT GRACED BY MINISTER OF EDUCATION, YB DATO' SERI MAHDZIR KHALID. SEEN HERE IS THE MINISTER TESTING OUT THE FULLAMARK LEARNING PORTAL TOGETHER WITH SCHOOL CHILDREN. FULLAMARK IS ALSO ANOTHER BUSINESS VENTURE UNDER MEDIA PRIMA'S ODYSSEY PROJECT



Media Prima subscribes religiously to corporate governance and good practices in getting things done. It has another reason to be on cloud nine, for Media Prima was recognised by Asiamoney as the Best Managed Company (Small Cap) across 13 Asian markets in 2016.

As Malaysia's only fully integrated media group, Media Prima's ecosystem is an expansive one, and includes its shareholders, stakeholders, partners, clients, readers, listeners, viewers, consumers and colleagues. I would like to record my sincere appreciation for the continued support from all stakeholders, shareholders, business partners and clients, especially during these challenging times. The trust and confidence you have placed

in Media Prima will not be in vain. It will be the catalyst that pushes the Group to go further, to the next level.

I would also like to congratulate my colleagues on the Board, the management and all the Media Prima family who have worked together and shared their wisdom and experience in strengthening the Group's business this year.

I am proud and blessed to have you all as colleagues. We share the same dream, and together we can forge ahead and overcome the challenges ahead. Thank you all for your dedication and hard work.

**DATUK SERI FD ISKANDAR**  
Group Chairman  
Media Prima Berhad

# GROUP MANAGING DIRECTOR'S STATEMENT

## – MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

In previous years, we shared with you the challenges facing the media industry. Even as we continued to innovate and adapt to new technologies, changes in consumer behaviour, increasing competition and a global economic slowdown continued to intensify.

Volatility of oil prices and the weakening currency affected not only our business, but that of our advertisers. The oil price and ringgit tag-team also contributed to rising costs of living, which slowed down consumer spending. The dampened atmosphere — aggravated by social and political developments during the year — also influenced media consumption patterns.

**AMRIN BIN AWALUDDIN**

Group Managing Director



As the nation's only fully integrated media group, these factors impacted some of our key business units, in particular, the television networks and print side. Media Prima's presence is not only in television and print, but across a well-diversified portfolio such as radio, Out-Of-Home (OOH) advertising and digital, are better cushioned during challenging times. Strategic acquisitions of Big Tree Outdoor (Big Tree) and Radio back in 2007 and 2005 respectively, have proven beneficial for Media Prima as both business units continue to perform well despite the challenging operating environment.

Under these conditions, our focus in 2016 was to sustain the group's operations during this

challenging period and put in place strategies for future growth. To borrow a quote from Winston Churchill "The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty".

The year saw several media groups including Media Prima, investing in ventures that are aimed towards realising new revenue sources and being less dependent on Advertising Expenses (Adex). We continued to invest but spent judiciously. We continued with cost management initiatives, not purely cutting costs. We continued to invest in areas that would generate future returns or cost savings that can be reinvested into new digital initiatives.

In challenging times, tough decisions must be made while the Group is in a position of strength. Media Prima had in 2016 taken key steps to review and reorganise our Print segment as more consumers opt for digital content. Whilst we further improved our digital offerings during the year, we also undertook a key restructuring of our print manufacturing operations to ensure that our efficiency and capacity are in line with the current demands for printed newspapers. The Group's print manufacturing operations today runs more efficiently through our two printing plants in Shah Alam, Selangor and Prai, Pulau Pinang.



CJ Wow Shop home shopping, launched in April last year, has been a runaway success. One product was so popular we sold RM4 million worth of it!

Financially we are stronger than our competitors and much better than we were 10-20 years ago. Our gearing is almost zero. Our objective is to survive the storm.

Expanding revenue base

Our medium to long-term strategy, encapsulated in the Odyssey Project, seeks to defend our leadership position in the Group’s traditional media platforms and expand into new revenue streams focusing on Business to Consumer (B2C) and digital business segment. Media Prima had in 2016 ventured into new areas such as home shopping (CJ Wow Shop), subscription based Over-the-top video streaming service (tonton VIP), subscription-based interactive learning portal (FullAMark) and mobile applications capitalising on the Group’s Intellectual Properties (IPs). Detailed information about the implementation of these exercises are available in the operations review of this Annual Report.

The year under review saw both our OOH and Radio businesses continue to do well and what we have achieved in 2016 will further spur both platforms forward. Big Tree secured the outdoor exterior advertising package of the Mass Rapid Transit (MRT) Sungai Buloh-Kajang (SBK) Line last year. Prior to that, we were also awarded the advertising concession for RapidKL’s two Light Rapid Transit Lines. The OOH subsidiary now manages advertising assets on 72 stations covering 91 km of tracks.

In Radio, we launched Kool FM in March, aiming to capture the lucrative 24-44 year-old Malay market, bringing the total number of radio stations under Media Prima to four. Media Prima Radio Networks (MPRN) also developed and executed new digital initiatives and found innovative ways to deliver content, for example, our partnership with the globally popular music streaming service, Spotify. MPRN’s digital presence also include video content on YouTube and strong following on social media, both providing new opportunities to achieve new source for revenue.

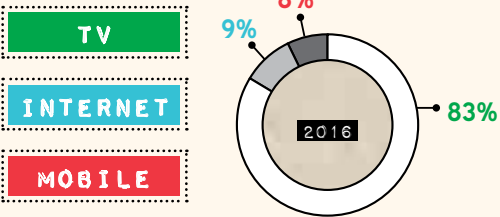
In Television, Media Prima Television Networks (MPTN) introduced CJ Wow Shop, a home shopping service launched in April last year which has been a runaway success. One product was so popular we sold RM4 million of it! This is a good example of how smart partnerships can benefit the group. CJ is the No.1 home shopping network in Asia, so we sought their expertise to get a head start into this new business. This B2C revenue stream has shown a consistent increase in sales and audience reach, and in early 2017, we have even launched the Mandarin version in order to capture more audience. Of course, we also tried to ensure that the offerings of CJ Wow Shop are made available on the Internet as well as via smart phone mobile shopping. Other initiatives to further boost B2C for MPTN is the revamp of tonton, Malaysia’s popular Over-The-Top (OTT) into a subscription based video on demand service (SVOD).



CJ WOW SHOP PERFORMANCE

	Q2	Q3	Q4	Total
Total quantity of items sold	102,399	115,630	139,044	357,073
Total customers	92,136	70,768	88,385	251,289
Total SKUs	117	279	505	901

CJ WOW SHOP SALES



Expanding our non-advertising revenue.

Our Print business under The New Straits Times (Malaysia) Berhad (NSTP) had also implemented several key digital initiatives to be more in line with consumers’ preference for digital content. NSTP had in 2016 launched its digital publications and aggressively promoted its online news portals which today also provide news via video and social media networks. NSTP also banked on the strong following of its education section in our newspapers to launch FullAMark, an education learning subscription based portal aimed at school children sitting for the major examinations in Malaysia. These new digital initiatives will be the driver for NSTP moving forward.

For Content Creation, Primeworks Studios (PWS) will strive to develop and own hit IPs, as a way to grow external revenue and distribution business, in part to reduce its dependency on MPTN. PWS will also continue to explore international markets through various co-productions and expanding investment in animation. Meanwhile, Media Prima Digital will continue to focus on new mobile application development through MP Labs. Capitalising on Media Prima’s popular IPs also, MP Labs has successfully achieved close to 1 million downloads for its mobile applications.

Award winning content

Within a challenging scenario, our group continued to collectively lead the industry in 2016. Our popular television programmes continued to attract big numbers of audience – they remain among the top 20 programmes on Free-To-Air (FTA) television channels.

	TOP 20 PROGRAMMES ON FTA CHANNELS	CHANNEL	REACH '000s
1	PIALA M'SIA	TV3	6,324
2	ANUGERAH JUARA LAGU (Live)	TV3	6,182
3	ANUGERAH BINTANG POPULAR BH (Live)	TV3	5,304
4	MENTOR MILENIA AKHIR (Live)	TV3	5,161
5	KAU,AKU,KITA RAYA	TV3	4,437
6	ANUGERAH SKRIN (Live)	TV3	5,631
7	DILWALE	TV3	5,367
8	PIALA SUMBANGSIH	TV3	5,852
9	AKASIA	TV3	3,672
10	SUPER B.PIALA FA	TV3	5,376
11	MENTOR MILENIA	TV3	4,287
12	CLEVERGIRL M'SIA P.AKHIR (Live)	TV3	4,182
13	TAZKIRAH RAMADAN	TV3	2,185
14	BULETIN UTAMA	TV3	3,855
15	DA'I PENTAS AKHIR (Live)	TV3	4,119
16	FESTIVAL ANUG.JUARA LAGU (Live)	TV3	4,702
17	BOBOIBOY THE MOVIE	TV3	3,947
18	ANUGERAH MELODI (Live)	TV3	4,349
19	M BUZZ	TV3	2,039
20	999 (Live)	TV3	2,851

Source: Nielsen



# GROUP MANAGING DIRECTOR’S STATEMENT

## – MANAGEMENT DISCUSSION AND ANALYSIS

Media Prima’s Project Odyssey is about surviving the economic storm and to spur potential growth.

PLATFORMS	AMONG 2016 INITIATIVES	RESULTS/STATUS
<b>MEDIA PRIMA TELEVISION NETWORKS (MPTN)</b>		
<b>Championed by:</b> TV3 ntv7 8TV TV9	<ol style="list-style-type: none"><li>1) Improve on quality content – Anugerah Juara Lagu, Super League Malaysia, Mentor Milenia etc</li><li>2) Launch of CJ Wow Shop home shopping</li><li>3) Revive tonton with better offerings and exclusive VIP packages</li><li>4) Bring 8TV’s urban content into YouTube with Hatch, Quickie and Launchpad</li><li>5) On-ground engagement – Karnival Jom Heboh, Drama Sangat Bus Tour, Screening</li><li>6) Invite business partners to adopt Syukur Selalu campaign for Ramadan and Raya etc</li><li>7) Continuous effective cost management</li></ol>	<ul style="list-style-type: none"><li>• New revenue source such as CJ Wow Shop cushioned impact of decreasing TV Adex</li><li>• Increased number of subscribers for OTT (“tonton” and “tonton VIP”) services</li><li>• Better targeted audience to combat fragmented consumption</li><li>• Continuous face-to-face engagement with loyal followers. Feedback spurs improvement initiatives</li><li>• Improved campaign branding via smart partnerships</li></ul>
<b>PRINT</b>		
<b>Championed by:</b> The New Straits Times Press (Malaysia) Berhad (NSTP)	<ol style="list-style-type: none"><li>1) Improve on quality content – exclusives stories</li><li>2) Launch FullAMark learning portal</li><li>3) Re-brand gallery into Galeri Prima</li><li>4) Launch e-magazine and digital publication – S&amp;W, LET, Dhiya, Mag Street, buddy etc</li><li>5) Continue with staple engagement programmes like <i>Titipan Kasih Harian Metro</i>, Spell-It-Right competition, <i>MyRumah</i> exhibition (property-related events)</li><li>6) Improve existing digital initiatives such as NST online, BH Online, Metro TV etc</li><li>7) Continuous effective cost management – closure of Ajil and Senai printing plants</li></ol>	<ul style="list-style-type: none"><li>• Restructuring and Consolidation of Operations – more lean but effective</li><li>• Extend and expand reach of brands via new digital initiatives and online efforts – although numbers are rising weekly, still very much in transition stage/incubation</li><li>• Continuous engagement with readers/partners</li></ul>
<b>MEDIA PRIMA RADIO NETWORKS (MPRN)</b>		
<b>Championed by:</b> Hot FM One FM Fly FM Kool FM	<ol style="list-style-type: none"><li>1) More solutions for partners</li><li>2) Aggressive initiatives on social media</li><li>3) Regular ground events for engagement (bi-monthly)</li><li>4) Launch of Kool FM</li></ol>	<ul style="list-style-type: none"><li>• Biggest reach of listeners/audience via social media for a radio network</li><li>• Better engagement with advertisers</li><li>• Able to cater to/attract bigger groups of listeners</li></ul>
<b>OUT-OF-HOME (OOH)</b>		
<b>Championed by:</b> Big Tree Outdoor (BTO)	<ol style="list-style-type: none"><li>1) Secured extended contract for LRT from Prasarana</li><li>2) Secured MRT outdoor advertising</li><li>3) Continued R&amp;D initiatives</li><li>4) Improved inventory – more products/solutions</li><li>5) Exclusive inventory (patented products)</li><li>6) Invest in creativity and technology</li></ol>	<ul style="list-style-type: none"><li>• Clear market leader at 44%</li><li>• Secured positioning</li></ul>
<b>CONTENT CREATION</b>		
<b>Championed by:</b> Primeworks Studios Sdn Bhd (PWS)	<ol style="list-style-type: none"><li>1) Focus on quality production</li><li>2) Aggressive marketing of content into new markets</li><li>3) Aggressive branded content sourcing</li><li>4) Smart partnerships – domestic and overseas</li><li>5) Smart partnerships to expand IPs</li></ol>	<ul style="list-style-type: none"><li>• Box office hits</li><li>• Own content now aired in many countries</li><li>• Cross-cultural content development and screening</li><li>• More content available via more mediums</li></ul>
<b>DIGITAL MEDIA</b>		
<b>Championed by:</b> Media Prima Digital (MPD) MP Labs	<ol style="list-style-type: none"><li>1) Assist Group for all digital initiatives</li><li>2) Digital consultancy services</li><li>3) MP Labs: more Apps and Games</li><li>4) Big Data</li></ol>	<ul style="list-style-type: none"><li>• Despite many new digital initiatives rolled out for the Group, they remain largely in transition mode. Followers, download and etc, however, are consistently rising.</li><li>• Profitable first time in five years!</li></ul>

THE NSTP TEAM WITH THEIR WINS AT THE MPI AWARDS. THIS INCLUDES THE COVETED KAJAI AWARD WHICH NST WON FOR THE SECOND CONSECUTIVE TIME.



We sell products and services which consumers need: information and content. We educate. But more than that, we also engage and entertain whilst we provide quality content consistently, we will get the market share, the ratings, the readership, and subscription numbers.

Our various media platforms were also recognised for their quality content with numerous awards won in 2016. The annual Malaysian Press Institute Awards saw multiple wins by Berita Harian and the New Straits Times, including the coveted Kajai Award for the second consecutive year. Our group also picked up wins at the Wan-IFRA Awards and Asian Media Awards.

As a fully integrated media group, our primary commodity is content, and we must expand its reach beyond the traditional platforms if we want to continue to be relevant to our consumers. We are no different than any fast-moving consumer goods (FMCG) company.

We sell products and services which consumers need: information and content. We educate. But more than that, we also engage and entertain whilst we provide quality content consistently, we will get the market share, the ratings, the readership, and subscription numbers.

Our content is available on multiple platforms where the consumers are, whether it is in its traditional form; online via websites, social media

and YouTube; or mobile devices. Social behaviour and technology have changed the consumer. They go wherever they want, use any device of their choice, to get whatever they seek.

Moving forward, our investments in Big Data will play a big part in helping us understand our consumers and cater content to their needs. All our platforms combined make up a huge ecosystem that engages 24 million people every day! Imagine what we can accomplish when we know their specific preferences, media consumption and buying patterns!

Summing up, our priority has been to survive the current challenging period. In the medium to long term, we are undertaking measures to change our business model and remain relevant to our consumers. The next phase will involve Big Data.

**Our Stories**

This year, we adopted the theme “Our Stories” which aptly describe us as a content provider through multiple media platforms, both traditional and digital. We also want to share with our

shareholders our efforts to remain resilient and prepare Media Prima for the future despite the challenging business environment that we are in today. We have shown commendable staying power and success in 2016, and are ready for the challenges of 2017. More importantly, if a recovery occur this year, we will be more than ready to ride the wave.

Thank you

**AMRIN BIN AWALUDDIN**  
Group Managing Director  
Media Prima Berhad

# CORPORATE

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 Fresh Mass Malays or YFMs; as well as ntv7 and 8TV, the two leading channels for the country’s Chinese and Urban demographics. The platform is also home to tonton, Malaysia’s leading video portal, as well as Studio8, a YouTube-based video content targeted at urban young, as well as CJ Wow Shop, the popular home shopping network.

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 various digital products such as Digital newspapers, learning portal FullAMark, e-magazines such as LET, Dhiya and award-winning ZIP, and other digital publications.

Media Prima carries four of Malaysia’s most popular radio stations, which include Hot FM, the nation’s No.2 radio station for listeners below 25 years old, Fly FM, Malaysia’s No.2 English station for listeners below the age of 30, One FM, a fast-growing station cater to the Chinese community; and Kool FM, Malaysia’s No.2 radio stations for listeners over 30 years old.

TELEVISION



PRINT



RADIO





# PROFILE

We believe that to sustain the best we have to create and nurture an eco-system that is productive, creative and innovative.

Media Prima is the leading player in Malaysia’s Out-Of-Home advertising sector and is represented in the market by some of the country’s most recognised brand names in the industry: Big Tree Outdoor Sdn Bhd, Kurnia Outdoor Sdn Bhd, The Right Channel Sdn Bhd, Gotcha Sdn Bhd and UPD Sdn Bhd. With more than 8,000 panels in its inventory, the platform has a string of exclusive concessions at highways, key rail transit systems, prominent lifestyle shopping malls, selected international airports and key market centres.

Media Prima owns and operates Primeworks Studios Sdn Bhd, an established content production company in Malaysia with more than 6,000 hours of content output in diverse categories covering television, cinema and digital platforms every year.

Media Prima Digital helps maintain robust online presence for all the media platforms in the Group and delivers compelling content through its multiple digital platforms. It embraces technical innovation, digital solutions and creative strategies. This platform also offers holistic digital consultancy which encompasses creative solutions, diversified platform services, e-commerce expertise and is also involved in the development of mobile applications and games.

OUT-OF-HOME



CONTENT



DIGITAL MEDIA



OUR



LIFE



STORIES

TELEVISION







TV3



TV9



NTV7



8TV



CJ WOW SHOP



tonton

## OUR LIFE STORIES

» BROUGHT TO YOU IN FABULOUS «  
COLOURS



## MEDIA PRIMA TELEVISION NETWORKS

Media Prima Television Networks (MPTN) operates Malaysia's four leading Free-To-Air (FTA) television stations namely TV3, Malaysia's No.1 TV station in the country; TV9, popular amongst Young Fresh Mass Malays; as well as 8TV and ntv7, No.1 and No.2 leading channels for the Chinese and Urban demographics. MPTN is also home to tonton, Malaysia's leading video streaming portal; as well as CJ Wow Shop, the popular home shopping network.



# REVIEW OF OPERATIONS





## TELEVISION



# MORE THAN JUST TV

Media Prima Television Networks (MPTN) spent 2016 reaching out to more people in more ways than just through the TV screens. It also now touches consumers directly.

### • TOTAL 36% AUDIENCE SHARE •

	Sistem Televisyen Malaysia Berhad	21%		Natseven TV Sdn Bhd	4%
	Metropolitan TV Sdn Bhd	5%		CH-9 Media Sdn Bhd	7%

#### A Year of Transition

The media industry is increasingly fragmented where consumers today are more spoilt for choice than ever before. The position of television as the primary source of content is being tested by alternatives such as local and foreign Over-the-Top (OTT) service providers, and other digital content platforms.

Stronger competition coupled with economic uncertainties have reinforced the need to reduce reliance on Adex as a revenue source. Advertisers' response to the soft market was to rebalance their advertising budget or seek cheaper alternatives. Cognisant of the volatility in Adex spending, MPTN has actively executed our strategies in 2016 aimed towards realising medium-term growth opportunities whilst maintaining our dominant position in the

traditional television segment. 2016 was very much a year of transition for MPTN as these new ventures form a firm foundation for our future.

From a service for “Catch up TV” in 2011, tonton is today a full-fledged video on demand subscriber based content provider, attracting users in search of quality local and regional content.



**Realising Growth Opportunities**

Last year, we launched our home shopping business in the form of 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 RM60 million in revenue and building a customer base of over 200,000 shoppers within the first nine months of operations. The home shopping programmes are available on all four of MPTN’s channels in both Malay and Mandarin.

Apart from CJ Wow Shop, we revamped our hugely popular OTT platform, tonton. What started as a service for ‘Catch Up TV’ in 2011 is today a full-fledged video on demand subscriber based content provider capable of attracting users in search of quality local and regional content. Offering over 22,000 hours of local and regional content, tonton is an exclusive portal that has clear advantages over all other OTT players currently in the market. Tonton currently has a subscriber base of more than 6.1 million users and since its re-launch in April 2016, has achieved 20 – 25 percent growth in user subscription (month to month). As at November last year, tonton was the number 1 entertainment app in Malaysian App Store. While selected content on tonton remains free, exclusive content requires membership to tonton VIP at an affordable cost of RM3 per day (tonton also recorded average new membership of 22,000 weekly).

We also embarked on a key business venture that centres on capitalising the Intellectual Properties (IPs) owned by Media Prima. For instance, we developed and launched the hit animated series *Ejen Ali* with our partner Wau Animation. It has since spawned various merchandising of consumer products. This venture holds great potential to become a favourite among consumers, embedded into the Malaysian culture just like the other Media Prima brands such as *Jalan-jalan Cari Makan*, *Anugerah Juara Lagu*, *Karnival Jom Heboh*, *Melodi* and many more.

These ventures clearly reflect our serious commitment to transition ourselves to be more than just television. Though most of them are still in a period of gestation, they have contributed positively to MPTN’s financial results by reducing the impact of declining Adex.



**AMONG MORE THAN 400 TV CHANNELS ON BOTH FREE TO AIR AND PAY TV, MPTN REMAINS UNDISPUTED LEADER FOR CONTENT.**



[ TV3’s *Anugerah Juara Lagu*, an exciting extravaganza of hit songs, remains the top live entertainment programme among FTA television channels. ]

# REVIEW OF OPERATIONS

## TELEVISION



### Maintaining Dominance

In a country where consumers have access to over 400 television channels on both Free-To-Air (FTA) and Pay TV, MPTN remained the undisputed leader for content. Over the years, we have strategically invested between 30 to 40 percent of our revenues annually in compelling and engaging content across our four television networks, TV3, TV9, ntv7 and 8TV. These investments along with a sound understanding of our audience have enabled us to build a proud legacy going back over 30 years, dominating of the Malaysian television airwaves.

Last year was no exception. We invested over RM250 million, primarily focusing on local and regional content and the benefits of our strategy were evident in our successes. For example, 95 out of the top 100 highest rated shows for 2016 were aired on our networks across all television channels including pay-TV. TV3 dominated the top 32 programmes, which we attribute to our ability to push the envelope to meet the increasingly sophisticated demands of the Malaysian audience and breathe new life in programmes that have been on the air for many years. We are proud to add that collectively, our four television networks command 36 percent market share of total viewership.

Live entertainment programmes like *Anugerah Juara Lagu* reached (6.2 million viewers), *Anugerah Bintang Popular* (5.3 million viewers), *Anugerah Skrin* (5.6 million viewers), *Mentor Millenia* (5.2 million viewers), *Da'i Pentas Akhir* (4.1 million viewers), *Anugerah Melodi* (4.3 million viewers) and *Clever Girl* (4.2 million viewers) remained hugely popular and resonated well with the viewing public. These shows evoked strong emotional responses based on the conversations amongst our 6 million followers on social media. The huge following of these shows attracted the biggest advertisers seeking maximum exposure of their products and services.



The Malaysia Cup finals drew 2.9 million viewers with a reach of 6.9 million nationwide. This viewership exceeds the broadcast of foreign football matches.

In sports, the Football Malaysia Limited Liability Partnership announced the appointment of Media Prima, as the FTA broadcaster for the country's top football league for the next three years from 2016 to 2018. The agreement includes the Malaysia Super League, FA Cup and prestigious Malaysia Cup. The weekly league matches earned average ratings of more than 1 million viewers. The FA Cup final drew 2.5 million with a reach of 5.4 million viewers while the Malaysia Cup final drew 2.9 million viewers with a reach of 6.3 million viewers nationwide. These are viewership figures which exponentially exceeds that of foreign football matches. The Malaysia Cup final was also watched by 150,000 viewers on tonton.

Drama series on MPTN remains hugely popular amongst local television viewers. Over 4.6 million viewers watched the final episode of Akasia slot drama, *'Cinta Masam Manis'*, 4.5 million viewers for *'Cinta Si Wedding Planner'* while Samarinda's *'Patahnya Sebelah Sayap'* garnered 4.5 million viewers. Our dramas have not been confined solely to television screens but have been extended to on-ground activations such as the #dramasangat bus tour. #Dramasangat came back by popular demand for its second year (received an overwhelming and amazing response in 2015), visiting fans Perak, Pahang, Melaka & Johor.

Movies on our networks continue to generate good viewership numbers in line with our strategy to focus on quality local and regional content. Movies like *'Dilwale'* reached 5.4 million viewers, *'Kau, Aku, Kita Raya'* garnered 4.4 million viewers, *Bobaiboy the Movie* captured 3.9 million viewers while the evergreen *Kuch Kuch Hota Hai* remained hugely popular with 3.2 million viewers reach.

In News and Documentary, *Bulletin Utama*, *Berita TV9*, *7 Edition News* and 8TV's Mandarin news continued to be the preferred choice amongst Malaysians, based on viewership ratings in 2016. *Buletin Utama* for instance reaches an average of 2 million viewers nightly. Staple documentaries and magazine programmes like 999 and *Majalah 3* maintained its popularity, nightly reaching an audience of above 1 million viewers every episode.

### MENTOR MILENIA



The hopeful candidates of Mentor Milenia during the show's launch in January 2016.

### LAUNCHING OF CJ WOW SHOP



In 2016 CJ Wow Shop contributed more than RM40 million to MPTN's revenue.



MPTN'S SYUKUR SELALU CAMPAIGN IN 2016



Syukur Selalu, a campaign for Ramadan and Hari Raya, was also enjoyed by business partners. Among them included Pavillion Kuala Lumpur (seen here in picture during the campaign launch in June 2016).



In 2016, a total of 1.2 million visitors thronged *Karnival Jom Heboh* and *Raudah* held in several locations across Malaysia.

Viewers of MPTN's Chinese content received a major boost as 2016 saw the extension of Chinese prime time hours from 88 to 115 hours per week. The increase is in line with the growing audience of this segment on FTA as well as pay-tv. Amongst drama programmes popular that are popular include *On the Brink 2* (367k viewers), *Alice in The Wonderland* (304k viewers) and *Unchained Fate* (351k viewers). Chinese entertainment shows and reality programmes also captured large audiences with shows like *I wanna Be a Model 2016* (266k viewers weekly for shows, 379K viewers for Finals), *Sing! China* (593K viewers weekly show, 854K Finals viewers), *I Wanna Sing* (421K viewers) and *Home Coming* (375K viewers). As such, it comes as no surprise to see our television networks ntv7 and 8TV occupying 99 of the top 100 highest rated programmes across Chinese audience aged 4 and above in 2016.

**Beyond Television**

The re-launch of tonton also reflected another important part of our strategy which is to continue to solidify our presence outside the traditional television ecosystem. Apart from tonton, MPTN also launched Studio8, a strategic initiative undertaken to capitalise on the popularity of YouTube as a source of entertainment and information. Cognisant that a core of our viewers for our urban viewers is online, MPTN made a bold decision to move 100 percent of our urban content for 8TV online to YouTube under Studio8.

In partnership with Google, Studio8 has since grown a network of content creators inside YouTube. Studio8 owns and operates three new channels on YouTube. The first channel is *Quickie* - an iconic show that launched many urban talents. *Quickie* is the voice of the young and will continue to look for new talents, create new shows, capsules and branded content in a way only *Quickie* can. The second channel is *Launchpad* - a channel dedicated to all things art and performance. In Q3 2016, *Launchpad* was put into incubation in order to ensure medium to long-term growth. The third channel is *Hatch*, Studio8's flagship channel. *Hatch* is a collaborative hub for producers and creators to create and inspire the young and is a place where stories and brands mix.

Another key strategy for MPTN to go beyond television is in the development of Mobile Application and Games building on our huge bank of Intellectual Properties (IPs). In partnership with our sister company Media Prima Digital, various applications based on popular television programmes which included *Ejen Ali*, *Jalan-Jalan Cari Makan*, *Syukur Selalu* and many others. The success of these applications will be detailed in the Media Prima Digital section of this annual report.

Other strategies to go beyond the television set also include execution of ground events that continue to attract thousands of visitors. In 2016, a total of 1.2 million visitors thronged *Karnival Jom Heboh* and *Raudah di Hati Ku* held in several locations across Malaysia. Other ground events like #dramasangat Bus Tour, *Syukur Selalu* and *Bazar Syukur Selalu*

**8TV HIT: THIS PROGRAMME ENJOYED 593K WEEKLY VIEWERS AND 854K VIEWERSHIP FOR ITS FINALS.**



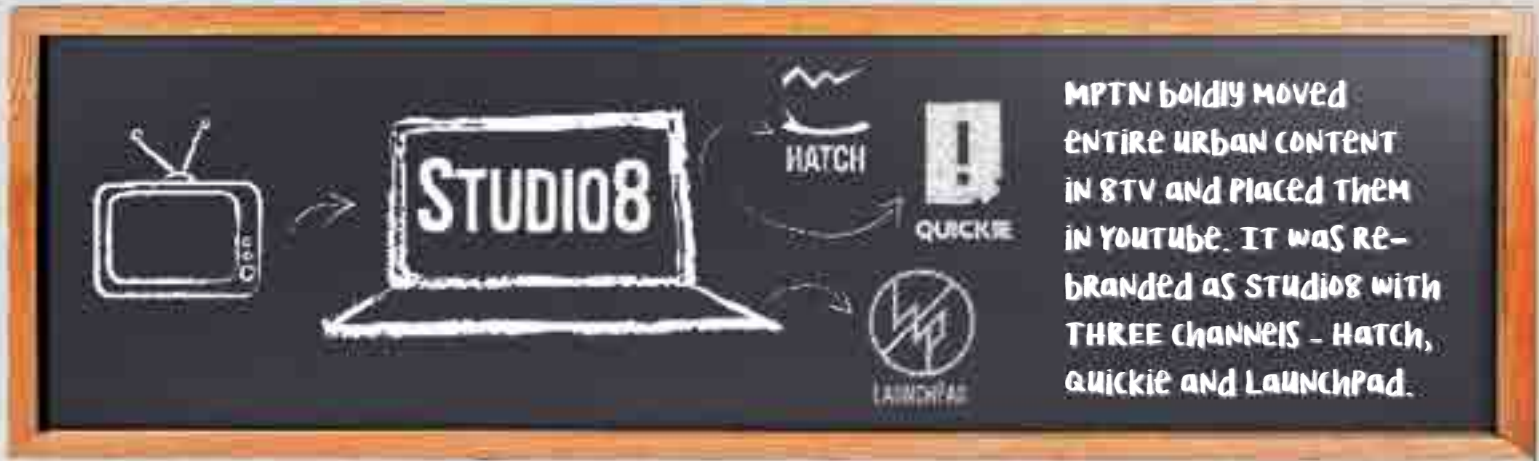
continues to not only attract huge crowds but major advertisers like F&N, Nivea, Nescafe, Pos Malaysia, TOP, Bank Kerjasama Rakyat and Samsung.

**Moving Forward**

MPTN expects that the challenges faced in 2016 will continue. The growth of digital platform and increased competition from content providers across all media will provide a stern test for us moving forward. Nonetheless, we are cautiously optimistic that the ventures that were set in motion in 2016 and continued investments in quality content, we are poised to capitalise on new opportunities and continue to deliver value.

REVIEW OF OPERATIONS

TELEVISION



> A QUICK GLANCE AT STUDIO8’S PERFORMANCE <

Total subscribers (as at 13 Feb 2017):	5,841	372	2,271
Total uploads:	146	30	101
Total video views:	734,703	27,519	258,740
Total watch time (minute):	2,658,456	38,677	578,626

TOP VIDEOS (ACROSS ALL 3 CHANNELS)

<p>WTFaiq? Hate Me Or Love Me, I'm Luqman Podolski   Episode Ten Published 16<sup>th</sup> November 2016</p>	<p>160,762</p> <p>638</p> <p>778,332</p> <p>4:50min (54%)</p> <p>Hatch</p>	<p>Total views</p> <p>Total shares</p> <p>Total watch time (mins)</p> <p>Average Retention</p> <p>Channel</p>	<p>146,663</p> <p>124</p> <p>266,146</p> <p>2:05min (76%)</p> <p>Quickie</p>	<p>Hari Raya Pickup Lines   LongShorts Published 7<sup>th</sup> July 2016</p>
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	Competitor-owned	Media Prima-owned	Competitor-owned
	Lawak Sentral		TAPAU.tv
Date launched	20 January 2014	16 February 2016	7 December 2008
Average subscribers per month	662	303	85
Average views per month	81,403	57,201	15,923

- Studio8’s channels are benchmarked against *Lawak Sentral* and *Tapau.TV*, as these are the channels whose content are deemed most similar in genre as Studio8’s 3 channels.
- *Lawak Sentral*’s content is skewed more towards local (Malaysian) mass market audiences, which explains their higher numbers. *Tapau.TV* is more urban-skewed.
- In comparison to the 2 channels, Studio8 is seeing a moderate growth in subscribers and views but we are improving and moving closer to *Lawak Sentral*’s growth.



> A QUICK LOOK AT tonton’S JOURNEY IN 2016 <



tonton’s new business direction, to become a full-fledged video on demand subscriber based content provider, was set in 2016. Fresh ideas and business development plans were injected to turn tonton from a “Catch-up TV” service into a revenue source. Q1 and Q2 saw just that – the tonton team incubating ideas to ensure smooth transition of operations. Among the work conducted were the launching (of SVOD tonton) plans, preparation of Android mobile app, iOS mobile app, tablet app, iPad app and virtual live services. Partnership with telcos were also initiated in the first half of 2016 together with exploration talks with various parties to improve tonton services and coverage.

2016 TOP 10 PROGRAMMES

RANK	PROGRAMMES	CHANNEL
1	7 Hari Mencintaiku	TV3
2	Razia Sultan	TV3
3	Meh, Sandar Pada Aku	tonton
4	Patahnya Sebelah Sayap	TV3
5	Cinta Masam Manis	tonton
6	Ejen Ali	TV3
7	Hantu Punya Boss	tonton
8	Nahu Rindu	tonton
9	Mr. Donat Karamel	TV3
10	Cinta Roller Coaster	tonton

2016 tonton Milestones



InApp Payments



V2 platform released, 95% Bugs fixed



Phase 2 Partnership



Enabled VIP For Premium Live channels



V3 platform 300% faster apps

JULY

SEPTEMBER

AUGUST

END SEPTEMBER



#RayaMacamVIP content campaign



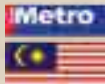
Chinese Market introduction



22,000 hours content made available



#BerkampungMacamVIP Mass Market campaign



#MerdekaMacamVIP Hari Merdeka + tonton Partnership



Hari Malaysia Partnership with CJ WowShop



Sing! China LIVE Stream



V3 platform 300% faster apps Now with tablet support



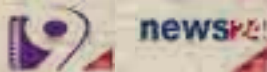
Operator Billing Enabled



Launch of 2<sup>nd</sup> and 3<sup>rd</sup> themed channel ‘tonton Korean’ & tonton ‘seram’



Live Streaming of two events MAMA 2016 and ATA 2016



Launched 2 new foreign channels on tonton! – Channel 9 and News 24

OCTOBER

DECEMBER

NOVEMBER

END DECEMBER



Launch 1<sup>st</sup> virtual/themed linear channel- ‘tonton Junior’



1st tonton VIP LIVE event on 22-Oct – ‘Dennis Lau & Friends - The Phoenix Rising’ Concert Live Streaming



Launched the latest popular Korean drama ‘Love In The Moonlight’



Launched tonton original series “Seekers Underground”



Live Stream of Anugerah Melodi 2016



Launched tonton first Meh, Sandar pada Aku & tonton first Sein dan Luna



Launched 2 Korean simulcast dramas: ‘The K2’



HD Live Streaming of Semi Final Muzik & Anugerah Skrin 2016



OUR



POWERFUL



STORIES

PRINT





NEW STRAITS TIMES



HARIAN METRO



BERITA HARIAN

## OUR POWERFUL STORIES

» BROUGHT TO YOU IN COMPELLING «  
STYLES



## MEDIA PRIMA'S PRINT PLATFORM

Media Prima owns more than a 98% equity interest in The New Straits Times Press (Malaysia) Berhad (NSTP), which publishes three of Malaysia's most recognised national newspapers, New Straits Times, BH and Harian Metro, as well as their respective weekend editions. In staying relevant to consumers the NSTP also offers various digital products – digital newspapers, learning portal, e-magazines and social media platform.



REVIEW OF  
OPERATIONS

PRINT



TRANSFORMING  
OUR PRINT  
BUSINESS

2016 for The New Straits Time Press (Malaysia) Berhad (NSTP) proved to be exciting as the company realigned its approach towards making content and news available via all platforms – conventional and digital – in response to the challenges facing the print industry worldwide.

The year saw NSTP embarking aggressively into the digital realm, the transformation a big but necessary step, in order to remain relevant in our journey as Malaysia’s leading news and content provider that has grown with the nation. After all, NSTP is home to three of the nation’s leading newspaper brands namely New Straits Times (NST) with its weekend edition of New Sunday Times, Berita Harian (BH) with its BH Ahad and Harian Metro (HM) with its Metro Ahad.

NSTP’s new approach very much caters to the switch in news consumption behavior – from newspaper to other electronic mediums – that has been affecting performances of the newspaper business. With just a simple click, touch or swipe, the digital age makes access to information and entertainment that much easier. News and entertainment can now be consumed in various ways via multiple devices that go where the consumers take them.

Going Digital – Reaching more than we did before

The digital version of NST, BH and HM saw the highest number of subscription in the first half of 2016. HM recorded a sharp increase of 138% to 2,807 subscription from 1,177 subscription, BH jumped by 164% to 4,362 from 1,654 and NST surged by 163% to 6,014 from 2,286.

More impressively, calculating both the printed newspapers and digital efforts, NSTP’s three flagship brands has, in 2016, managed to reach an audience the company has never imagined. And the figures are expected to increase as NSTP shows it has embraced digital disruptions and make it to work for the company instead of against it. Thanks to the advent of technology, NSTP embarked on utilising social media tools such as Facebook, Twitter, Instagram and YouTube to reach more audience. As a result, our news and content is now reaching millions of audiences while at the same time, giving readers the freedom to choose where, how and when to consume our news and information.



TOTAL REACH OF NSTP FLAGSHIP BRANDS ACROSS ALL PLATFORMS

MEDIA PLATFORM		2016	2015
A	Print Readership	5,100,000	5,700,000
B	Social Media		
	Facebook	8,602,423	6,632,980
	YouTube	2,238,015	72,374
	Twitter	103,898	nil
	Instagram	390,769	nil
C	News Website (unique visitors-monthly average)	6,098,300	5,037,084
D	Mobile Apps: News & e-Magazine (downloads)	265,637	68,635
E	E-Magazine (issues download)	181,218	105,830
	Total	22,980,161	17,616,893



“Digital solutions” is not just a buzzword for the media and advertising industry anymore. It is becoming an expected norm.

Hence NSTP launched six mobile applications and portals this year which included S&W, L.E.T, FullAMark, Dhiya, Buddy, Mag Street and Harian Metro’s Mountain Bike Grand Prix. Out of the six, only Harian Metro Mountain Bike is an initiative under the HM brand while the others fall under the Media Prima group’s ‘Odyssey Project’.







NSTP segmentised its digital offerings as follows:

News-based products	Social media/ video content/ YouTube
Lifestyle-based products	E-magazine such as S&W, L.E.T, Dhiya
Education-based products	FullAMark portal, Buddy

- All digital products are made available in Mag Street which acts as NSTP’s virtual kiosk.

Via this segmentisation efforts, NSTP intends to provide a wider reach for its products by giving readers the freedom to choose where, how and when to consume news and information. The company has also diversified its offerings in the past year by developing a suit of visually appealing and interactive digital magazines.

In 2016, NSTP has introduced five (5) interactive online and digital products and its own one content aggregator in Mag Street

Digital Products	Date	Product Descriptions
<b>S&amp;W</b> (Speed & Wheels) 	21 March 2016	A free monthly e-magazine in Bahasa featuring updates, guides and event reviews of automotive world. Total issues downloaded (as at Dec 31): 12,211 issues
<b>Dhiya</b> 	8 May 2016	A specially dedicated free monthly Bahasa e-magazine for muslim women, providing contents such as fashion, health, beauty, religious issues and motivational. Total issues downloaded (as at Dec 31): 5,413 issues
<b>FullAMark</b> 	16 May 2016	An interactive education portal and mobile apps leveraging on Malaysian major examinations; Ujian Pencapaian Sekolah Rendah (UPSR), Form 3 Assessment (PT3) and Sijil Pelajaran Malaysia (SPM). Total app downloaded (as at Dec 31): 39,655
<b>L.E.T</b> 	1 June 2016	A free monthly English e-magazine focusing on lifestyle, entertainment and travel. Total issues downloaded (as at Dec 31): 1,786 issues
<b>Harian Metro Mountain Bike Grand Prix App</b> 	30 July 2016	A free game app was developed based on the Harian Metro Mountain Bike Grand Prix event organised by Harian Metro since 2013. Total app downloaded (as at Dec 31): 90,677
<b>Mag Street</b> 	16 September 2016	A digital newsstand providing easy and quick access to e-magazine, digital news title, education portal and mobile apps. Total app downloaded (as at Dec 31): 450

# REVIEW OF OPERATIONS

PRINT



It must be noted that both Harian Metro (HM) and Berita Harian (BH) were the fore-runners where digital solutions are concerned. Harian Metro, in conjunction with its modest 25th Anniversary milestone in 2016, launched its online television called Metro TV featuring video content on news, features and entertainment such as Metro@7 and Kalendar Jenayah. HM was also the first in the NSTP stable to utilize FB live services in February 2016 to embark on customised content to suit its audience.

BH too followed closely, offering BH TV that features news and five lifestyle capsules (as part of our business strategy, BH capsules are not news-driven) such as Liga M, Jom Tanya Ustaz, Bicara EPL, Apa Kes?, IQ Didik, Viral and Soal Jawab. Content improvement work put in for BH has resulted in a new look for BH print which was also modestly launched on 30 April 2016.

New Straits Times, meanwhile, spent 2016 incubating many business ideas and re-shaping news content which saw a revamped newspaper, launched on 1 January 2017, as well as a series of improved reach efforts.

### Overall readerships for Dailies

For NSTP, 2016 proved to be yet another challenging year with the onslaught of competition from both the print and digital space. Noticeably, within the first 2 Quarters, the company registered a 23% drop in revenue from Advertising and Newspaper sales. To compound matters, the Malaysian advertising market registered a lower lower adspend of RM3,610.32 million in 2016 compared with RM4,153.71 million in the previous year (by Nielsen Media Research).

The scenario is nothing new to the newspaper industry. In fact, global newspaper businesses has

drastically changed from the disruption of the digital age. Take for example Britain's newspaper industry. Arguably the most exciting and competitive in the world, Britain's top selling titles on average sold only 7 million print copies a day today, compared with 13 million copies daily 10 years ago.

The overall readership for any dailies recorded a decrease of 7.0% to 9.3 million for a period of July 2015-June 2016 compared with 10.0 million in July 2014-June 2015. Despite the overall decline in readership numbers, English dailies experienced a growth of 15% to 1.61 million vs 1.41 million in the previous period and Tamil dailies grew by 2% to 611,000 from 599,000. Meanwhile, Bahasa dailies drop by 9% to 5.42 million from 5.95 million and Chinese dailies declined 6.0 % to 2.66 million from 2.815 million. Please see charts below for NSTP's newspapers' readership performance in 2016.



## GENERAL READERSHIP PERFORMANCE OF DAILY NEWSPAPERS' IN MALAYSIA

	LANGUAGES OF NEWSPAPER	2015	2016	%
1	Bahasa Melayu Dailies	5.95 million	5.42 million	(9%)
2	Chinese Dailies	2.815 million	2.66 million	(6%)
3	English Dailies	1.41 million	1.61 million	15%
4	Tamil Dailies	599,000	611,000	2%



## NSTP NEWSPAPERS' READERSHIP

	TYPES OF NEWSPAPER	July15-June16	July14-June15	%
1	Harian Metro	3.165 million	3.679 million	(14%)
2	Metro Ahad	3.451 million	4.008 million	(14%)
3	BH	1.190 million	1.225 million	(3%)
4	BH Ahad	1.175 million	1.236 million	(5%)
5	New Straits Times	182,000	224,000	(19%)
6	New Sunday Times	157,000	179,000	(12%)

However, all is not lost. Numerous revenue recovery plans such as presented earlier were implemented, and whilst revenue from the digital efforts had increased marginally, it is unfortunately still insufficient to balance out the vast cost structure of the company.

Other recovery initiatives included NSTP's Plant Rationalisation exercise, the essence of which is the company's strategy to improve our bottom line. This exercise was targeted to reduce the biggest cost - Human Resource - annually by RM13 million. Apart from this, plant operating cost and depreciation of property and machinery will significantly reduce by RM7.5 million and RM7.2 million respectively. Hence the closure of both the printing plants in Ajil, Terengganu and Senai in Johor at the end of 2016 was deemed worthy ventures for the good of the bigger picture.

Prior to the closure, critical risk assessments were extensively factored in and accounted for. The vital risk point is the ability to accommodate NSTP's core business fulfilments such as Printing Quality, Speed to Market and Market coverage. After conducting feasibility studies, these risk areas can be safely mitigated upon the plant closure exercise. Topping these are a substantial number of process improvements that has since taken place at the remaining plants (in Prai, Penang and Shah Alam, Selangor) to boost the productivity and efficiency levels of printing and delivery processes.

CAPACITIES OF BOTH THE BALAI BERITA SHAH ALAM (PICTURED) AND PRAI PRINTING PLANTS ARE NOW OPTIMISED AFTER THE PLANT RATIONALISATION EXERCISE



AN ART WORKSHOP IN SESSION



Galeri Prima – helps the local arts industry

Since 1994, NSTP has played an active role in promoting art in Malaysia with the establishment of the NSTP Art Gallery, located at the Lobby area of Balai Berita in Bangsar. The aim was to provide a platform for budding artists to exhibit their works.

In 2016, the gallery was moved to a newly transformed building and renamed Galeri Prima. This has enabled the NSTP to bring up the level of its artistic journey – the Galeri is not only a platform for art exhibition but also to house art trading and auction activities, including art workshops.

Galeri Prima was established as an extension to the New Straits Times brand in supporting arts in Malaysia. It leverages current collection and meant not just as a source of direct revenue, but also for brand building purposes.



OUR



EXCITING



STORIES

RADIO





FLY FM



HOT FM



KOOL FM



ONE FM

## OUR EXCITING STORIES

» GET YOU GOING «



## MEDIA PRIMA RADIO NETWORKS

Media Prima Radio Networks (MPRN) has four popular stations namely Fly FM, Hot FM, One FM and Kool FM to cater to all types of listeners and engaging them all day long. MPRN also leads in listener engagement via Social Media.



# REVIEW OF OPERATIONS

RADIO



# MEDIA PRIMA RADIO NETWORKS



LISTEN  
UP!

**Malaysia's leading Radio network, Media Prima Radio Networks (MPRN)**, is set to soar higher with more stations, greater engagement with listeners and more innovative deals for advertisers. MPRN's latest product is expected to inject more hype into the radio industry. Stakeholders too may expect bigger Adex share and greater listenership share in concert with the various impressive efforts of MPRN's stations Fly FM, Hot FM, One FM and Kool FM.

The radio industry in Malaysia is a lucrative media segment generating RM478 million in advertising expenditure in 2015 according to Commercial Radio Malaysia (CRM) and the potential for growth remains strong. Radio has emerged to become a favourite platform amongst advertisers seeking for an effective medium to communicate with consumers quickly and cost effectively.

Given the tremendous potential of this media segment, MPRN has executed strategic initiatives which include expanding its presence by launching a new radio station, solidifying the presence of our existing stations, venturing into the digital space and activation of on-ground events.

The radio industry in Malaysia is a lucrative media segment generating RM478 million in advertising expenditure in 2015 according to Commercial Radio Malaysia (CRM) and the potential for growth remains strong.

## Expanding Our Presence

In 2016, MPRN launched Kool FM, the latest addition to our existing stable of popular radio stations namely Hot FM, Fly FM and One FM. This is to capitalise on the rising demand for vernacular content in Malaysia. The new station is expected to strengthen our position in the highly competitive local radio broadcasting industry. Launched on 1 March 2016, Kool FM provides an attractive alternative value proposition not only to listeners but also to advertisers. The station targets the lucrative 25-44 years old Malay segment and offers both local and foreign hit songs from the 80s, 90s as well the latest/current hits.

Radio+ was also launched on 1 March 2016 as a trade initiative focusing on Talent, Activation and Digital. Talent – leverages on talents and market influencers who are big & prominent in radio and digital to produce strong brand campaigns for business partners. Activation – an avenue for clients to utilize MPRN's activation team and expertise together with our talents for launches, sales driven campaigns and creative on ground engagements. A campaign with Tourism Malaysia titled “Hot FM Dekat Jer Tour” took place where Hot FM's crew and announcers went on a tour to selected popular destinations in Malaysia with contest winners to promote local destination holidays and tourism. The campaign's won the Silver Award for the Best Media Solution (Radio Category) at the SPARK Awards 2016. Digital – expands our digital offerings by adding content creation services via our Digital Branded Video

Content development for clients, which will include Brand integration and Digital Lifestyle Video Content for the stations.

## Solidifying Our Positions

MPRN operates four radio stations, namely Hot FM, Kool FM, Fly FM and One FM. Despite operating in a highly competitive business environment, we have been successful in establishing our presence through the execution of our business strategies. Our key objective for 2016 was to continue to solidify MPRN's positions in the various segments that we are in.

Based on market researcher GFK's 2016 radio survey, our radio stations performed well by recording an overall increase in listeners while improving listenership among the category of white-collar executives and professionals in addition to reaching the target audience for each stations. Our Malay station, Hot FM strengthened its industry position by recording nearly 3.2 million listeners each week. Reaching the target, Hot FM also became the second radio in overall for target market 18-24 age with 673,000 listeners. The survey also showed that 87 percent of Hot FM listeners fall in the urban category and nearly 1 million PMEB listeners.

The result of our new venture, Kool FM, is highly encouraging. According to the GFK survey, also Kool FM reaches almost 700,000 listeners, weekly. Kool FM has attained stature as the number one radio





MPRN has embraced changes and is poised to realise the opportunities that come with digital disruptions.

AS A PART OF GIVING BACK TO THE COMMUNITY, HOT FM SIGNED AN MOU WITH MANAGEMENT & SCIENCE UNIVERSITY (MSU). THE THREE-YEAR AGREEMENT SEALS AN UNDERSTANDING BETWEEN THE TWO BRANDS IN THE ASPECTS OF CONSULTING SERVICES AND THE DEVELOPMENT OF THE BROADCASTING PROGRAMME WITH COURSES THAT WILL BE OFFERED AT MSU. THE AGREEMENT ALSO INVOLVES THE PLACEMENT OF INDUSTRIAL TRAINING CANDIDATES IN THE FIELD OF BROADCASTING, THE EXPANSION PROGRAMME OF ACADEMIC TRAINING AND EXCHANGE OF EXPERTISE AND INDUSTRY TALKS OF MPRN COURSES PROVIDED TO STUDENTS.



station for Malay markets in Time Spent Listening with an amazing record of 10 hours and 46 minutes. In addition, the positive development is also seen in the PMEB (Professionals, Managers, Executives and Businessman) category with a total of 332,000 listeners weekly. Currently the station broadcasts via 5 frequencies covering Klang Valley, Penang, Kuala Terengganu, Kota Bharu and Alor Setar.

Our English station, Fly FM reinforced its spot as the number 2 radio station for the English market with a total of 938,000 listeners, weekly. Ninety six percent of Fly FM listeners fall in the urban market segment with nearly 500,000 PMEB listeners. Meanwhile, our Chinese station One FM, recorded a total of 904,000 listeners, weekly. The station is also the number 2 radio station for Chinese market aged 35 years and below with 366,000 listeners weekly for breakfast show (6.00pagi - 10am). In addition, One FM has also established itself as the number 2 station for drive show (4pm - 8pm) targeting listeners aged 15-29 years, with a total listenership of 216,000. Meanwhile, One FM's night show (8pm-12 midnight) aimed at those under 35 years old records total listenership of 222,000. One FM also recorded a total of 354,000 listeners a week for category PMEB with 93 percent urban listeners.

#### Embracing Digital Disruptions

Broadcasting and media consumption trends have been evolving at an unprecedented pace. Consumers in Malaysia are accessing content online through their mobile devices, computers and other media players. This also holds true for radio. Slowly but surely, advertising budgets are channelled towards this emerging platform. While this has posed a serious challenge for traditional media companies in general, MPRN has embraced the changes and is

poised to realise the many opportunities that come with digital disruptions.

MPRN believes going digital allows us the opportunity to achieve greater reach and flexibility to do things today that we would never have thought would have been possible for radio. The advent of 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, Twitter and Snapchat.

We have migrated from being simply an audio medium to become more audio-video centric, curating and developing content for music, entertainment and lifestyle. Hence, we are now delivering content that cuts across traditional radio and digital distribution platforms. For example, MPRN has launched its very own digital personalities for Hot FM and One FM, known as Saracak and Brandon Random B. These chosen talents are responsible to deliver creative digital content relevant to the respective markets of both stations. The content are available on both the station's individual official social media platforms and on the radio airwave.

We are also the first radio network in the country to introduce WhatsApp messaging as a medium of communication between listeners and station announcers. The application enabled listeners from all stations to interact directly and engage with their favourite announcers based on real time. In addition, listeners can also send voice notes and visuals. They will also be able to participate in contests and content engagement.

We have built a strong following on social media unrivalled by others where the cumulative followers of the official social media account for the four stations has reached over 7.7 million followers.

Our strategies on going digital go beyond the traditional mobile apps for on-the-go audience. In 2016, MPRN collaborated with Spotify to be its first exclusive partner within Asia, the first of its kind radio partnership in Asia. This collaboration, signed on 7 March 2016, provides access for Spotify users to MPRN's content and songs. The smart partnership between the two parties enables music access without boundaries and also serves as a digital data benchmark which will allows MPRN to analyse the listeners' profiles and preferences in an effort to continuously improve its content quality and music.

Our strategies to benefit from digital disruptions have delivered the desired results. We have built a strong following on social media unrivalled by others where the cumulative followers of the official social media account for the four stations has reached over 7.7 million followers.

REVIEW OF OPERATIONS



LISTEN UP!

We have built a strong following on social media unrivalled by others. Our four stations reaches more than 7.7 million followers.

Content that Excites













In an industry where content is paramount, we have continued to evolve and adapt with our audience’s demands. Having achieved the right mix of traditional and online platforms, MPRN continued to focus on delivering fresh and exciting content. These are made available through the air waves, online and on-ground events that not only help boosted the presence of our stations but also enabled advertisers to capitalise on their popularity.

In 2016, we introduced several new segments on our radio stations that resonated well with our audience. The year saw Kool FM introduced a new segment called *Super Karoks* which is essentially a karaoke battle between popular artists from 80’s, 90’s and early 2000. Ten artists from Kool FM’s playlist paired up randomly and competed with one another to earn the *Super Karoks* Champion title which was accompanied by a grand prize of RM15,000.00. Meanwhile, Hot FM had *Lawak Vaganza*, the very first comedic reality show on Radio where eight aspiring comedians were chosen to be paired and mentored by Hot FM announcers. Each team are required to showcase a thematic sketch, weekly, and aired from Monday to Thursday and their performance was judged by the public.

MPRN’s On-Ground events are immensely popular as it provides entertainment to Malaysians keen on live performances. In March of 2016, Hot FM and Kool FM held a massive concert at Setia City Park which attracted a large crowd of 30,000 people. The collaboration between the two stations combined oldies and current hit songs by popular Malaysian artists. The concert was also aired on both TV3 and TV9. In continuation of the huge demand for live musical performances, Hot FM ventured to showcase the first ever FB LIVE mini showcase, FB ROCK Hot. The showcase featured a daily live performance of a rock band for a week. FB ROCK Hot created a milestone for talkability amongst the listeners and music lovers via Facebook.

PERFORMANCE

Statistics (e.g. Market share/Ratings/number of downloads/number of likes, share etc.)

Measurement	2015 (Wave 2)	2016 (Wave 2)
	528,000	938,000
	2.4 million	3.2 million
	915,000	904,000
	-	696,000
	Survey done by Nielsen	Survey done by GFK
Total Digital Followers	2015 (Wave 2)	2016 (Wave 2)
	3.77 million	4.79 million
	1.69 million	1.83 million
	649,900k	1.25 million
	-	212,200
Mobile Application Downloads	Since launch in 2011 until end of 2016 (on all devices – rounded figure)	
	225,000	
	620,000	
	214,000	
	49,269 (1 <sup>ST</sup> MARCH – OCT 2016)	

HOT FM WAS RECOGNISED BY YOUTUBE WHEN THE STATION SURPASSED ITS 100,000 SUBSCRIBER MARK IN JUNE 2016.



LISTEN UP!

In an industry where content is paramount, we have continued to evolve and adapt with our audience’s demands. Having achieved the right mix of traditional and online platforms, MPRN continued to focus on delivering fresh and exciting content.

More than just Radio

MPRN will continue to deliver great content across various distribution platforms to include (traditional) radio, digital platform, activation and through recruited talents. We are constantly on a roadmap to evolve in a competitive marketplace, and see ourselves as a trendsetter that sets a benchmark by always developing and creating new ways to lead others in the industry. Content creation and ideation, while staying relevant to the rapid landscape change in digital and new media, resulted in the increase or retention of target listenership. Our strategies have enabled us to continue growing and keeping the audience loyal with our radio stations.

2017 will see MPRN continue to demonstrate that we are able to produce new mechanics and ideas for content and raise the bar through innovative thinking and continuous efforts to strive in becoming

Some key initiatives by MPRN in 2016.

Name	Description	Measurement
Super Karoks	Kool FM presented Super Karoks, a karaoke battle between popular artistes from the 80s, 90s and early 2000! Ten artistes from Kool FM’s playlist paired up randomly, and competed with one another to earn the Super Karoks Champion title which was accompanied by a grand prize of RM15,000.00.	<ul style="list-style-type: none"><li>Accumulated voting for 3 weeks: 7,331,711.</li><li>Super Karoks went on air and led to digital content where all the videos could be viewed via all of Kool FM’s digital platform ie Instagram, Facebook, Twitter, YouTube and the official website of the station.</li></ul>
Lawak Vaganza	The very first comedy reality show on Radio. Eight comedians were selected to be paired and mentored by Hot FM announcers. Aired from Mondays to Thursday, each week the teams had to present a thematic sketch. Voting on the station’s website was held every Thursday at 10am. Elimination announcement was made every subsequent Monday. Grand prize was RM50,000.	<ul style="list-style-type: none"><li>Accumulated Voting for 3 weeks: 2,568,654.</li><li>Lawak Vaganza was on air and led to digital content where all the videos can be viewed via all Hot FM’s digital platform ie Instagram, Facebook, Twitter, YouTube and the official website of the station.</li><li>Sketches also aired on TV3.</li></ul>
FB Rock Hot	As an extension to leverage social media tools, Hot FM explored the first ever FB LIVE mini showcase, FB ROCK Hot. The programme featured one rock band daily for a week which had created a milestone for talkability amongst the listeners and music lovers via Facebook.	<ul style="list-style-type: none"><li>Gained almost 1,000 concurrent unique views per show.</li><li>Gained 120,000 unique views per show.</li><li>Highest post engagement of 700 comments and 160 shares.</li><li>Archive views:<ul style="list-style-type: none"><li>- Total reach to followers: 19,303,000</li><li>- Total engagement to followers: 1,217,000</li></ul></li></ul>
Hot Kool Jam	Held in March 2016 at the Setia City Park. this all-day concert which attracted more than 30,000 audience was the first collaboration between Hot FM and Kool FM, combining oldies and current hit songs. The concert was later aired on both TV3 and TV9 to give fans of the stations a chance not see what they have missed during the ‘live’ show.	<ul style="list-style-type: none"><li>30,000 crowd throughout the day.</li></ul>
FB LIVE Updates	With the latest trending of the FB Live feature, MPRN worked with clients during launches and events with the recent collaboration with Air Asia for Air Asia Makna campaign and PTPTN.	<ul style="list-style-type: none"><li>Average 17,000 views &amp; 122,000 unique reaches.</li><li>10 minutes per session for two sessions.</li></ul>

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 also 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 impetus for MPRN’s growth moving forward.



OUR



INSPIRATIONAL



STORIES

OUT-OF-HOME





OUR INSPIRATIONAL STORIES

» TRANSFORM THE CITYSCAPE «



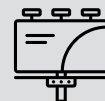
MEDIA PRIMA'S OUT-OF-HOME ADVERTISING PLATFORM

Big Tree is Malaysia's leading Out-Of-Home advertising company with a string of exclusive concessions at major highways, key rail transit systems, prominent lifestyle shopping malls, selected international airports and key market centres. Big Tree together with Kurnia, UPD, TRC and Gotcha continues to hold a commanding market share with more than 8,000 advertising panels nationwide.



# REVIEW OF OPERATIONS

## OUT-OF-HOME



# THE STORY OF AN IMMERSIVE FRONTIER

### GROUND ACTIVATION @ LRT STATION



### TUNNEL EXPERIENCE @ KLCC



### COSMIC DIGITAL TOWER @ NU SENTRAL



Media Prima's dominance in the Out-Of-Home (OOH) media segment is poised to continue through the most recognised OOH brands Big Tree Outdoor (BTO), Kurnia Outdoor, The Right Channel (TRC), Gotcha and UPD. Our core business activity is OOH advertising with nationwide presence through strategically located city sites and exclusive concessions at major highways, key rail transit systems, prominent lifestyle shopping malls, key market centers and selected international airports.

The Group remains the undisputed OOH market leader in Malaysia through BTO and is the only media group that provides fully integrated OOH media solutions to clients. We continue to hold a commanding 44 percent market share in the OOH media segment with more than 8,000 advertising assets available at strategic locations across Malaysia.

#### Realising Opportunities

Despite the challenging operating environment faced by media industry players as a whole, Big Tree has experienced growth in revenue for the past 5 years. Media Prima's OOH business has been able to capitalise on the investments made in introducing the latest OOH technology available to Malaysian advertisers. For 2016, Big Tree recorded a 3 percent growth in gross revenue and 1 percent increase in Profit After Tax (PAT) compared to the previous year.

#### New Concessions

The year under review saw Big Tree awarded two new key concessions to its already strong portfolio. It was announced as the outdoor agency of choice to manage RapidKL's two LRT lines - the Ampang line and the Kelana Jaya line - both existing tracks and stations, as well as those all along the new extensions of rail routes. This advertising concession also includes the KL Monorail.

The Ampang Line Extension starts from the Sri Petaling Station and passes through Kinrara, Puchong, and ends at Putra Heights. The extension is 17.4km long with 12 new stations. Combined with the existing line, the total length of the Ampang Line will be 45.1km. The Kelana Jaya Line Extension begin from Kelana Jaya station and pass through 13 new stations, including Ara Damansara, Subang Jaya and USJ before ending at the Putra Heights Integrated Station, covering a distance of 17.4km. The total length of the Kelana Jaya Line with the new extension is 46.4km.

Big Tree is also leading a consortium that was awarded the lucrative Outdoor Exterior advertising concession from MASS Rapid Transit Corporation Sdn Bhd (MRT Corp). The consortium, BTSJ Sdn Bhd, is made up of BTO (60%) and Seni Jaya Sdn Bhd. The advertising concession awarded by MRT Corp is divided into three main parcels - Station Interior, Outdoor Exterior and MRT Trains. The Outdoor Exterior parcel concession is highly lucrative as it includes advertising opportunities on the exterior of stations and along the MRT train line which covers a distance of approximately 41km (excluding tunnels) covering key populated areas such as Sungai Buloh, Kota Damansara, Bandar Utama, TTDI, Damansara Heights, Cheras and Kajang. The concession package is for a period of 10 years.

Both the LRT and MRT lines pass through some of the most developed and highly populated areas in the Klang Valley. We have introduced new enhanced media formats for the lines, including new technologies and designs which will not only provide greater yield for Big Tree but would also enable advertisers attractive returns on their investment.



MRT BEAMER SERIES



OUT-OF-HOME MEDIA COMPANY OF THE YEAR



## BTO was honoured with two of the most coveted awards within the OOH industry – the Spark Awards for Media Excellence 2016, and the title “Out of Home Media Company of the Year” by Advertising & Marketing magazine.

### Superior Products

Big Tree’s OOH advertising solutions are used by some of the world’s biggest global brands and advertising agencies in Malaysia. We are continuously engaging customers with the industry’s most advanced OOH advertising solutions and offering our services at strategic locations nationwide. This strategy has enabled Big Tree to offer solutions that allow customers to fully utilise their creative potential and ensure strong visibility unmatched by any other OOH advertising companies.

The introduction of enhanced media formats and improved aesthetic appearances for all of Big Tree’s assets are also within our medium-term plans, as these are often associated with better occupancy, greater yield and higher revenue performance. Our list of digital assets include strategically located sites in prime areas along Jalan Maarof, Jalan Bangsar, Jalan Bukit Bintang and Jalan Sultan Ismail in downtown Kuala Lumpur. Big Tree’s patented Cubig digital advertising screens and panels, are popular amongst advertisers as they allow them to creatively and effectively communicate to their customers. The Cubig series is Big Tree’s interactive enabled LED spectacular that puts an edge to our product offerings. Cubig’s digital screens have the capacity to execute synchronised animated multi-screen connectivity.

Another new media idea which was developed by Big Tree that proved to be a major success was the Cosmic Digital Towers at Nu Sentral. Due to its highly connected and converged location, streams of people walk through the mall daily including rail commuters and working professionals, through its seamless link to “Stesen Sentral” and the surrounding KL Sentral development.

2016 also saw the introduction of new digital screens at highway rest and service areas (RSA) along the North-South Expressway (NSE). In June 2016, Big Tree established 8 digital screens at popular and high traffic RSAs; Gunung Semanggol (North and South bound), Tapah (North and South bound), Ulu Bernam (South bound), Ayer Keroh (North bound) and Pagoh (North and South bound). These digital screens offer dynamic visual and

sound to captivate travelers unwinding at these locations. Screens presenting informative content such as traffic information, also offer the opportunity for effective advertising. Formats such as billboards along the NSE would be complemented by these screens in inducing multiple brand impact; hence, improving brand recall.

We have also taken pro-active steps to rejuvenate our current inventory of OOH assets to increase the value and garner higher advertising rates and provide organic growth. These include rejuvenation works at the KLCC Retail Crossing, connecting Suria KLCC to the KLCC LRT Station to create a more contemporary, premium impression and brand experience for advertisers to target more than 1 million shoppers per month who walk through the crossing. Now called “Tunnel Experience by Big Tree”, it offers new advertising formats which are unique and internationally benchmarked namely the Irregular Screens, Irregular Lightboxes and Retail Display.

### Awards Recognition

BTO was honoured with two of the most coveted awards within the OOH industry – the Spark Awards for Media Excellence 2016, and the title “Out of Home Media Company of the Year” by Advertising & Marketing magazine. The Spark Awards, which celebrates best practices in media solutions, products and services, was won for Best Engagement Strategy (Bronze) based on the campaign “For The Makers Of Tomorrow”. The mural painting project was commissioned by Telekom Malaysia (TM) as part of its movement to inspire Malaysians to become a maker on social media. In this campaign, TM introduced the first interactive mural which had been broadcasted digitally. They created a 175-foot long mural which spanned the full length of the Masjid Jamek LRT station, making it the longest indoor mural in Malaysia, according to the Malaysian Book of Records. Smaller murals were also created on other Big Tree media formats, such as the KL Monorail pillars as well as on other formats within the Nu Sentral shopping complex. The entire campaign had generated over 85 million reach on social media throughout the campaign period.

As for the Out of Home Media Company of The Year title, this has been Big Tree’s 8th consecutive win from the year 2009. Awarded by Advertising & Marketing magazine, over 900 respondents had participated in this survey, including key influencers and decision-makers of the media industry. The accolades clearly reflect Big Tree’s ever-present commitment to our mission to increase the stakeholder’s revenue growth and overall success. It also recognises the influence that Big Tree has in shaping the overall OOH advertising landscape of Malaysia.

### Moving Forward

Big Tree’s revenue and profitability is expected to remain stable and will continue to contribute positively. BTO strives to be the industry leader that pays attention to the needs of its stakeholders by ensuring their revenue growth and success through our holistic and comprehensive OOH advertising solutions. With a comprehensive 22-year experience in the OOH industry, coupled with possessing the most extensive inventory, Big Tree is a specialist in offering a 360-degree experience, end-to-end solutions for advertisers to strategically position their brand value and equity. Having media formats located nationwide allow advertisers to extend brand recognition geographically limitlessly. Reaching an audience of various demographics is possible through the availability of formats at various locations unique to the segmented market.

Big Tree is proactive in strategically expanding its market share. We are steadfast in achieving this mission; thus, creating nationwide presence has been a fundamental measure through establishing brand awareness in large cities and key market centres. We also see great opportunities for expansion via acquisition or strategic alliances with government agencies/bodies and private institutions in Malaysia and the region.

# OUR



# DRAMATIC



# STORIES

## CONTENT







## OUR DRAMATIC STORIES



PROVIDE YOU EMOTIONAL  
ENGAGEMENT



## MEDIA PRIMA'S PRIMEWORKS STUDIOS

Media Prima owns and operates Primeworks Studios Sdn Bhd, an established content production company in Malaysia with more than 5,000 hours of content output in diverse categories covering television, cinema and digital platforms every year.



# REVIEW OF OPERATIONS

## CONTENT



# ASIAN STORIES FOR THE WORLD

Content is a big part of Media Prima and a big portion of content work is produced by subsidiary Primeworks Studios Sdn Bhd (“PWS”), one of the largest and most established production companies in Malaysia. PWS has been producing content for television since 1984 and feature films since 1994, generating over 5,000 hours of content annually.

Since 2011, we have added digital platforms as another medium where consumers can enjoy our award winning content which reaches a varied audience across multiple languages, ethnic and age groups.

2016 was a challenging year for PWS as domestic economic uncertainties and soft consumer market impacted demand for content amongst our free-to-air television networks. Cognisant of the challenges faced, PWS doubled efforts in content distribution initiatives domestically and abroad.

### Going Places

We are pleased that our successes domestically have opened doors for PWS to venture into new markets abroad. In 2016 PWS has managed to

introduce and sell content to two new markets - Cambodia and Taiwan. PWS’ distribution arm, Primeworks Distribution (PWD), had also established strategic partnerships with several multinational conglomerates and industry players including Emirates Airlines, Retina Films, Encore Inflight, Portfolio Entertainment and Ansar Creative to distribute a wide range of content from our library of dramas, documentaries, films and animation.

At the *Marché International des Programmes de Communication* (International Market of Communications Programmes) 2016 held in Cannes, France, Canadian television production and distribution company, Portfolio Entertainment, acquired a pair of our Japanese-themed lifestyle and travel titles- *Welcome to the Railworld Japan*, a

travelogue series on a railway journey across Japan; and *Best in the World Japan*, a gastro-logue series featuring the culinary delights of the island nation.

In 2016, PWS also collaborated with Fremantle Media Asia to co-produce *Clever Girl Malaysia*, a product of a joint development and co-production between PWS and Fremantle Media Asia. The latter is one of the larger production companies in the region best known for top reality talent shows like *Idol*, *X Factor*, and *Got Talent*. *Clever Girl Malaysia* was a big hit for TV3 with over 4.2 million viewers watching the competition’s live finale.

PWS continued its international collaboration with Nippon Television Network Corporation and Sumitomo Corporation to produce (Jenaka Kampung Kalut) *J.K.K Season 2*.

The project was selected for sponsorship by Japan's Ministry of Internal Affairs and Communications due to its outbound and inbound marketing prospects. *J.K.K Season 2* has a total of 13 episodes where three of them were recorded in Japan. Other notable collaboration also includes one with Khazanah Nasional and University Kebangsaan Malaysia to produce *Ulama Nusantara*, a 13-episode documentary broadcasted on TV3 and Indonesia's Metro TV.



PWS continues to produce exceptionally popular programmes for Malaysia's most popular free-to-air television channels, some of which continue to dominate the top 10 highest viewership figures in 2016.

Staple programmes produced by PWS include *Anugerah Juara Lagu*, *Anugerah Bintang Popular*, *Mentor Milenia* and live sports telecast of domestic football matches. On average, these programmes reached over 5 million viewers each. Meanwhile, PWS' flagship programmes including *Majalah 3*, *Melodi*, *Nona* and *Bersamamu* continue to resonate well with local television viewers.





# REVIEW OF OPERATIONS

## CONTENT



Amongst the notable achievements in 2016 include the launch of *Ejen Ali* on TV3, a joint-production effort with animation studio Wau Animation.



Telling the story of a young and naïve spy named Ali who battles crime with the help of highly advanced and hi-tech gadgets, *Ejen Ali* the series marks the the first intellectual property (IP) co-developed and co-owned by PWS and Wau Animation. It has become a major hit that enjoys 2 million viewers weekly since its launch in April 2016, going on to becoming a top content on television. The series also won the Best Short Animation Film at the 2016 28<sup>th</sup> Malaysian Film Festival and has been sold to 28 countries such as Indonesia, Sri Lanka, as well as countries in the Middle East and South African regions.

Capitalising on its popularity, *Ejen Ali* has spawned into multiple online games enabling greater user engagement with the animated series' brand. *Ejen Ali: MATA Training Academy* mobile game was launched in March 2016 while the 3D *Ejen Ali: Emergency* followed in September. Combined, both these games enjoyed more than 1 million downloads in less than 1 year!

PWD has been actively distributing content to multiple platforms and clients, including IPTV, Satellite TV, Over-The-Top (OTT), free-to-air (FTA) channels as well as cinema operators.

IPTV platforms like Hypp TV has been a productive and fruitful partnership with PWD, including the supply of over 74 titles in a wide variety of genres as well as a supply of over 600 hours of content to Salam HD, a newly-revamped Islamic channel on Hypp TV.

The growth of OTT service providers in Malaysia and the region, including the likes of international operators like iflix and Netflix provides a good opportunity for PWD to satisfy their thirst for quality local content to add to their respective libraries. In 2016, PWD distributed over 42 titles to iflix which include popular hits from television dramas to blockbuster movies. Amongst the titles are the highly popular *Ariana Rose*, *Playboy Itu Suami Aku*, *Rock Bro* and *Sembilu*. PWS also secured sales to JaiKon TV, an OTT service operating in Cambodia, in our list of regional customers selling 17 titles in various genres including travel, dramas and animation. The success of PWD in penetrating this new category of clients demonstrates our potential in venturing into this new but growing segment of the industry.



### On the Big Screen

PWS' production unit, Grand Brilliance, released three major films in 2016 which are *Showdown*, *Pekak* and *Rock Bro! Kembali Ke Pangkal Jalan*.

*Showdown* is an action-packed film inspired from the television reality programme of the same name. It revolves around a dance group hoping to win the largest dance competition in Malaysia.

Meanwhile, *Pekak* is a story of the trials and tribulations of a deaf man who resorts to selling drugs in order to pay for his impending cochlear implant surgery. The film won the Best Script and Best Actor awards at the International Motivational Film Festival (IMFF) BRIDGE of ARTS held in Russia last year besides being selected as one of five Malaysian films screened at Cannes' largest screening market, Marché du Film 2016.

Meanwhile, *Rock Bro! Kembali Ke Pangkal Jalan* was amongst the top 5 local films for the year. The movie which features the journey of a rock band striving for stardom was a big hit with a box office collection totalling RM5.4 million.

The film won the Best Script and Best Actor awards at the International Motivational Film Festival (IMFF) BRIDGE of ARTS held in Russia last year besides being selected as one of five Malaysian films screened at Cannes' largest screening market, Marché du Film 2016.

#### INTRODUCING THE CAST: A PEKAK: WAYANG PACAK SESSION TO PROMOTE THE FILM



### Distribution Rights

2016 was a good year for PWD as we scored big with the year's blockbusters including *Boboiboy the Movie*, *Apa Ada Dengan Cinta 2 (AADC2)* and *Upin & Ipin Jeng, Jeng, Jeng!*. Released at some 113 locations nationwide, *Boboiboy* became the first local animation movie with the highest collection nationwide (totalling RM16 million). It was also the first Malaysian animation movie to be screened in Singapore. Another animated movie that was a big hit for the year was *Upin & Ipin Jeng, Jeng, Jeng!* which opened simultaneously on 24 November 2016 in 121 cinemas locally and in Brunei. The movie was the first local film to have a theatrical release with the most number of cinemas during the opening week. Meanwhile, *AADC2* became the first Indonesian movie with the widest nationwide opening of 107 locations throughout Malaysia. It enjoyed total ticket collection of RM4.8 million from the cinema screenings.

#### PRIMEWORKS DISTRIBUTION DISTRIBUTE THREE MAJOR BLOCKBUSTER MOVIES



### Moving Forward

PWS will continuously seek to grow revenue through advertiser content, content distribution as well as tapping into new markets through original content programming for video-on-demand services. 2016 saw PWS making good progress internationally, selling more content and establishing smart partnerships with global players and we expect this to continue moving forward by making more strategic investments in quality content.

As a pure content producer, the explosion of screens and platforms, be it traditional or digital, big screen or mobile screen, means an explosion of new clients for our content which transcends geographical and technological borders. PWS welcomes the arrival of OTT on our shores and the region. We will continue to up our game and

our ability to adapt to the demands of this new business environment.

OUR



INTERACTIVE



STORIES

DIGITAL MEDIA







## OUR INTERACTIVE STORIES

» CONNECT YOU WITH OFFLINE AND «  
ONLINE CONTENT



## MEDIA PRIMA DIGITAL

Media Prima Digital embraces technical innovation, digital solutions and creative strategies. It offers holistic digital services which encompass creative solutions, diversified platform services, e-commerce expertise and is also involved in the development of mobile applications and games.



# REVIEW OF OPERATIONS

## DIGITAL MEDIA



# OUR DIGITAL STORY

As the digital arm of Media Prima, Media Prima Digital (“MPD”) is dedicated to ensuring that the Group’s content is accessible to all consumers.

At a time when consumers have access to content through a variety of platforms, it is critical for the Group to have a strong presence in the digital sphere. Since inception, MPD has been at the forefront in providing the necessary support to build up Media Prima’s digital inventory of services that are currently being used by consumers both domestically and abroad. Our inventory includes tonton, digital newspapers, digital magazines and many others developed since 2010. MPD

is continuously collaborating with our sister companies to further develop their digital products to ensure they remain relevant and adapt based on new technologies currently available.

Nonetheless, 2016 proved to be a year of transition 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 in terms

of new revenue streams. In order to achieve our objectives, we have put in place a new operating structure and recruited the best creative minds to join our team. MPD’s team is composed of digitally savvy millennials, experienced Gen x and the newest entrants into the workforce, the Gen Zs. With this in place, we have embarked on several new initiatives that include mobile application development and big data.

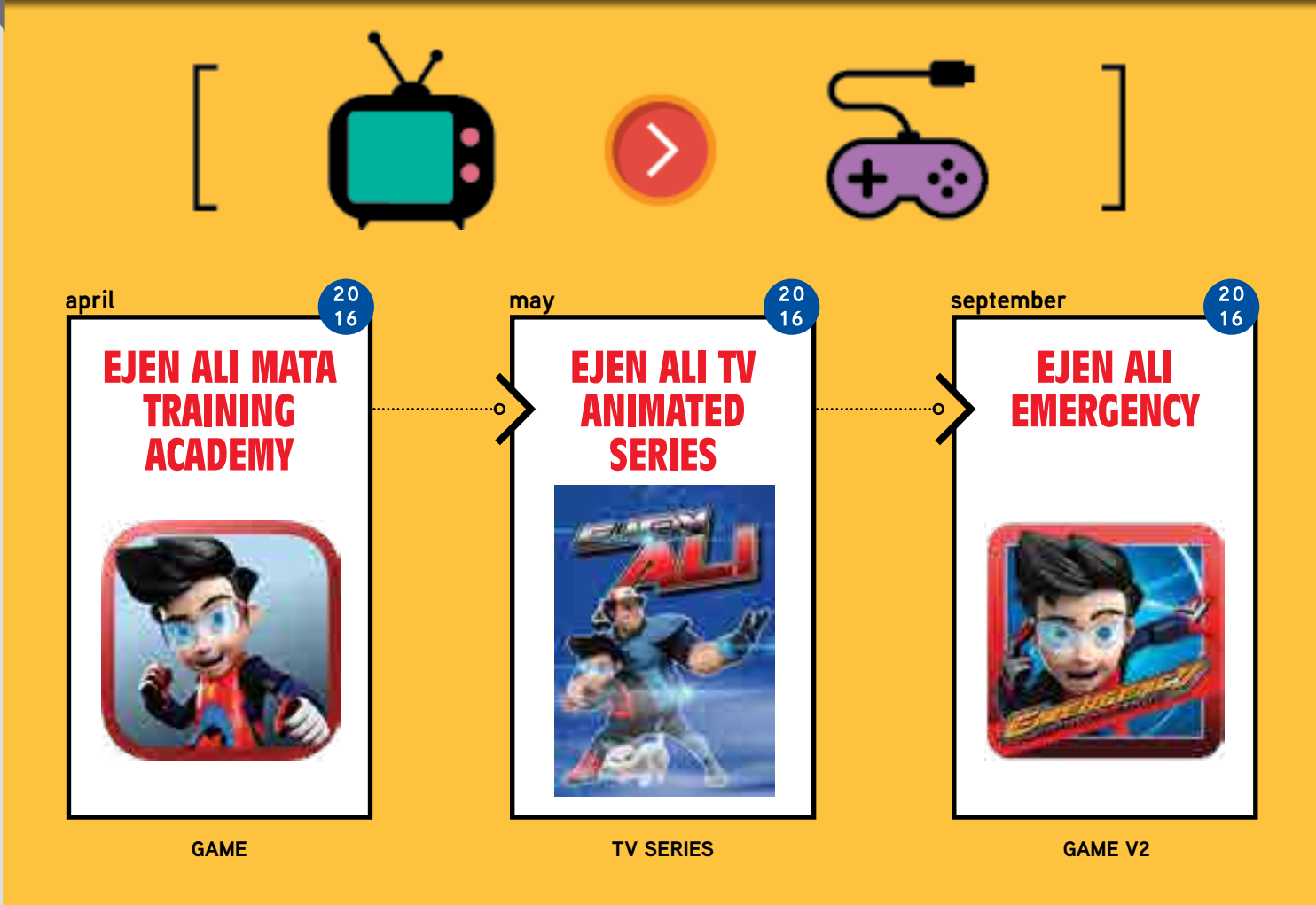
### MEDIA PRIMA LABS

MPD’s efforts in digital media include the development of mobile applications by 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 is a fast growing and lucrative sector in Malaysia with USD109.2 million revenue, the largest mobile games market in South East Asia. Recognising the potential of mobile games in generating new revenue source for the Group, MP Labs has been aggressively venturing into this sector by launching 13 apps in 2016. MP Labs capitalises on Media Prima’s intellectual properties such as *Ejen Ali*, *Jalan-jalan Cari Makan (JJCM)*, *Harian Metro Mountain Bike*, *Syukur Selalu* and movies produced by Grand Brilliance which enjoy a huge following domestically.

MPD ASSISTS THE GROUP BY EXPANDING BRAND REACH SUCH AS PWS’S EJEN ALI AND JJCM, MPTN’S SYUKUR SELALU AS WELL AS HARIAN METRO’S MOUNTAIN BIKE PROGRAMME. THESE BRANDS WERE DEVELOPED WITH MOBILE APPS AND GAMES.



ONE OF MPD'S ROLE IS HELPING TO EXPAND IPs THAT BELONG TO THE GROUP. ONE EXAMPLE IS HOW THE BRAND EJEN ALI WAS WELL DEVELOPED BY MPD IN ORDER TO EXPAND THE BRAND AND BRAND REACH.



The Ejen Ali games, for instance, have achieved over 700k downloads with 25k average daily active users leading to 250k weekly sessions.

Adapted from TV3's newest animated series, Ejen Ali the mobile game provided further engagement to the strong legion of followers of the show. We launched 2 Ejen Ali games, namely Ejen Ali MATA Training Academy in April and Ejen Ali Emergency in September. Amongst the app's achievements include being ranked top 5 on Playstore in the Arcade and New Games categories and nominated for the South East Asia International Mobile Gaming Awards.

The success of our apps is mostly due to the power of advertising on the Group's traditional platforms combined with smart digital marketing strategies. It goes to show that the integration of all these platforms within Media Prima can bring our products to greater heights, something which not all game developers have access to. We are aggressively promoting our products on Media Prima's television stations, newspapers, radio and out-of-home advertising assets.

**BIG DATA**

MPD has embarked on an ambitious foray into Big Data by setting up our own Data Management Platform and successfully integrated all our digital assets. MPD has also centralised the performance marketing and social media monitoring functions for the Group. In 2016, MPD successfully launched its social media monitoring and listening service which enables us to monitor social mentions and actions. This includes the ability to analyse our social media activities, watch for patterns and track sentiments. Our focus was to build the right digital ecosystem to ensure data relevant to Media Prima's businesses are well captured which in turn, will be a critical tool for the Group to increase the relevance of our content through personalisation and recommendations. The scope covers the full integration of data across both

our online and offline platforms which will give Media Prima a wealth of insights towards consumer preferences and behaviour.

Moving forward, the digital ecosystem created would also be extremely beneficial to Media Prima's advertisers as they would be able to target specific audience segments on any of the Group's media platforms as well as developing a tighter, more audience optimised link between content and monetisation opportunities.

Moving forward, MPD, through MP Labs, plans to continue working with more game developers and push a wider variety of mobile games into the market. 2016 was a good year for MP Labs in terms of growing our digital audience base though the next

step is to generate revenue through subscription, in-app purchase and in-app advertising. MP Labs will also venture into a publishing model that would allow us to work with more developers and push a variety of mobile games into the market.

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 and further grow our revenue.

# OUR MILES

SECTION  
TWO

1 8 4 5	15 July		2 0 0 6	6 February	
The Straits Times Singapore Journal Commerce is first 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.			Hot FM begins transmitting nationwide with “ <i>Lebih Hangat Daripada Biasa</i> ” Tagline.		
				22 April	
1 9 5 7	1 July		TV9 begins broadcasting carrying the tagline “ <i>Dekat Dihati</i> ”.		
The Straits Times Ltd produces Berita Harian, the first romanised Malay newspaper in the country.					
			2 0 0 8	8 August	
1 9 7 2	14 October		Primeworks Studios is launched.		
The Straits Times Press (Malaya) Berhad transfers the Malaysian newspaper business, together with its related assets and liabilities to a wholly-owned subsidiary, The New Straits Times Press (M) Sdn Bhd. This marks the birth of the company in its current form.			2 0 0 9	19 January	
			Radio Networks expands with the addition of one FM.		
			2 0 1 0	6 August	
1 9 7 3	4 April		Tonton, Malaysia’s premier video portal is launched.		
NSTP is listed on the Main Board of the Kuala Lumpur Stock Exchange.					
			2 0 1 2	15 September	
1 9 7 6	4 October		The first LED trimmed lightboxes in the country are rolled-out at the KLCC Convention Centre – KL Pavilion Elevated Walkway.		
The first local financial newspaper, called Business Time (BT) is published by Financial Publications Sdn Bhd, a subsidiary of NSTP. Today, BT is part of NST.					
			2 0 1 3	27 June	
1 9 8 4	1 June		Big Tree Outdoor launches its first synchronised digital screens in Bukit Bintang.		
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.			2 0 1 4	20 January	
			NST – Permanis 5D Campaign - the scented newspaper was part of NST’s 5D sensory campaign to engage its readers through sight, sound, smell, touch, and taste with the launch of Wonda, a Japanese premium ready-to-drink coffee from Permanis Sandilands.		
1 9 8 8	25 April				
TV3 is listed on the Main Board of the Kuala Lumpur Stock Exchange, the first station to be publicly traded in Malaysia.				28 May	
	31 August		BH organises the first Bicara BH to provide a platform for intellectual discourse regarding business, economic and social issues.		
TV3 begins transmission in Kuching and Sibul, Sarawak.					
				18 August	
1 9 9 1	25 March		Grand Brilliance’s feature films sweep all Top 5 nominations for Best Film, Best Directing, Best Screenplay, Best Editing and Best Sound at the 26 <sup>th</sup> Malaysia Film Festival.		
Harian Metro, Malaysia’s first Malay daily afternoon newspaper is published.					
				22 August	
1 9 9 8			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.		
ntv7 first comes on air 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.					
				1 September	
2 0 0 3			Media Prima Digital ranks No.1 in the Top 20 Web Properties visited from Mobile Devices in Malaysia with 1.9 million unique visitors.		
To celebrate its 19 <sup>th</sup> anniversary, TV3 organises the Karnival TV3 2003 Sure Heboh which travels to Johor Bahru, Malacca, Kuantan, Penang, Ipoh and Kuala Lumpur. It is now known as Karnival Jom Heboh and is visited by an estimated 5 million people every year.					
				5 September	
2 0 0 4	8 January		As part of TV3’s 30 <sup>th</sup> Anniversary celebration, 30 underprivileged individuals were sent to Mekah to perform the Haj.		
8TV begins operations on January 8 <sup>th</sup> 2004 and transmits free to the entire West Coast of Peninsular Malaysia and Kuantan on the UHF band carrying the tagline “We Are Different”.					
				20 September	
2 0 0 5	30 December		Golden Awards 2014 garners over 1.2 million viewership with a whopping 46% Chinese audience share for both its live show and Red Carpet, making it the No.1 most-watched primetime Chinese programme of that night across all networks.		
Media Prima completed the acquisition of the highly popular ntv7, strengthening its position in the lucrative urban market.					



# TONES

	22 September	
	Project Orange Tropicana NSTP - In the week-long campaign, the pages of NST and BH were decked in orange, coupled with images of the fruit, as well as stories relating to juices and their benefits in Life & Times and BH2.	
	29 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.	
2 0 1 5	10 April	
	Big Tree Outdoor registered its CuBig Digital Series design with Perbadanan Harta Intelek Malaysia as a significant milestone towards the digital era of outdoor advertising.	
	3 June	
	Media Prima Radio Network bagged Gold and Silver awards for the Public Service Radio category in Domestic Violence during Summit Creative Awards held in the USA.	
	9 June	
	TV3 launched Kempen Travelling Beruang to raise funds to help child cancer patients in Malaysia through the Travelling Beruang MAKNA Fund.	
	12 June	
	Big Tree Outdoor 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	
	New Straits Times (NST) celebrated its 170 <sup>th</sup> anniversary, launching a series of low key but highly impactful activities engaging readers and stakeholders.	
	22 August	
	Grand Brilliance's feature film won all awards in the film category for the movie 'Gila Baby' at Anugerah Lawak Warna 2015 (ALW2015).	
	23 August	
	Media Prima bagged the Bronze Award in the Non-Traditional Annual Report – Media Category at the 29 <sup>th</sup> MerComm Annual Report Competition (The International ARC Awards) 2015.	
	1 October	
	Media Prima expands its radio operations by acquiring Ultra FM and Pi Mai FM radio broadcasting stations.	
	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.	
2 0 1 6	11 February	
	Media Prima Television Networks and tonton appointed to air the country's top football leagues and cup competitions for the next three seasons from 2016 to 2018.	

3 March	
	Media Prima Radio Networks launched its newest radio station, Kool FM.
1 April	
	Media Prima Television Networks launched CJ WOW Shop.
8 April	
	Ejen Ali: MATA Training Academy mobile game is made available at Playstore and App Store by MP Labs.
15 April	
	Media Prima Berhad has appointed En. Rafiq Razali as the new CEO for Media Prima Digital (MPD).
11 May	
	Media Prima Berhad bags 2 Golds and 2 Silver on Intermedia-Globe Awards in World Media Festival in Hamburg, Germany.
19 May	
	The News Straits Times Press (NSTP) is launched FullAMark (An Education's Mobile Apps and Portal)
20 May	
	NSTP's new E-Magazine named Speed & Wheels officially launch.
21 May	
	Media Prima Radio Network (One FM) won 3 awards in Anugerah Seri Angkasa.
1 June	
	The News Straits Times Press (NSTP) launched Galeri Prima located in Balai Berita Bangsar.
10 June	
	Dhiya by BH has officially announced.
28 June	
	Media Prima Television Network collaborate with top brands (F&N, NIVEA, NESCAFÉ Classic, POS Malaysia, TOP, Bank Rakyat and Samsung) on Ramadan & Syawal campaign.
29 June	
	Media Prima radio station, Hot FM awarded Silver button from YouTube for 100,000 followers.
1 July	
	Prasarana Malaysia Berhad has appointed Big Tree Outdoor (a Media Prima's subsidiary) as its outdoor agency in managing RapidKL's two (Light Rail Transit) LRT lines – the Ampang and Kelana Jaya lines.
25 August	
	Media Prima Radio Network come with a brand new initiative for commuters by Rapid KL, Hot FM and Big Tree.
1 September	
	Tonton ties up with Malaysia's giant telco company, Maxis for quality programme.
18 September	
	Media Prima bag seven honours at The Spark Awards for Media Excellence 2016.
28 September	
	Mass Rapid Transit Corp Sdn Bhd has awarded three advertising packages for the MRT Sungai Buloh-Kajang Line (SBK Line) to Big Tree Outdoor-Seni Jaya consortium and Titanium Compass Sdn Bhd. All packages are for 10 years, MRT Corp said in a statement today. Big Tree Outdoor Sdn Bhd (BTO) and its partner Seni Jaya Sdn Bhd bagged the Package B concession for exterior advertising.
25 November	
	Media Prima launched 'Tabung Kemanusiaan Rohingya'.

**media** prima

Whether left-brained

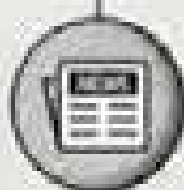


*Or right-brained,*  
YOU'LL FIT RIGHT IN

TELEVISION



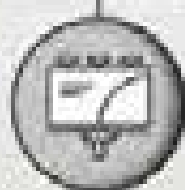
PRINT



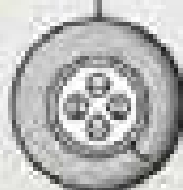
VIDEO



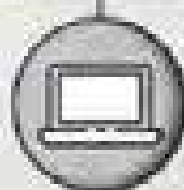
ADVERTISING



CONTENT









DIGITAL MEDIA



# CORPORATE STRUCTURE

## TELEVISION



 <b>100%</b> Sistem Televisyen Malaysia Berhad	 <b>100%</b> Ch-9 Media Sdn Bhd	 <b>100%</b> Metropolitan TV Sdn Bhd	 <b>100%</b> Natseven TV Sdn Bhd	 <b>51%</b> MP CJ O Shopping Sdn Bhd (formerly known as Media Prima CJ O Shopping Sdn Bhd)	
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## PRINT



 <b>98%</b> The New Straits Times Press (Malaysia) Berhad				
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## RADIO



 <b>100%</b> Max - Airplay Sdn Bhd	 <b>100%</b> Synchrosound Studio Sdn Bhd	 <b>99%</b> One FM Radio Sdn Bhd	 <b>100%</b> Kool FM Radio Sdn Bhd (formerly known as Copyright Laureate Sdn Bhd)
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## OUT-OF-HOME



 <b>100%</b> Big Tree Outdoor Sdn Bhd	 <b>100%</b> Kurnia Outdoor Sdn Bhd	 <b>100%</b> Gotcha Sdn Bhd	 <b>100%</b> The Right Channel Sdn Bhd	 <b>100%</b> UPD Sdn Bhd	 <b>60%</b> Big Tree Seni Jaya Sdn Bhd
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## CONTENT



 <b>100%</b> Primeworks Studios Sdn Bhd	 <b>100%</b> Primeworks Distribution Sdn Bhd	 <b>100%</b> Alternate Records Sdn Bhd	 <b>100%</b> The Talent Unit Sdn Bhd	
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## DIGITAL MEDIA



 <b>100%</b> Media Prima Digital Sdn Bhd	
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COMPANY



BRAND



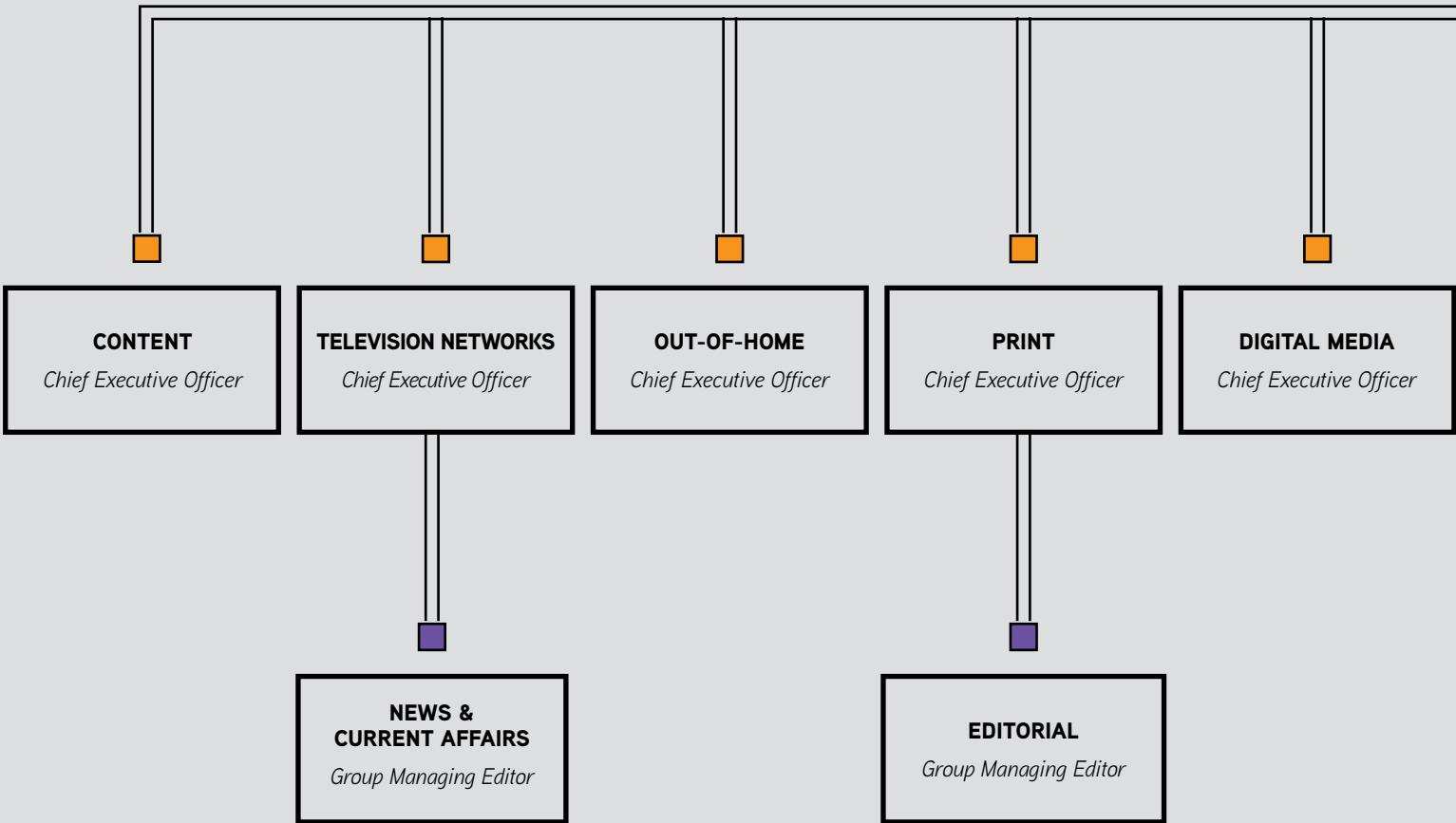
# ORGANISATION STRUCTURE

## GROUP CHAIRMAN

### GROUP CHAIRMAN'S OFFICE

General Manager

## GROUP MANAGING DIRECTOR



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

GROUP INFORMATION TECHNOLOGY

Group Chief Technology Officer

GROUP MANAGEMENT SERVICES

Group General Manager

GROUP FINANCE & SECRETARIAL

- Group General Manager, Group Finance & Secretarial
- Group Company Secretary

GROUP LEGAL

General Manager

INTEGRATED  
MARKETING

Group Chief  
Marketing Officer

CORPORATE  
PLANNING,  
REGULATORY AFFAIRS/  
STAKEHOLDER  
MANAGEMENT

Group General Manager

GROUP HUMAN  
RESOURCE

Group General Manager

GROUP CORPORATE  
COMMUNICATIONS

Group General Manager



MPB's Group Chairman, Datuk Seri FD Iskandar entertaining DYMM Seri Sultan Perak and his consort at the Group's Hari Raya Open House.



MPB's top management with Malaysia's Prime Minister, YAB Datuk Seri Najib Razak doing the 'lao sang' during MPB CNY open house.

media prima

s n a p



Hot FM Dekat Jer Tour bringing Hot FM announcers around Kuala Lumpur to promote the radio station.



Media Prima Labs collaborated with Malaysian Digital Economy Corporation (MDEC) and organised Level UP KL 2016.



The happy faces of the grand finals winners in New Straits Times' famous nationwide annual spelling competition, the RHB-NST National Spell-It-Right Challenge 2016.



Datuk Kamal Khalid (CEO of MPTN) giving his key note address during MPTN's Screenings 2016 where he shares plans with advertisers and business partners.





Minister of Education, YB Datuk Seri Mahdzir Khalid with students of SK. Bukit Jelutong during the launching of NSTP's education portal *FullAMark*.



Fly FM announcers showing the grand prize of RM8,888 in the station's new challenge called *Fly Golden Banana*.

# shots



Jeff Cheah (Big Tree Outdoor, CEO), Seelan Paul (MPRN, CEO), Datuk Mohd Zahir Zahur Hussain (PRIDE, CEO) and Hot FM announcers during the launching of Hot FM @ LRT.



International singer, Afgan, receiving an award during TV3's *Anugerah Melodi 2016*.



Multi-talented star Dato' Fauziah Ahmad Daud winning her Lifetime Achievement Award (*Anugerah Pencapaian Sepanjang Hayat ABPBH29*) at the ABPBH29. Witnessing are BH Group Editor Datuk Mahfar Ali (left) and ABPBH29 Organising Committee Chairman and BH entertainment editor Shamsul Azree Shamsir.



Flag-off during *Harian Metro Mountain Bike* challenge held in Port Dickson.



Actress, Siti Saleha, receiving her award during MPTN's *Anugerah Skrin 2016*.



*Konsert Ledakan 25 Tahun HM* is the final culmination event ending a series of nationwide ground activation by Harian Metro in conjunction with the newspaper's 25<sup>th</sup> year Anniversary in 2016.



MPB's Big Tree Outdoor (BTO) team upon BTO's appointment to manage RapidKL's two LRT extension lines.



Launching of NSTP's *Syukur-On-Wheels* campaign at driveway Balai Berita NSTP, Bangsar in support of MPB *Syukur Selalu*.



Dayang Nurfaizah (right) receiving her award for winning Best Vocal in *Anugerah Juara Lagu 30*.



Primeworks Studios Film Production General Manager, Tengku Iesta Tunku Alaudin (far right), with *Pekak* cast during *Pekak's Wayang Pacak* event.



MPTN's Communication's Unit during the MPB CNY Open House 2016.



Seelan Paul (centre) with Kool FM announcers during its launch in March 2016.



MPB's team of MPI awards winners. This is the second consecutive year NST bagged the coveted Kajai journalism award.



Management's performance during MPB's Suka-Suki Aidilfitri event, an internal event to celebrate the festive season.



Besides helping the school children, NSTP's Bengkel Akhbar Dalam Darjah (ADD) BH also catered to training the teaching staff as seen in this picture.



Big Tree Outdoor (BTO) held its Think Big seminar in May 2016 to share the latest outdoor marketing data with advertisers.



## MPB

1

### Malaysia's Strongest Brands (Broadcast Category) Awards (Integrated Marketing)

2

### NACRA: Best Sustainability Report 2015 (Silver)

3

### AsiaMoney

- Best Managed Company (Small Cap) 2016 – Market Capitalisation under US\$1bn Across 13 Markets
- Best Corporate Governance Poll 2016 (December)

#### Winner

- Best for Disclosure and Transparency
- Best for Corporate Social Responsibility

#### Runner-up

- Best for Investor Relations
- Best Overall for Corporate Governance
- Best for Responsibilities of Management and the Board of Directors
- Best for Shareholders' Right and Equitability Treatment

4

### Human Resources Asia Recruitment Awards 2016

- Best On-boarding Experience – Silver award
- Best Career Website by a Corporate HR Team – Bronze award

5

### Malaysia HR Awards

- Best in HR Innovation (Silver)

6

### Human Resource Minister's Award 2016

- For Max Airplay Sdn. Bhd.

## MPTN

1

### The Appies Malaysia 2016

# AWARDS AND

2

### Intermedia-Globe, World Media Festival, Hamburg Germany

#### Gold Awards

- NTV7's Feel Good Documentaries
- *Piala Malaysia* Finals - Web Events and Live Streaming

#### Silver Awards

- *Kita Juara* trailer
- Bella Awards promo trailers

3

### The Spark Awards

- 2016 The Spark Awards Best Corporate Branding by a Media Owner category with Air Asia's "Travelling Beruang in association with Air Asia" campaign – Gold
- 2016 The Spark Awards Best Media Solution – Television/Online Video category with Nescafe Classic's "*Syukur Selalu*" campaign (Bronze)

4

### Anugerah Media Kementerian Kesihatan 2016

- Promo Kesihatan Terbaik Televisyen (Bahasa Cina) – Tan Poh Ling (Wartawan ntv7)
- Laporan Kesihatan Terbaik Televisyen (Bahasa Cina) menerusi laporan Beauty and The Breast (Barah Payu Dara) – Tan Poh Ling (Wartawan ntv7)
- Hadiah Saguhati Laporan Kesihatan Terbaik Televisyen Bahasa Melayu dan Bahasa Inggeris; Era Baharu Dunia Surgeri – Irin Putri Azmi (Wartawan TV3), World Health Day 2016: Beat Diabetes – Muhammad Ridhuan Hussain (Wartawan ntv7), Undergoing Angioplasty – Nur Alisa Yuzni Jamzuri (Wartawan ntv7).

5

### Best Volunteer Initiative Award: People's choice in Malaysia iM4U Volunteer Awards.

- Bersamamu

## NSTP

1

### Anugerah Media KKLW 2016

- **Anugerah Media Cetak – Tempat Pertama**  
Mahaizura Abd Malik (HM)
- **Anugerah Media Cetak – Tempat Ketiga**  
Datuk Abdul Jalil Hamid (NSTP) & Zaidi Isham Ismail (NST)



Media Prima HR team at the Human Resources Asia Recruitment Awards 2016



NSTP bagged the Bronze Award under the Media and Network category at the Putra Brand Awards 2016.

# RECOGNITION 2016

2

## Anugerah Media Pembinaan CIDB 2016

- **Anugerah Penghargaan Media CIDB – Tempat Pertama**  
Wan Noor Hayati Wan Alias (BH)
- **Anugerah Fotografi – Tempat Kedua**  
Mohamed Sairien Mohamed Nafis (NSTP)

3

## Johor English Language Teaching Association Award (Jelta)

- **Special Jelta Award**  
New Straits Times Learning Curve pullout

4

## 2016 WAN-IFRA Asian Media Digital Awards

- **Best In Tablet Publishing**  
NSTP Digital Magazine, Zon Interaktif Pesona (ZIP)

5

## Kenyalang Journalism Awards 2016

- **Chief Minister’s Award (BM) – Main Prize & Bahasa Malaysia Section – First Prize**  
Hardi Effendi Yaacob (BH)
- **Sustainability Reporting Award – Third Prize**
- **Community Wellbeing and Rural Development Journalism Award – Third Prize**  
Rabi’atul Adawiyah Ismail (HM)

6

## Pahang DRB-Hicom Media Awards 2016

- **English News – First Prize**  
**English Special Report – Top Prize**  
**Sports – Third Prize**  
T.N. Alagesh (NST)
- **Bahasa Melayu News – First Prize**  
Mohd Rafi Mamat (HM)  
**Bahasa Melayu News – Second & Third Prizes**  
Raja Norain Hidayah Raja Abdul Aziz (HM)
- **Bahasa Melayu Special Report – First Prize**  
Shah Rul Aswari Abdullah (HM)  
**Bahasa Melayu Special Report – Third Prize**  
Mohd Fauzi Abdullah (HM)
- **Environmental Reporting – Second Prize**  
Amin Ridzuan Ishak (BH)  
**Environmental Reporting – Third Prize**  
Shah Rul Aswari Abdullah (HM)
- **Crime Report – First & Second Prizes**  
Shahrul Nizam Mohamad (HM)
- **Sports Photography – First & Second Prizes**  
Zulkepli Othman (NSTP)
- **Features Photography – First Prize**  
Luqman Hakim Zubir (NSTP)
- **Best Human Interest Photography – First Prize**  
Muhammad Farizul Hafiz Awang (NSTP)  
**Best Human Interest Photography – Third Prize**  
Luqman Hakim Zubir (NSTP)

7

## Anugerah Media Kementerian Kesihatan 2016

- **Laporan Kesihatan Terbaik Akhbar Bahasa Melayu – Saguhati**  
Hazwan Faisal Mohamad (BH)

8

## Malam Anugerah PKIBM (Persatuan Kebangsaan IPTS Bumiputera Malaysia) 2016

- **Anugerah Penghargaan Media**  
Siti A’isyah Sukaيمي (HM), Irwan Shafrizan Ismail (BH) & Hazlina Abd Aziz (NST)

9

## Johor Media Awards 2016

- **Best Tourism & Culture News (BM)**  
Muhammad Badrul Kamal Zakaria (BH)
- **Best Economic News (BM)**  
Mohamed Farid Noh (BH)

10

## The Spark Awards 2016

- **Best Media Solution-Print (Mountain Dew-ETIKA) – Gold Award**  
The New Straits Times Press (M) Berhad
- **Best Subscription Strategy (FullAMark) – Bronze Award**  
The New Straits Times Press (M) Berhad

11

## Kinabalu Shell Press Awards 2016

- **Environmental Reporting Award – Grand Prize**  
Roy Goh (NST)
- **Journalism Award (ENG) – Merit**  
Roy Goh (NST) & Avila Geraldine (NST)  
**Journalism Award (BM)**  
Poliana Ronnie Sidom (BH), Mohd Razlan Salleh (HM) & Junaidi Ladjana (HM)
- **Sports Journalism Award – Merit**  
Olivia Miwil (NST) & Thaddius Unnip (BH)
- **Business and Economic Reporting Award (BM) – Grand Prize**  
Thaddius Unnip (BH)  
**Business and Economic Reporting Award (BM) – Merit**  
Junaidi Ladjana (HM) & Norasikin Daineh (HM)
- **Environmental Award – Grand Prize**  
Thaddius Unnip (BH)  
**Environmental Award – Merit**  
Poliana Ronnie Sidom (BH)
- **News Reporting Award – Grand Prize**  
Poliana Ronnie Sidom (BH)  
**News Reporting Award – Merit**  
Junaidi Ladjana (HM) & Norasikin Daineh (HM)
- **Entertainment Reporting Award – Merit**  
Suziannah Jiffar (BH)
- **Sports Photography – Merit**  
Malai Rosmah Tuah (NSTP)
- **Environment Journalism Photography**  
Malai Rosmah Tuah (NSTP)
- **Best Photography for Stringer – Grand Prize**  
Ruslan Lusi (NSTP)  
**Best Photography for Stringer – Merit**  
Mohd Adam Arinin (NSTP) & Mohd Nazllie Zainol (BH)
- **Best News Reporting for Stringer – Grand Prize**  
Willie Jude Junaidi (BH)  
**Best News Reporting for Stringer – Merit**  
Ruslan Lusi (NSTP) & Mohd Nazllie Zainol (BH)

12

Putra Brand Awards 2016

- **Media and Network - Bronze Award**  
New Straits Times

13

WAN-IFRA International Newspaper Color Quality Club (INCQC)

- **Membership for 2016 to 2018 – The outstanding newspaper quality reproduction and printing practices**  
New Straits Times

14

Malaysian English Language Teaching Association (MELTA)

- **Raja Zarith Sofiah Award 2016 for CSR in English Language Education**  
New Straits Times

15

Malaysian Press Institute - Petronas Malaysian Journalists Awards 2016

- **Kajai Award**  
Farrah Naz Abd Karim (NST) & Aliza Shah Muhammad Shah (NST)
- **A. Samad Ismail Young Journalist Award**  
Tharanya Arumugam (NST)
- **Best Reporting Award**  
Tharanya Arumugam (NST) & Zafira Syamim Anwar (NST)
- **Excellent International Journalism Award**  
Syed Azwan Syed Ali (BH)
- **Best in Feature Writing**  
Azran Md Jaafar (BH)
- **Best in Columnist Writing**  
Datuk Abdul Jalil Hamid (NST)
- **Best in Infographic**  
Syahrull Sidek (BH)

16

Anugerah Kelab Media Kelantan Darul Naim (KEMUDI)

- **Anugerah Rencana Terbaik - Tempat Pertama**  
Kalbana Perimbanayagam (NST)
- **Anugerah Rencana Alam Sekitar Terbaik - Tempat Kedua**  
Syarifah Mahsinah Abdullah (NST)
- **Berita Am - Tempat Kedua**  
Siti Nor Hidayatidayu Razali (HM)  
**Berita Am - Tempat Ketiga**  
Maiamalina Mohamed Amin (HM)
- **Anugerah Sukan Terbaik - Tempat Ketiga**  
Mohamad Razis Ismail (HM)
- **Anugerah Rencana Pelancongan Terbaik - Tempat Ketiga**  
Siti Rohana Idris (BH)
- **Anugerah Foto Terbaik - Tempat Kedua**  
Nik Abdullah Nik Omar (NSTP)

17

Anugerah Universiti Sains Islam Malaysia (USIM)

- **Anugerah Liputan Berita Kampus Kategori Sisipan & Anugerah Liputan Berita Kampus Kategori Penyelidikan**  
Ziauddin Sharuddin (BH), Tuty Haryanti Ahmad Rodzi (BH) & Ifwan Tun Tuah (BH)
- **Anugerah Liputan Berita Kampus Kategori Setempat**  
Alias Abd Rani (HM)
- **Anugerah Penulisan Rencana Kategori Pendidikan**  
Ruhaiza Rusmin (HM)
- **Anugerah Senandung Budi**  
Meor Riduwan Meor Ahmad (HM)

18

Malam Mesra Media Universiti Kebangsaan Malaysia (UKM) 2016

- **Anugerah Berita Terbaik (BM)**  
Basir Baharom (BH)
- **Anugerah Rencana Terbaik (BM)**  
Mona Ahmad (BH)

19

15<sup>th</sup> Annual World Association of Newspapers and News Publishers (WAN-IFRA) Asian Media Awards

- **Best in Newspaper Breaking News Article – Silver**  
Harian Metro (Yusri Abdul Malek, Amir Abd Hamid, Mohd Firdaus Ibrahim, Suraya Roslan & Fardy Bungga)
- **Best In Newspaper Marketing – Silver**  
Anugerah Bintang Popular BH (ABPBH)
- **Best in Photojournalism - Bronze**  
Osman Adnan (BH)

20

Majlis Penghargaan CyberSecurity Malaysia

- **Anugerah Penghargaan Khas Media - Sokongan Padu Media Cetak (Akhbar)**  
BH
- **Anugerah Penghargaan Khas Media**  
Wan Noor Hayati Wan Alias (BH) & Afiq Hanif (HM)

21

Majlis Apresiasi Media (MAM) Universiti Malaysia Terengganu (UMT) 2016

- **Penulisan Berita Bahasa Melayu Terbaik Penyelidikan**  
Faizul Azlan Razak (BH)
- **Gambar Terbaik Pendidikan**  
Aswadi Alias (NSTP)
- **Penulisan Berita Bahasa Inggeris Terbaik (Ruangan Pendidikan)**  
Zarina Che Abdullah (NST)
- **Gambar Terbaik Penyelidikan**  
Wan Nur Syahirah Wan Abdullah (NSTP)

22

Majlis Penghargaan Media Melaka

- **Anugerah Wartawan Harapan 2016**  
Amir Mamat (BH)
- **Anugerah Jurufoto Lelaki Terbaik 2016**  
Muhammad Rasul Azli Samad (NSTP)
- **Anugerah Jurufoto Wanita Terbaik 2016**  
Khairunisah Lokman (NSTP)

23

Anugerah Wartawan Muda 2015 Jabatan Penerangan-Kumpulan Yayasan Sabah

- **Penulisan Rencana Bahasa Melayu – Tempat Ketiga**  
Erdiehazzuan Ab Wahid (HM)  
**Penulisan Rencana Bahasa Melayu – Merit**  
Norasikin Daineh (HM)
- **Penulisan Rencana Bahasa Inggeris – Tempat Kedua**  
Avila Geraldine Samuel Chong (NST)  
**Penulisan Rencana Bahasa Inggeris – Merit**  
Olivia Jessica Peter (NST)
- **Anugerah Foto Terbaik – Johan & Tempat Ketiga**  
Malai Rosmah Tuah (NSTP)  
**Anugerah Foto Terbaik – Tempat Kedua**  
Mohd Nazllie Zainul (BH)  
**Anugerah Foto Terbaik – Merit**  
Mohd Adam Arinin (HM) & Erdiehazzuan Ab Wahid (HM)



24

**Anugerah Maulidur Rasul 2016**

- Anugerah Maulidur Rasul Peringkat Kebangsaan Tahun 2016  
Hasliza Hassan (BH)

25

**Anugerah Cemerlang Keselamatan dan Kesihatan Pekerjaan Kebangsaan 2016**

- Anugerah Wartawan Media Cetak  
Wan Noor Hayati Wan Alias (BH)

26

**Pemudah Journalism Competition 2015**

- English Language Print/Online – First Prize  
Rupa Damodaran (NST)
- Bahasa Malaysia Language Print/Online - First Prize  
Mohd Rafi Mamat (BH)  
Bahasa Malaysia Language Print/Online - Second Prize  
Shahrizan Salian (BH)  
Bahasa Malaysia Language Print/Online - Consolation Prize  
Ahmad Fiesal Othman (BH)

27

**Anugerah & Pengiktirafan Kempen “Blue Ribbon” 2015**

- Anugerah Media Blue Ribbon  
Mohd Nasaruddin Parzi (BH)

MPRN

1

**2016 The Spark Awards**

- Best Media Solution (Radio) Silver Award (Hot FM)

2

**2016 YouTube Silver Button Award (Hot FM)**

3

**Anugerah Seri Angkasa 2016**

- Pesanan Khidmat Masyarakat Awam (PSA) Radio Terbaik  
(Jackson Tan – One FM)
- DJ Wanita Terbaik (Ooi Yin Yin – One FM)
- Promo Radio Terbaik (Jiang Jiang Jiang – One Hei Zi – One Opera House – Low Pooi San/Ang Zhen Wei)

PRIMEWORKS  
STUDIOS

1

**Anugerah Seri Angkasa 2016**

- 3 won – for Best TV Cameraman (SCP), Best Drama + Best Sports TV Production

2

**Anugerah Kewartawanan Malaysia MPI-PETRONAS 2015**

- 2 won – 1 for Best Video Documentary, 1 consolation prize + Top 5 for Young Journalist Prize category

3

**Tribute To Women Award 2016**

- 1 won – for Nona being the Longest Airtime for a Women’s TV Programme in Malaysia

4

**Festival Filem Malaysia Ke-28**

- 1 won – for Best Short Animation Film (Ejen Ali) + 4 nominations (Love, Supermoon)

5

**Anugerah Majlis Pengkritik Filem Kuala Lumpur 2016**

- 1 won – for Best Actress (for Nadiya Nisaa - Love, Supermoon) + 4 nominations

6

**Anugerah Skrin 2016**

- 9 won – for Best Documentary/Magazine, Best Talk Show, Best Entertainment Programme, Best Award Programme, Best Film Screenplay, Best Videography + 3 awards for Anugerah Juara Lagu 30 (for Montage, Lighting Direction and Sound Direction).

7

**Marché du Film in Cannes, France**

- Special screening of PEKAK under the “Malaysia Goes to Cannes” programme

8

**International Motivational Film Festival BRIDGE OF ARTS 2016 (IMFF 2016) in Rostov-on-Don, Russia**

- 2 won – for Best Script + Best Actor (for Pekak)

9

**Colortape International Film Festival 2016**

- 1 won – for Best Script (for Virginia Kennedy - Girlfriend Kontrak) + 4 nominations (Girlfriend Kontrak)

10

**Anugerah Telenovela**

- 1 won – for Best Telenovela (Teman Lelaki Upahan)

BIG TREE  
OUTDOOR

1

**Out of Home Media Company of the Year 2016**

Awarded by the Advertising + Marketing Magazine

2

**2016 The Spark Award for Media Excellence Bronze Award for Best Engagement Strategy**

Campaign: Telekom Malaysia Mural Painting “For The Makers of Tomorrow”  
Client: Telekom Malaysia

# MEDIA PRIMA IN THE NEWS



### Media Prima appoints 2 new directors

Media Prima Berhad has appointed two new directors to its board of directors. The appointments were made at the 2016 Annual General Meeting held on 14 September 2016 at the Grand Ballroom of the Sheraton Hotel, Kuala Lumpur. The two new directors are Mr. Tan Sri Datuk Seri Anwar Ibrahim and Mrs. Tan Sri Datuk Seri Hasmah Mohd Ali. They will join the existing board members, including Mr. Tan Sri Datuk Seri Anwar Ibrahim, Mrs. Tan Sri Datuk Seri Hasmah Mohd Ali, Mr. Tan Sri Datuk Seri Anwar Ibrahim, and Mrs. Tan Sri Datuk Seri Hasmah Mohd Ali.

## MEDIA



### MPB, MNC perinci kerjasama akhir tahun

Kongres media Malaysia, Indonesia bincang nufus, **kegiatan akhir tahun**

MPB, MNC perinci kerjasama akhir tahun. Kongres media Malaysia, Indonesia bincang nufus, kegiatan akhir tahun. MPB, MNC perinci kerjasama akhir tahun. Kongres media Malaysia, Indonesia bincang nufus, kegiatan akhir tahun.

## BISNES

### Tonton percuma untuk pengguna Maxis

Media Prima, syarikat telekomunikasi, akan memberikan tonton percuma untuk pengguna Maxis. Media Prima, syarikat telekomunikasi, akan memberikan tonton percuma untuk pengguna Maxis. Media Prima, syarikat telekomunikasi, akan memberikan tonton percuma untuk pengguna Maxis.



### "Seelan jadi mentor"

Seelan, bekas peserta pertandingan, akan menjadi mentor. Seelan, bekas peserta pertandingan, akan menjadi mentor. Seelan, bekas peserta pertandingan, akan menjadi mentor.

### Big Tree offers exciting branding via LRT lines



Big Tree offers exciting branding via LRT lines. Big Tree offers exciting branding via LRT lines. Big Tree offers exciting branding via LRT lines.

### Aplikasi permainan mudah alih diperluas untuk iklan

Aplikasi permainan mudah alih diperluas untuk iklan. Aplikasi permainan mudah alih diperluas untuk iklan. Aplikasi permainan mudah alih diperluas untuk iklan.



### CJ WOW SHOP sasar raih jualan RM70 juta

CJ WOW SHOP sasar raih jualan RM70 juta. CJ WOW SHOP sasar raih jualan RM70 juta. CJ WOW SHOP sasar raih jualan RM70 juta.





# 5-YEAR FINANCIAL HIGHLIGHTS

SECTION  
FOUR

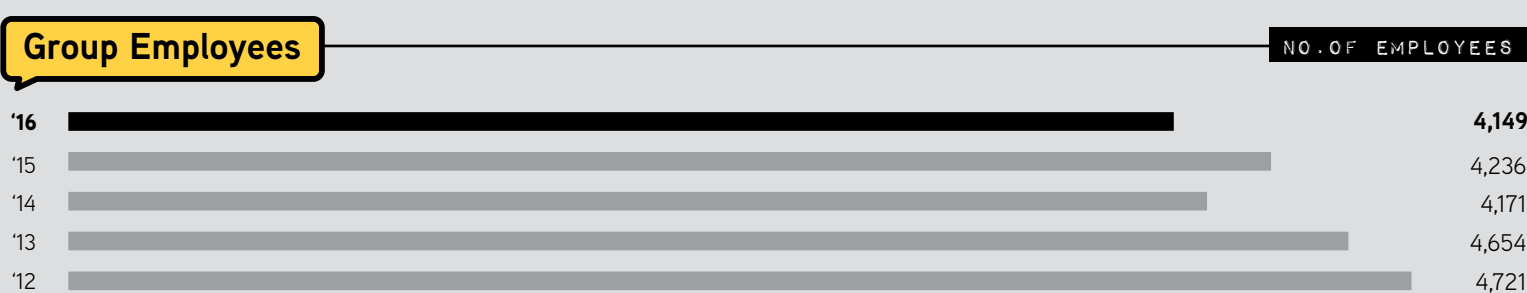
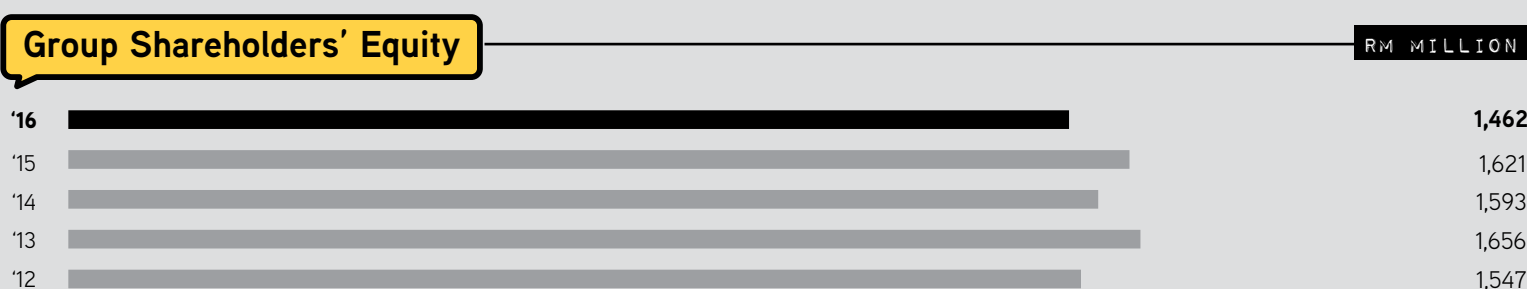
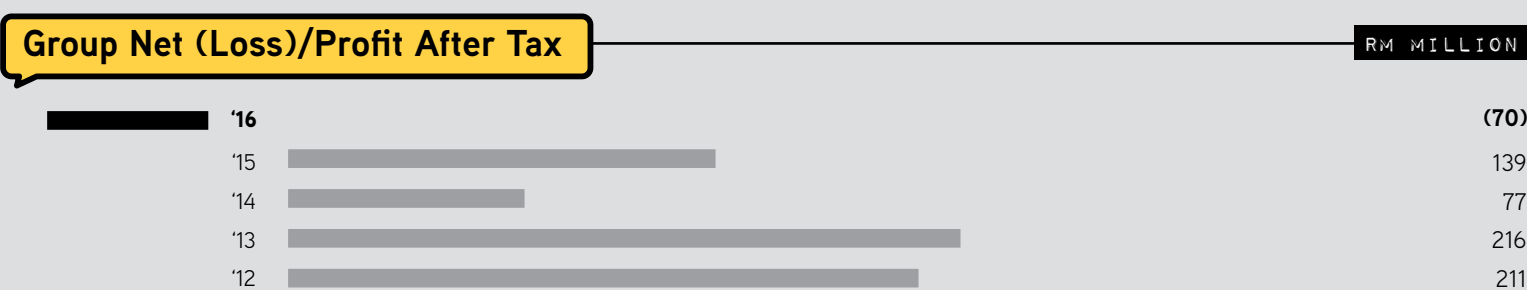
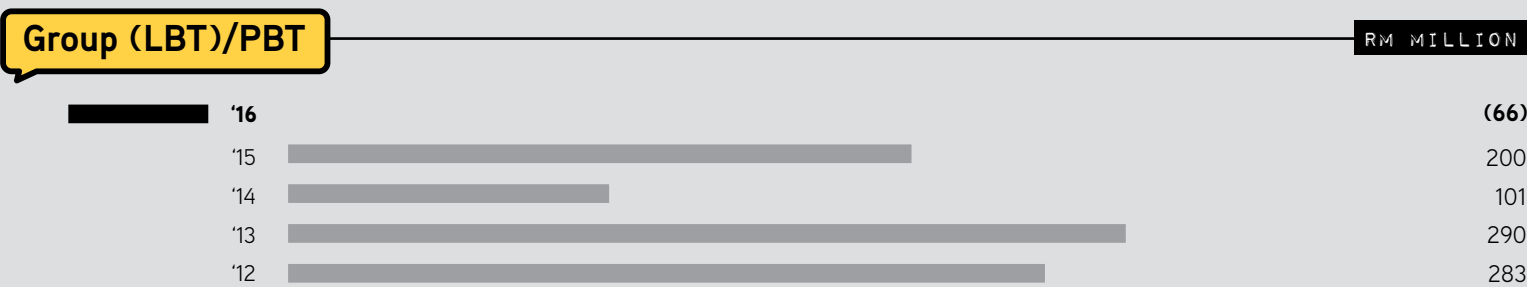
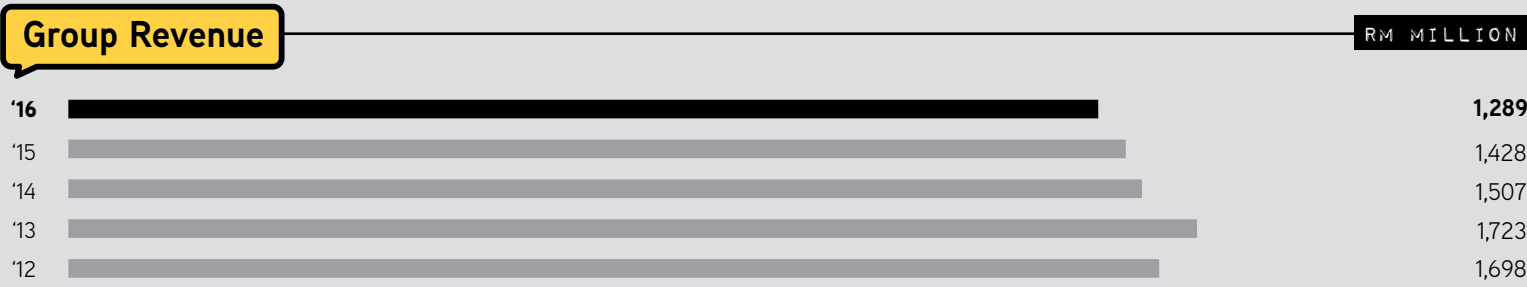
	Year ended 31 Dec 2016 RM'000	Year ended 31 Dec 2015 RM'000	Year ended 31 Dec 2014 RM'000	Year ended 31 Dec 2013 RM'000	Year ended 31 Dec 2012 RM'000
OPERATING RESULTS					
Revenue	1,289,008	1,427,693	1,506,981	1,722,943	1,697,845
(Loss)/Profit Before Taxation	(65,909)	200,068	101,441	289,981	282,945
Net (Loss)/Profit After Taxation	(69,783)	138,708	76,622	216,416	211,312
Net (Loss)/Profit Attributable to Owners of the Company	(59,198)	138,717	75,528	214,165	209,312
Net (Loss)/Profit Attributable to Non-Controlling Interests	(10,585)	(9)	1,094	2,251	2,000
KEY DATA OF FINANCIAL POSITION					
Total Assets	2,151,777	2,330,054	2,478,521	2,606,662	2,668,170
Total Borrowings	300,108	300,108	453,092	499,366	682,746
Share Capital	1,109,199	1,109,199	1,109,107	1,100,529	1,079,692
Shareholders' Equity*	1,461,629	1,620,655	1,592,577	1,656,429	1,547,290
(Loss)/Earnings Per Share (sen) (Basic)**	(5.34)	12.51	6.83	19.62	19.45
FINANCIAL RATIOS					
Return on Shareholders' Equity (%)	-4%	9%	5%	13%	14%
Return on Total Assets (%)	-3%	6%	3%	8%	8%
Net Assets Backing Per Share (RM)	1.34	1.46	1.44	1.51	1.43
Gearing Ratio	0.20	0.18	0.28	0.30	0.44
Interest Cover Ratio	(3.9)	21.3	10.1	15.6	11.3
Dividend Per Share (sen)***	8.0	10.0	11.0	14.0	13.0
Number of Employees	4,149	4,236	4,171	4,654	4,721

\* 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 RM59,198,000 (2015: RM138,717,000) and the weighted average number of ordinary shares in issue of 1,109,199,000 (2015: 1,109,192,000)

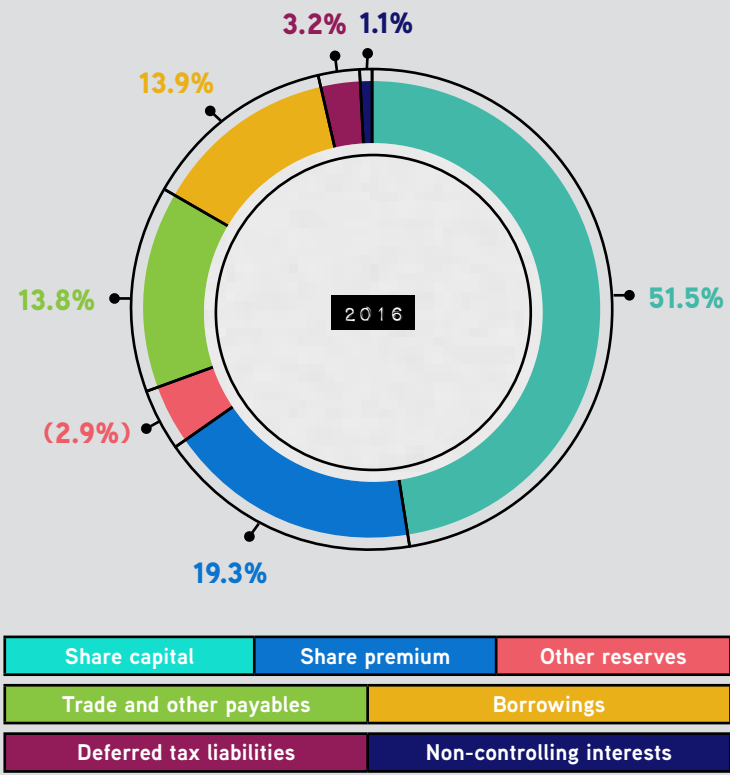
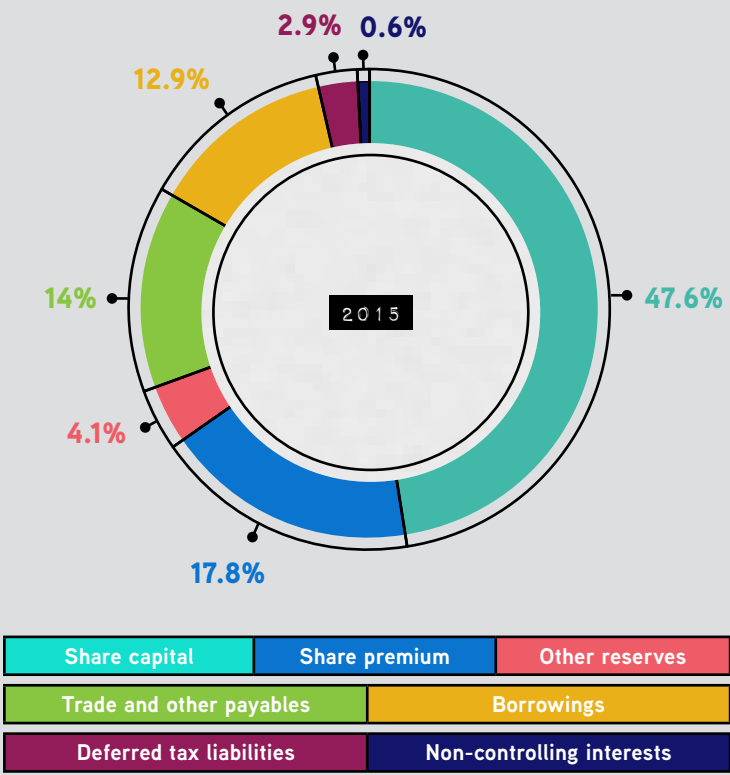
\*\*\* Dividend per share is the total dividend declared for the respective financial year

# 5-YEAR GROWTH SUMMARY

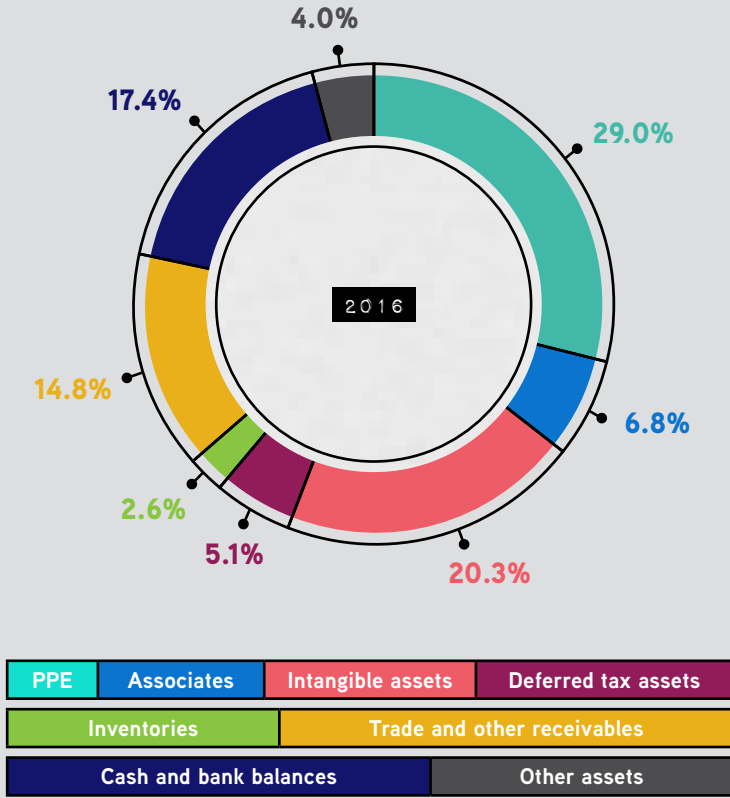
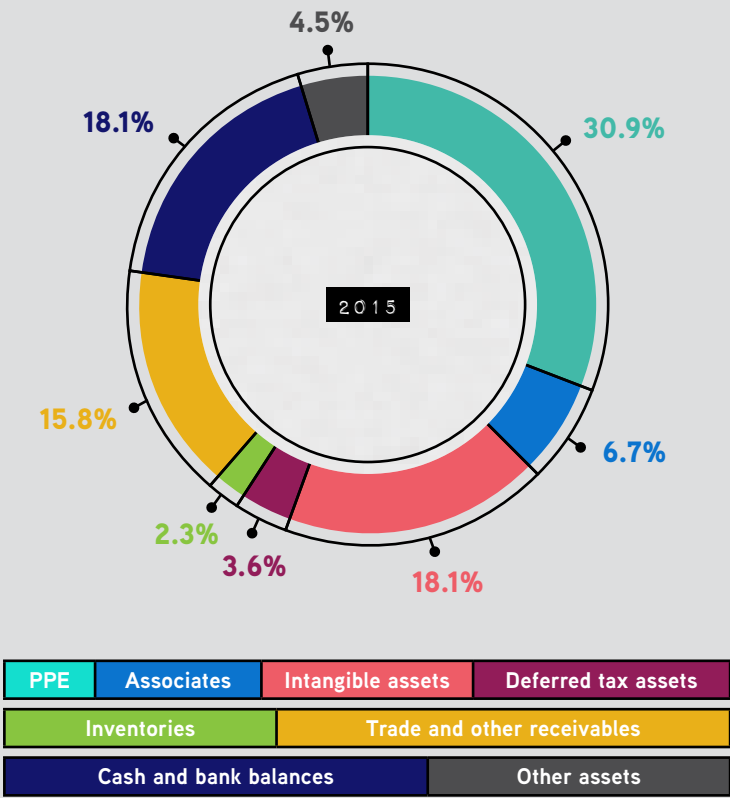


# SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITON

Total Liabilities & Equity



Total Assets

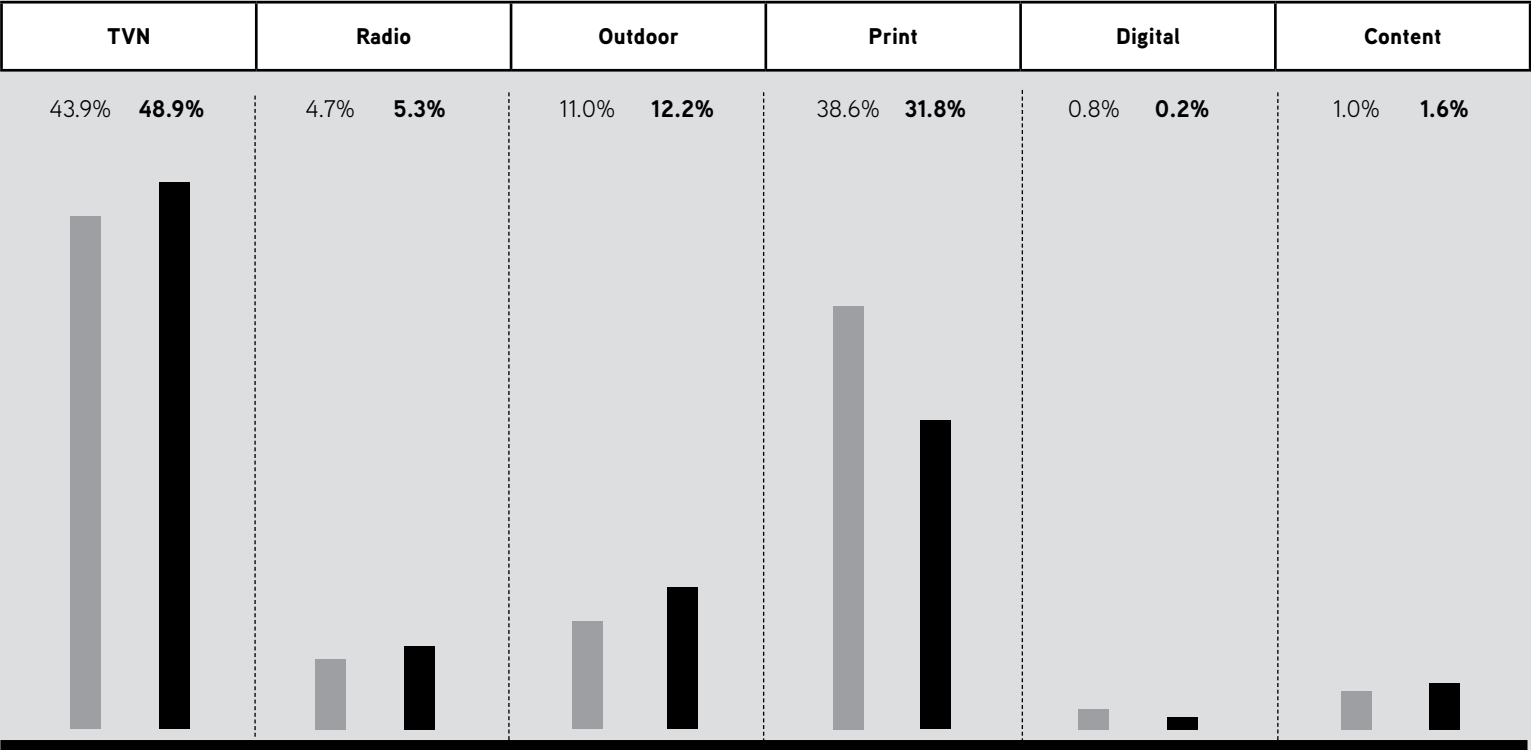




# SEGMENTAL ANALYSIS

## External Revenue

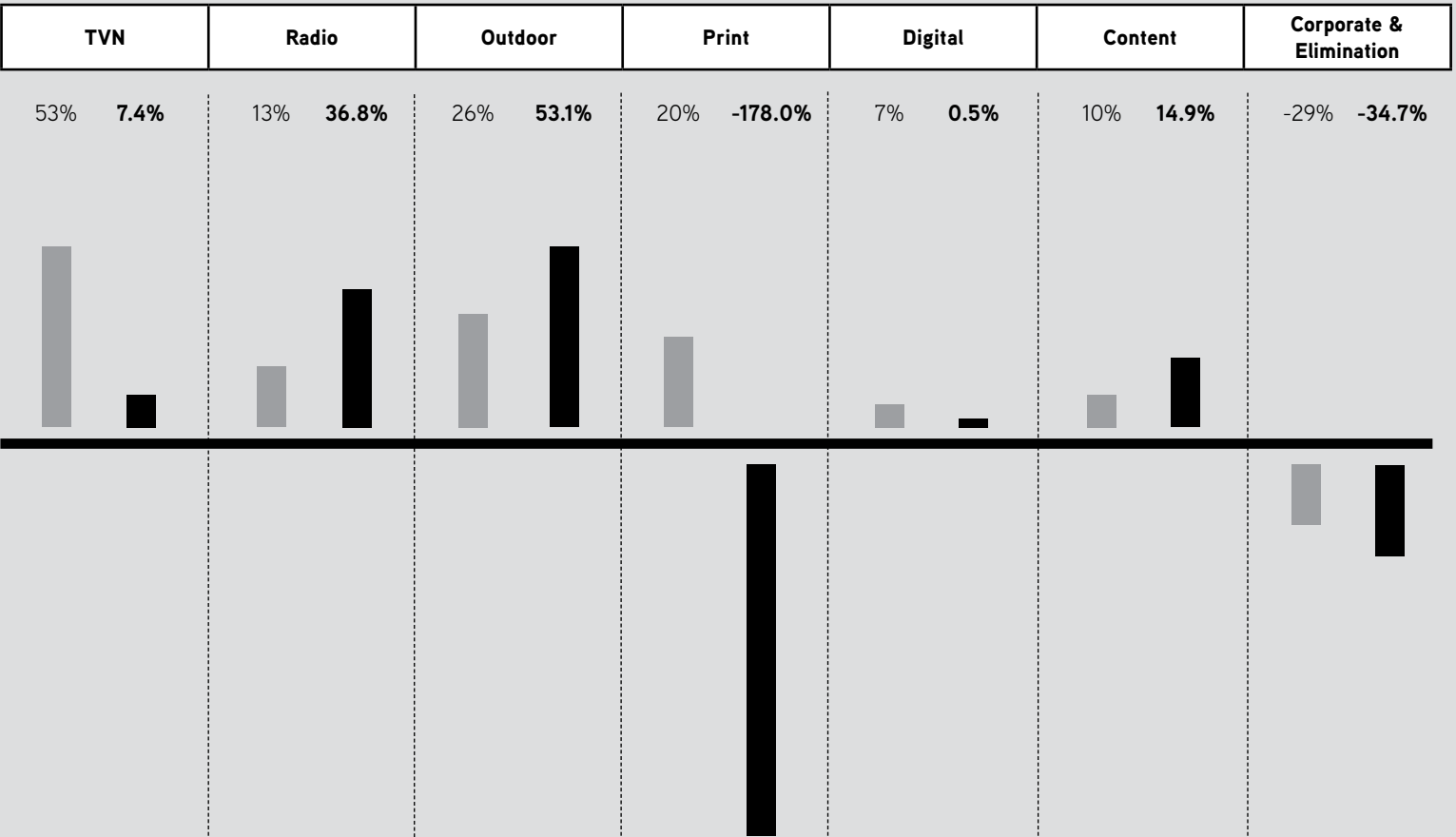
2015 2016



SECTION  
FOUR

## (Loss)/Profit After Tax

2015 2016



# STATEMENT OF VALUE ADDED & DISTRIBUTION OF VALUE ADDED

SECTION  
FOUR

RM'000	FYE 2016	FYE 2015
Revenue	1,289,008	1,427,693
Royalties	(3,221)	(1,741)
Operating Expenses	(1,363,710)	(724,944)
Value Added By The Group	(77,923)	701,008
Other Operating Income (excluding Finance Income)	21,040	16,639
Finance Income	14,388	13,682
Finance Costs	(13,325)	(15,300)
Share Of Results Of An Associate	(10,089)	(7,245)
Value Added For Distribution	(65,909)	708,784
DISTRIBUTION OF PROFITS		
1. Employee Costs	426,435	405,578
2. Taxation	3,874	61,360
3. Shareholders' Dividends Declared For The Financial Year		
- Shareholders of Media Prima Berhad	88,736	110,925
- Non-Controlling Interests	378	914
4. Retain For Reinvestment And Future Growth		
- Depreciation, Amortisation (excluding programme and film rights) & Impairment	184,675	103,138
- (Accumulated Loss)/Retained Profit	(770,006)	26,869
	(65,909)	708,784

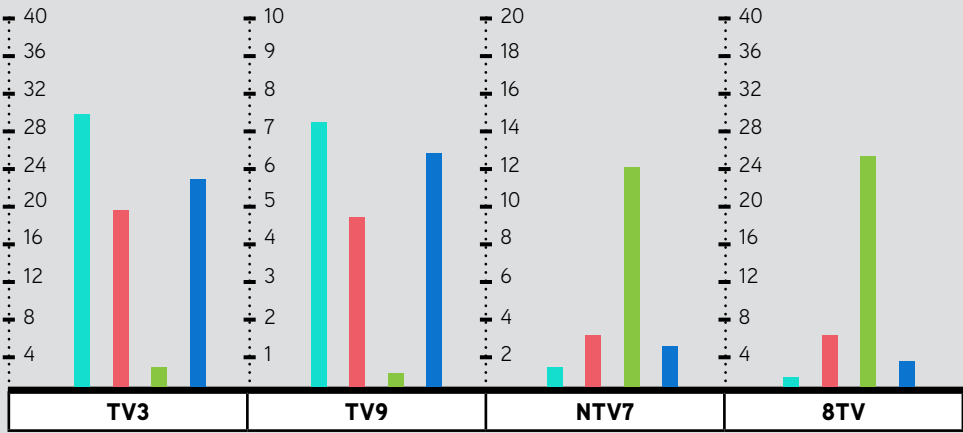
# VIEWERSHIP, LISTENERSHIP & READERSHIP DATA

## Viewership Performance

VIEWING SHARE %

Channel/Target	Malay 4+	Urban 4+	Chinese 4+	Age 4-14years
TV3	28.9	19.2	2.0	23.5
TV9	7.3	4.8	0.4	6.6
NTV7	1.4	3.6	12.0	2.5
8TV	0.8	5.8	25.3	3.7

Source: Nielsen Audience Measurement

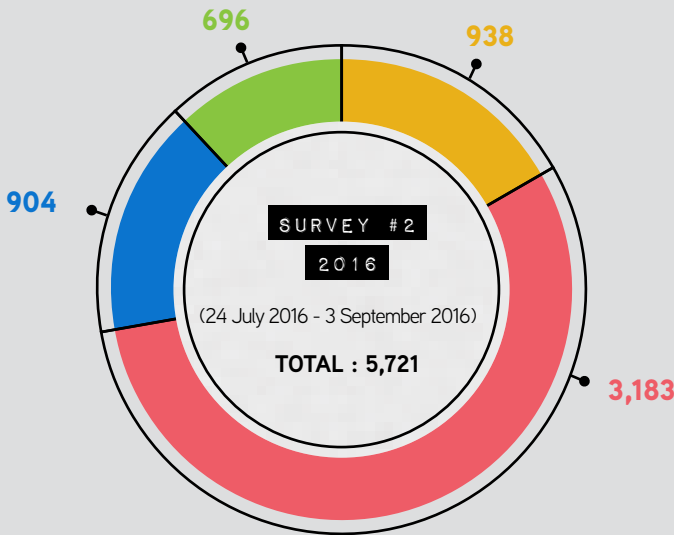


SECTION  
FOUR

## Listenership Radio Networks Reach (000s)

ALL PEOPLE 10+

- FLYFM
- HOT FM
- ONE FM
- KOOL FM



Source: GFK Radio Audience Measurement Wave 2

## Readership Trend (000s)

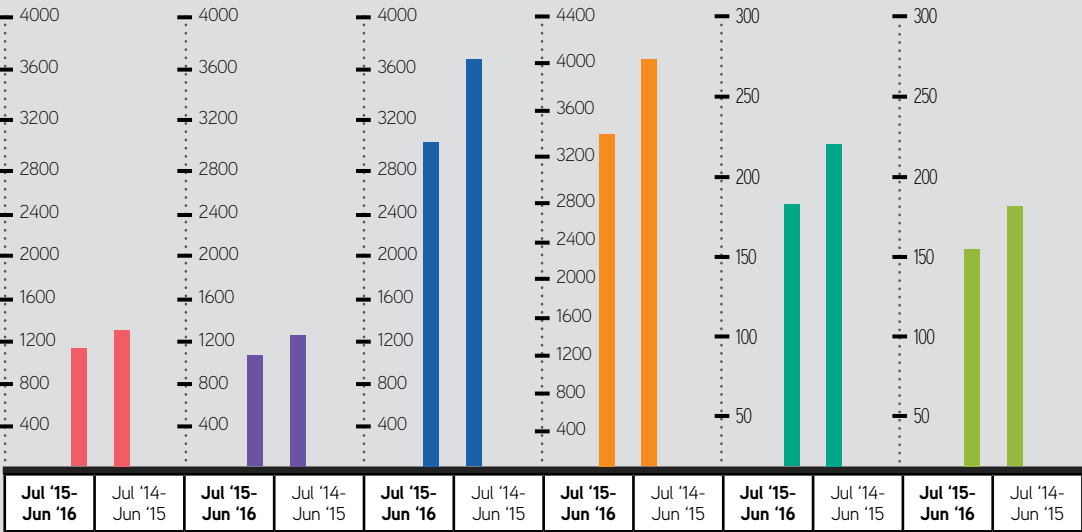
ALL INDIVIDUALS 15+

	Jul '15-Jun '16 ('000)	Jul '14-Jun '15 ('000)
BH	1,190	1,225
BH Ahad	1,175	1,236
Harian Metro	3,165	3,679
Metro Ahad	3,451	4,008
New Straits Times	182	224
New Sunday Times	157	179

Source:

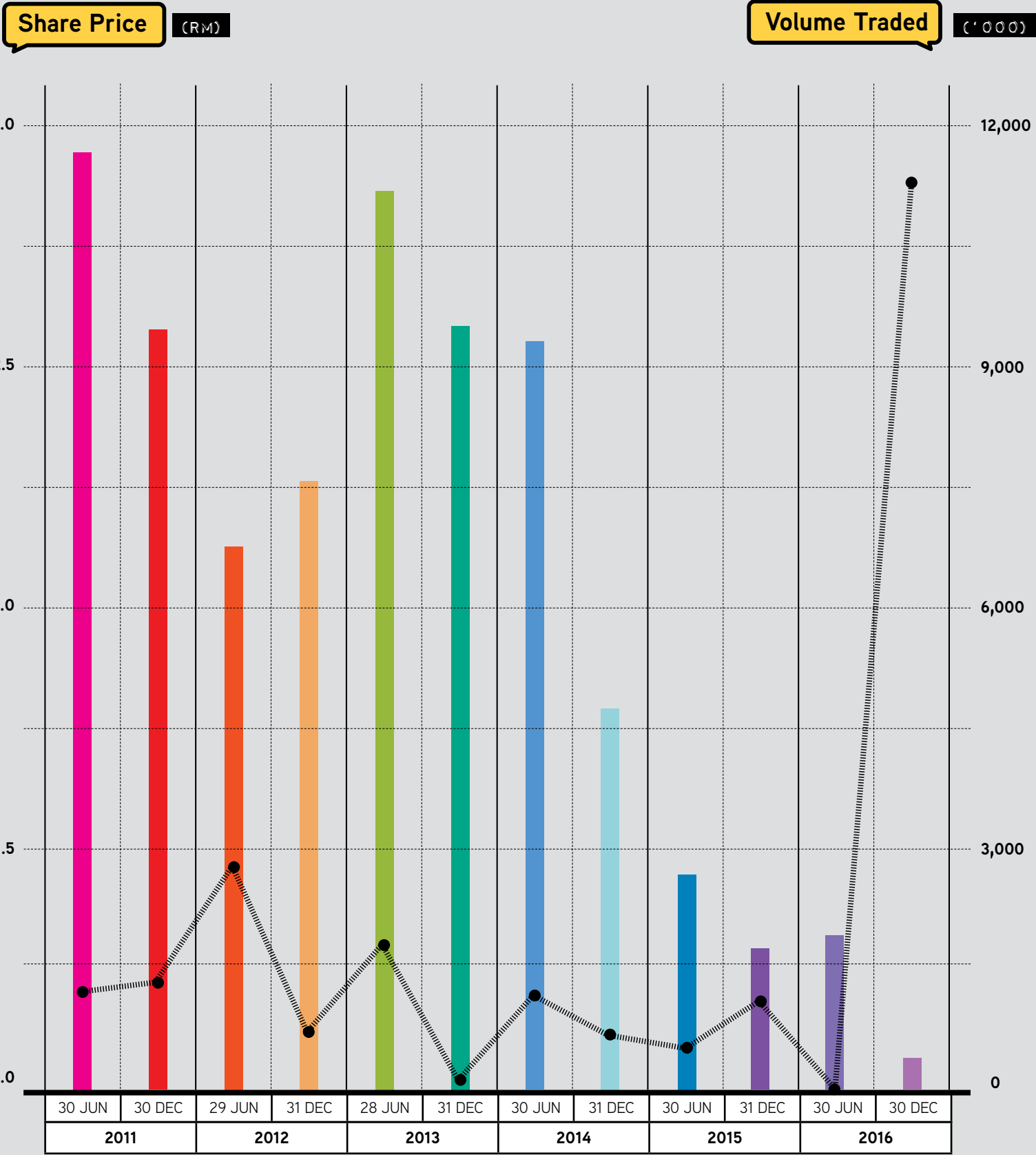
\* Nielsen Consumer & Media View Jul 2015-Jun 2016

\* Nielsen Consumer & Media View Jul 2014-Jun 2015





# SHARE PRICE CHART



SECTION  
FOUR

Date	30.06.2011	30.12.2011	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
Share Price (RM)	2.90	2.60	2.21	2.34	2.80	2.62	2.58	1.76	1.46	1.27	1.38	1.15
Volume Traded	1,385,000	1,419,500	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

Source: Bloomberg

# GROUP FINANCIAL REVIEW

## REVENUE

Group revenue for 2016 of RM1,289.0 million is a 10% decline compared to 2015 revenue of RM1,427.7 million, attributed to lower advertising and newspaper sales as traditional media faced ongoing challenges with the shift to digital media.

This is reflected in a 12% decline in total advertising revenue to RM1,074.4 million (2015: RM1,226.2 million), and 30% decline in newspaper sales to RM125.2 million (2015: RM179.0 million).

Our content revenue grew by 21% to RM21.8 million (2015: RM17.9 million) whilst consumer revenue of RM61.4 million was generated from our newly-launched home shopping network.

Non-core traditional revenue now accounts for 7% (2015: 2%) of total group revenue.

### • Television Networks

Television Networks (“TVN”) revenue remained flat with a 1% growth to RM631.7 million (2015: RM630.7 million), as advertising revenue declined 10% from 2015 mainly due to the soft advertising expenditure (“Adex”) throughout the year.

However, the decline in the advertising revenue was mitigated by new revenue, in particular consumer revenue of RM61.4 million (2015: Nil) from CJ WOW SHOP home shopping. Other new sources of revenue included subscription income from its relaunched tonton subscription video-on-demand services, online multi-channel network and income from licensing TVN’s unique intellectual properties to other sectors in the market.

### • Print Media

Print Media revenue reduced by 25% to RM415.5 million (2015: RM551.6 million). Total advertising revenue for the segment reduced by 22% affected by weak Adex in the publishing segment.

Newspaper sales significantly declined to RM125.2 million (2015: RM179.0 million), the decline reflected in lower print circulation volumes of our publications.

Nevertheless, total digital revenue whilst contributing only 3% of our total Print Media revenue, saw an encouraging growth to RM12.1 million (2015: RM6.5 million) from digital advertising, E-paper and online content sales.

### • Outdoor Media

Revenue growth of 1% to RM158.7 million (2015: RM157.6 million) was attributed to new advertising concessions secured during the year. We also continued roll out of digital assets at premium sites which led to improved occupancy rates.

### • Radio Networks

Radio Networks revenue grew by 1% to RM68.4 million (2015: RM67.7 million), led by robust advertising revenue from One FM and also contributions from Kool FM launched during the year.

### • Digital Media

Increase in revenue by 20% against 2015. Of the RM32.5 million revenue for 2016, RM30.1 million are digital management service fees charged to other business platforms within our Group.

External revenue declined from RM11.4 million in 2015 to RM2.3 million in 2016 following the demerger of our digital business operations in 2015.

### • Content Creation

Content Creation recorded external revenue of RM20.5 million for 2016, which is a 49% growth from 2015. External content growth was mainly contributed by improved box office revenues, advertiser content and external film distribution services.

### • Corporate

Corporate reportable segment mainly comprises of the corporate office and our group shared service functions. Revenues are mostly intercompany in nature and are eliminated for consolidation.

## OPERATING EXPENSES

Total operating expenses before exceptional items for 2016 amounted to RM1,269.0 million (2015: RM1,235.4 million). The 3% increase in operating expenses before exceptional items was partly contributed by operating costs of our new business initiatives in 2016, notably the home shopping network and the relaunched tonton video-on-demand services.

### • Exceptional Items

We undertook a consolidation exercise of our regional printing plants (“RPP”) in response to the overall challenging operating environment faced by our Print Media platform. Under the consolidation exercise, newspaper printing and production operations were permanently ceased at our Ajil and Senai RPPs in 2016 thus resulting in the exceptional items set out below:

Exceptional items:

	RM million
Impairment of property, plant and equipment	76.5
Termination benefits	18.6
Inventories written down	1.5
Other closure costs	1.3
Total exceptional items	97.9

### • Amortisation Of Intangible Assets

Our amortisation of intangible assets increased from RM187.3 million in 2015 to RM198.7 million in 2016. Amortisation of programme and film rights, which is the most significant component of total intangible assets amortised, increased to RM192.0 million (2015: RM182.7 million) due to higher movie and film production costs amortised as external content output from Content Creation platform increased in 2016.

Computer software and software development costs amortisation for 2016 amounted to RM3.6 million (2015: RM1.4 million), the increase was mostly attributed to amortisation of development costs for our mobile applications launched in 2016 under our 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 19% to RM111.2 million (2015: RM136.8 million) as lower newsprint and printing material consumption is in line with lower circulation volumes of newspapers.

### • Employee Benefits Costs

Total employee benefits costs increased by 5% to RM426.4 million compared to RM405.6 million in 2015. The increase is mainly due to termination costs of RM18.6 million in relation to the regional printing plant restructuring exercise which is also part of our exceptional items for 2016.

Total employee benefits costs accounted for 31% of total operating costs in 2016 compared to 33% in 2015.

### • Depreciation

Total depreciation of property, plant and equipment and investment properties increased marginally by RM1.8 million to RM101.5 million in 2016 compared to RM99.8 million in 2015. The increase in depreciation is partly attributed to the accelerated depreciation of certain analogue television broadcasting equipment in view of the switch to digital terrestrial television.

## TAXATION

Taxation for 2016 decreased significantly to RM3.9 million against tax expense of RM61.4 million recognised in 2015. Despite incurring a loss before taxation for 2016, the Group incurred current income tax expense of RM23.1 million (2015: RM48.0 million) on income tax on profitable subsidiaries which cannot be fully set-off against losses incurred by other subsidiaries.

Net deferred tax assets of RM25.2 million (2015: Net deferred tax liabilities of RM3.2 million) were recognised in the current year mainly from deductible temporary differences from Print Media.

## PROFITABILITY

The one-off exceptional items and operating costs of our new business initiatives incurred during the current financial year led the Group to a RM59.2 million loss after tax attributable to equity holders compared to RM138.7 million in 2015. If the one-off exceptional items were excluded, we posted a normalised profit after tax attributable to equity holders of Media Prima Berhad (“MPB”) of RM38.7 million for 2016.

## TOTAL ASSETS

Our total assets as at 31 December 2016 stood at RM2,151.8 million, an 8% reduction from RM2,330.1 million as at 31 December 2015. Lower property, plant and equipment (“PPE”), trade and other receivables, current tax recoverable and deposits, cash and balances contributed to the reduced total balance of the Group.

### • Property, Plant And Equipment

Our PPE balances stood at RM623.0 million as at 31 December 2016 (2015: RM720.3 million). The 14% reduction in PPE balance is partly due to the impairment of assets of RM76.5 million as a result of our RPP consolidation exercise. Addition to PPE of RM79.6 million (2015: RM80.0 million) remained fairly consistent with last year.

### • Intangible Assets

Our intangible assets stood at RM437.1 million as at 31 December 2016 (2015: RM421.2 million). Operating intangible assets consisting of programme rights, film rights and software make up 19% of our total intangible assets, with programme rights balances increased to RM58.1 million (2015: RM47.5 million) as a result of lower amortisation from effective content management whilst software and development costs balances increased to RM10.3 million (2015: RM4.2 million) particularly due to the development of new mobile applications under our Digital Media platform.

Other intangible assets which consists of goodwill, advertising concessions and publishing rights, accounts for 81% of our total intangible assets. We annually review the recoverable amounts of our goodwill, advertising concessions and publishing rights with indefinite useful lives allocated across our Radio Networks, Print Media and Outdoor Media cash generating units and are satisfied that these support the carrying value of the intangible assets (see Note 25 to the consolidated financial statements).

### • Deposits, Cash & Bank Balances

Deposits, cash and bank balances reduced by 11% from RM420.7 million as at 31 December 2015 to RM374.9 million as at 31 December 2016. The reduction in cash and bank balances are primarily due to reduced net cash inflows from operating activities of RM118.3 million (2015: RM225.9 million) in line with the challenging performance for the financial year ended 2016. However, net cash outflows used in investing activities reduced to RM71.4 million (2015: RM85.6 million) as we paid RM18.9 million for the acquisition of Kool FM in 2015. Net cash outflows from financing activities reduced significantly from RM276.1 million for 2015 to RM91.6 million, primarily due to the settlement of redeemable fixed rate bonds of RM150.0 million in 2015.

### • Trade & Other Receivables

Trade and other receivables balance fell by 14% to RM318.9 million as at 31 December 2016 (2015: RM368.7 million). Net trade receivables after advance billings remained fairly consistent at RM258.3 million (2015: RM254.9 million) as higher gross trade receivables were offset by increased provision for impairment and advance billings. Total net other receivables reduced significantly from RM113.8 million as at 31 December 2015 to RM60.6 million as at 31 December 2016 primarily due to lower television programme rights prepayments and lower non-trade debtors as at 31 December 2016.

## TOTAL LIABILITIES

Reduction of our total liabilities by 4% to RM665.6 million as at 31 December 2016 (2015: RM694.9 million) is primarily due to lower payables during the financial year.

### • Borrowings

Our borrowings stood at RM300.1 million (2015: RM300.1 million) comprising of only commercial paper medium term notes.

## TOTAL EQUITY

Total equity decreased by 9% from RM1,635.1 million as at 31 December 2015 to RM1,486.2 million as at 31 December 2016 on the back of the RM69.8 million total comprehensive loss for the current financial year.

### • Loss/Earnings Per Share & Return On Equity (“ROE”)

Basic earnings per share of 12.51 sen for 2015 turned into a basic loss per share of 5.34 sen for 2016 in line with our loss for the financial year 2016. The loss also resulted in our ROE for 2016 to stand at -4% as compared to 9% for 2015.

### • Dividends

We remain committed to offering competitive dividend yields and providing return to shareholders despite the current challenging operating environment.

We paid a FY2016 first interim single tier dividend of 2.0 sen per ordinary share on 30 September 2016 and a second interim single tier dividend of 2.0 sen per ordinary share on 30 December 2016.

Reflecting our Group’s resilient cash position, and MPB Company’s current year profit and retained earnings position of RM130.9 million and RM145.2 million respectively, the Board of Directors has recommended a final dividend of 4.0 sen per ordinary share in respect of FY2016. With the recommendation of the final dividend, full year 2016 dividend per share equates to 8.0 sen.

# SUSTAINABILITY REPORT

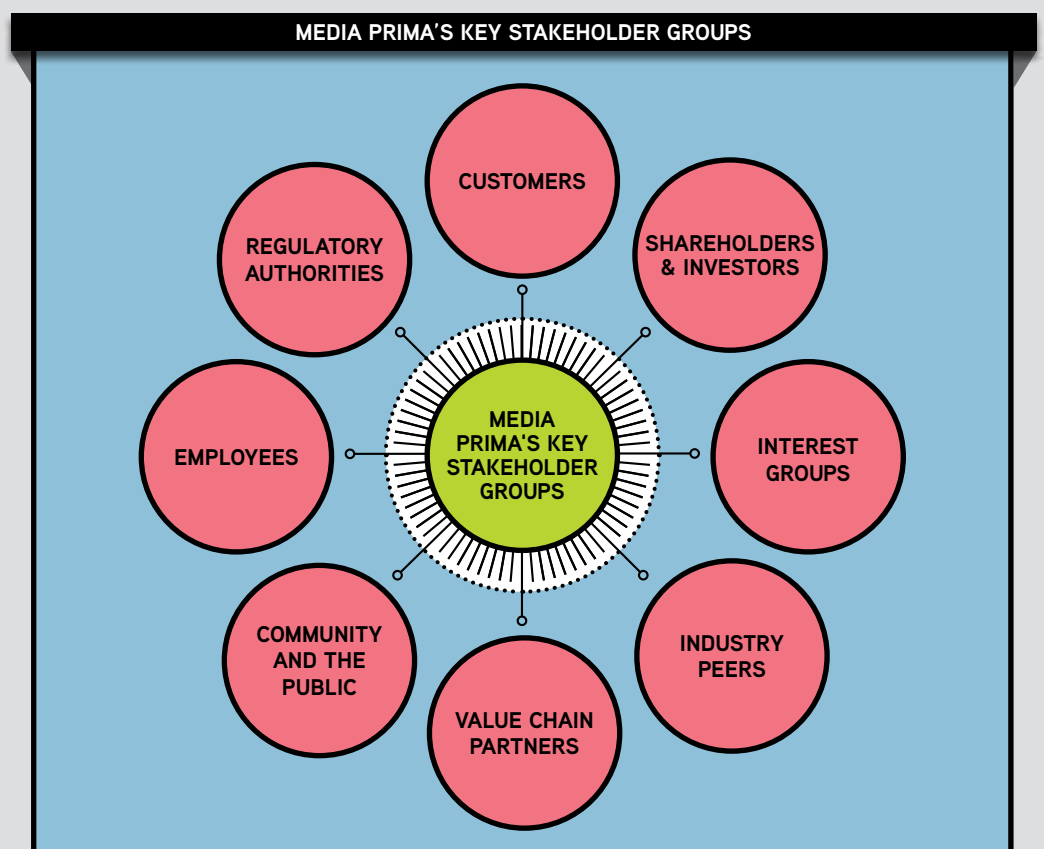
## SUSTAINABILITY AT MEDIA PRIMA

Our story as the leading fully-integrated media company in Malaysia continues as we sustain our leadership in Television, Print, Radio, Out-Of-Home (OOH), as well as Content and Digital Media. Our sustainable approach gives us a competitive advantage through innovation, efficiency, responsiveness and building strong partnerships. Creating shared value and a profitable business is key to delivering a balanced sustainability strategy and long-term positive legacies where we work and live.

Our pledge is to leave a long-lasting, positive legacy in the communities we work with. Leading the media industry, our engagement with our audience including listeners, viewers, social media users, bloggers and the public at large is a top priority. Their views and opinions are key drivers for our growth. Effective communication is crucial to our success. Our team works hard on a daily basis to ensure that we have a good story that has been tailored to the receiving audience.

### Consulting Our Stakeholders for the Storyboard

Engaging with our stakeholders is essential for building trust and understanding business challenges. Embedding stakeholder engagement in our business operations allows us to develop business solutions, together.



In 2015

we performed a comprehensive materiality study to identify the most material sustainability topics for both our stakeholders and the Company.

In 2016, we conducted a new study to ensure the priorities of both stakeholders and Media Prima had not changed significantly.

We identified the topics that affect our stakeholders and that are particularly relevant for our long-term success. This exercise helps us prioritise where Media Prima can achieve the greatest positive impact.

### ● STAKEHOLDERS CONTACTED DURING THE MATERIALITY SURVEY ●

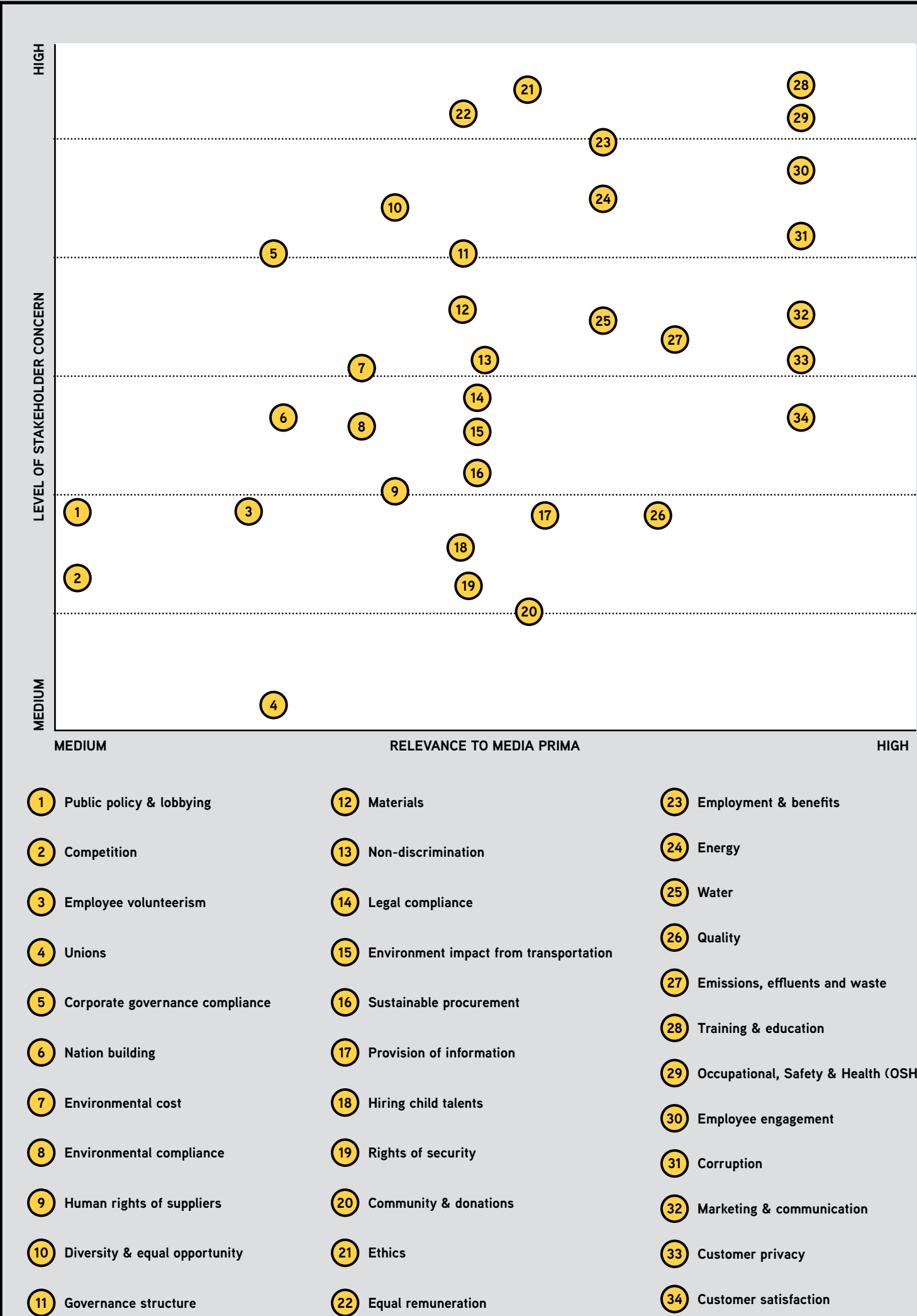
 Customers	 Shareholders & Investors	 Interest Groups	 Industry Peers
 Value Chain Partners	 Community and the Public	 Employees	 Regulatory Authorities





The complete responses were analysed to ascertain the views of our stakeholders.

Results of the analysis were then used to develop a materiality matrix, with the level of importance to Media Prima plotted along the X axis and importance to stakeholders on the Y axis. The matrix is presented in the following diagram.



# SUSTAINABILITY REPORT

## ECONOMIC

As Malaysia's largest integrated media company, we continue to advance the nation's media industry through our complete repertoire of media-related businesses. Our units comprise Television, Print, Radio, Out-Of-Home (OOH), Content and Digital Media.

We have now entered the digital sphere on a large scale and are emerging as Malaysia's pioneering player in digital media platforms. We are committed to continuous innovation which brings positive development to our community and the industry as a whole.

### Employment and Economic Development

We have introduced local hiring practices at all operational offices. We provide proper notification of open positions and selection is based on job criteria. However, we recognise that hiring from our community helps support the local economy. Local hiring also reduces the environmental impact of commuting and bolsters community involvement.

Our economic progress is partly attributed to providing local employment opportunities and investing in the Group's workforce. Local employment helps us meet our hiring needs while advancing economic development and education in Malaysia. In 2016, 99% of our employees were Malaysian.

### Sustainable Supply Chain

In order to operate a business responsibly, we must manage our supply chain including the sourcing of electronic components and network equipment, and its subsequent distribution of services to our customers. Media Prima employs socially and environmentally responsible business and sourcing practices throughout its supply chain.

We established a Supplier Code of Conduct which outlines our minimum expectations from suppliers, covering:

- Legal compliance and ethical business practices.
- Areas of labour standards, worker welfare, the environment, ethical behaviour and business continuity.

### SUSTAINABLE SUPPLY CHAIN HIGHLIGHTS

- ✓ Components must be sourced from qualified vendors
- ✓ Only certified organisations can collect and dispose of equipment safely
- ✓ Socially and environmentally responsible business and sourcing practices are maintained throughout the supply chain
- ✓ Supply chain complies with applicable regulations
- ✓ Sustainability is considered throughout every phase of our products' lifecycles

### Sourcing and Managing Programmes

We provide viewers with the best experience and deliver the most sought-after programmes by examining market trends and researching viewers' preferences. 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 Group (BMG) respond to the market and secure in-demand programmes.

### PROCESS FOR SECURING IN-DEMAND PROGRAMMES

- 1 **BMG, the custodian of TV networks, conducts internal discussions on purchasing suggested programmes.**
- 2 **Once confirmed, the ACM negotiates the programme license.**
- 3 **If the budget and content fits our requirements, a financial evaluation report is raised which contains detailed analysis of a programme including a Return on Investment projection.**
- 4 **This report is tabled at our monthly programme committee meeting for approval or rejection.**

Media Prima's Programme Committee decides on the platform to air the programme. This committee consists of the Group Chairman; Group Managing Director; Group Chief Financial Officer; General Manager of BMG for all networks; General Manager of ACM; and General Manager of the Finance Department.

The BMG Team presents a master schedule to ensure our programme offering has a balanced combination of programmes suitable for all demographic groups. This master schedule contains the programmes that are planned for a specified period.

### Media Prima Plays its Role in the Industry

We engage in discussions that really matter to the business and stakeholders such as media development, social media revolution and media convergence. Our leaders have held positions in various industry groups that have shaped the industry through their feedback and consultation. These groups include the Malaysian Newspaper Publishers Association (MNPA), Malaysian Press Institute (MPI), National Consumer Advisory Council, Institute of Printing (UK) Malaysian Branch, Outdoor Advertising Association of Malaysia (OAAM), and Communication and Multimedia Forum of Malaysia (CMCF).

HIT DRAMAS SUCH AS THESE GO THROUGH RIGOROUS SOURCING PROCESS BEFORE THEY ARE AIRED



# ENVIRONMENTAL

Environmental sustainability revolves around protecting the future by making the right choices today in an environment where water is increasingly scarce, natural resources are constrained and biodiversity is declining. In this section of the report, we focus predominantly on the environmental footprint of our printing plants. NSTP involves physical production, and environmental aspects are more material to these operations.

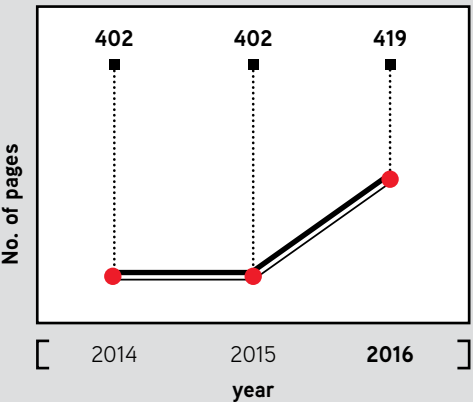
## Materials Management

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.

### Paper

Comprising 100% 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. In 2016, the number of pages per kg improved as our operations fully adopted the new 42gsm paper. We also guided the Malaysian newspapers industries to produce the lighter substance as standard.

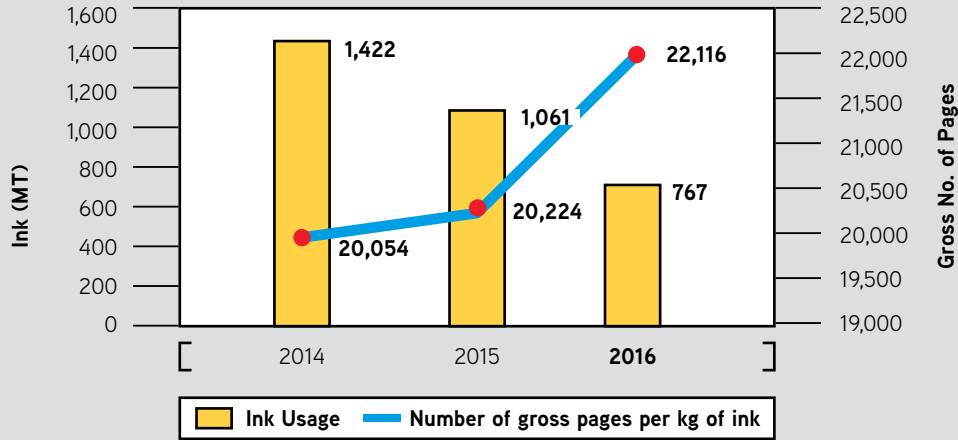
Number of Pages per Kilogram of Newsprint



### Ink

ISO 12647-3 is the worldwide standard that defines the print quality in coldest offset newspaper production. Our printing process follows this standard which is reviewed once in five years to include the latest technological developments in newspaper production and the customer expectations from newspapers. NSTP entered the preliminary evaluation by sending the first print test to WAN-IFRA India in November 2015. The full evaluation was conducted between 25 and 29 January 2016. The certification is stringent to ensure quality in our reproduction. NSTP qualified as a member of ISO 12647-3.

Number of Gross per Kilogram of Ink and Ink Usage



## Energy Management

We monitor energy use and greenhouse gas emissions (GHG), identifying ways to reduce our environmental footprint through improved operations, processes and equipment wherever possible.

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

In 2016, we also continued our initiative to install inverters and replace the Air Handling Units (AHU) at our printing plants. In 2016, all faulty conventional fluorescent lights in Sri Pentas, Sri Pentas 2 and the Glenmarie buildings were replaced with LED alternatives. Currently, LED lights have an energy saving record of 55% with a three-month Return on Investment (ROI). Our Engineering Team is exploring the possibility of using LED lights at our production studios. We are also studying the possibility of replacing our tube transmitters with more energy-efficient solid state transmitters.

## Waste Management

Waste management is crucial to the economic status of every country and the lifestyle of its population. Waste is a fundamental of sustainability and Media Prima has allocated resources to waste reduction and waste management. NSTP's operations produce both solid and scheduled waste.

### Solid Waste

We have adopted the Reduce, Reuse and Recycle (3R) concept to reduce the amount of waste we

discard throughout our operations. Disposing of waste is quite costly and also uses natural resources, landfill space and energy.

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 adherence to 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)		
	2014	2015	2016
Stripping	2,592	2,689	174
Reel Ends	104,734	84,608	67,192
Run-up Spoilage	1,698,349	1,535,260	1,263,130
Empty Core	218,268	164,760	129,078
Newsprint Covers	218,288	164,849	100,081
Machine Waste (Scrap Paper)	236,253	191,099	150,455
Test Run & Mock-ups	34,184	40,803	28,212
Non Production Spoilage	4,530	-	5,459
Total	2,517,199	2,184,068	1,743,781



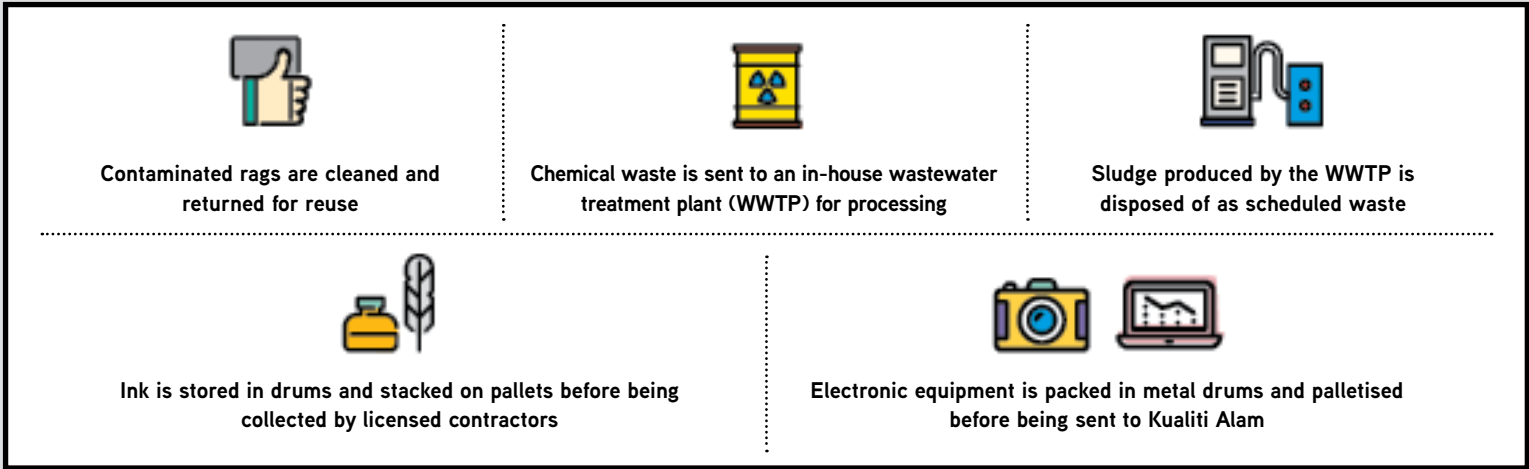
# SUSTAINABILITY REPORT

## ENVIRONMENTAL

### Scheduled Waste

Scheduled waste management is an important component in the management of the environment and general health. 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 ●



E-waste, consisting of discarded electrical or electronic devices, presents a health threat to workers and communities if not recycled or disposed of correctly. Balai Berita Ajil has liaised with the DOE and appointed Kualiti Alam, which is equipped to handle this type of waste.

NSTP SCHEDULED WASTE DISPOSAL (MT) BY YEAR				
Waste Category	Waste Code	2014	2015	2016
E-Waste	SW 109/110	0.09	0.52	0.88
Ink Sludge and Evaporator Sludge	SW 416	4.96	12.8	5.45
Used Oil	SW 305	12.91	6.21	3.08
Hydraulic Oil	SW 306	0.8	-	-
Mixed Solvent	SW 322	2.91	2.97	4.27
Rotowash Carboy	SW 409	4.37	6.81	6
Contaminated Empty Drum	SW 409	2.66	2.2	1.62
Used Rags	SW 410	74.88	50.85	42.88
Used Activated Carbon	SW 411	3.94	1.46	6.43
Ink Waste	SW 418	18.99	7.32	13.48
Filter Press Sludge	SW 416	8.3	11.24	8.78
Total		134.81	102.38	92.87

SOCIAL : LABOUR PRACTICES AND DECENT WORK

Employees are instrumental in the Group’s growth and success. We are committed to working to make the company a vibrant workplace and the number one employer that people want to work for and be associated with. Our people work in an environment that supports professional and personal development, offers a variety of career opportunities and develops high-performance and collaborative teams.

Inclusivity in the Workplace

Media Prima creates an inclusive culture through various forms of engagement. We believe that the

more diverse the environment, the more innovation will flourish. Our ultimate aim is ensuring all 150 members of staff feel engaged and valued.

Our volunteers’ brigade, Briged Sukarelawan, had a total of 150 registered members on 31 December 2016. This volunteers’ brigade is the backbone of numerous relief missions under Tabung Bencana NSTP-MPB, bringing our employees together for a common cause. 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.

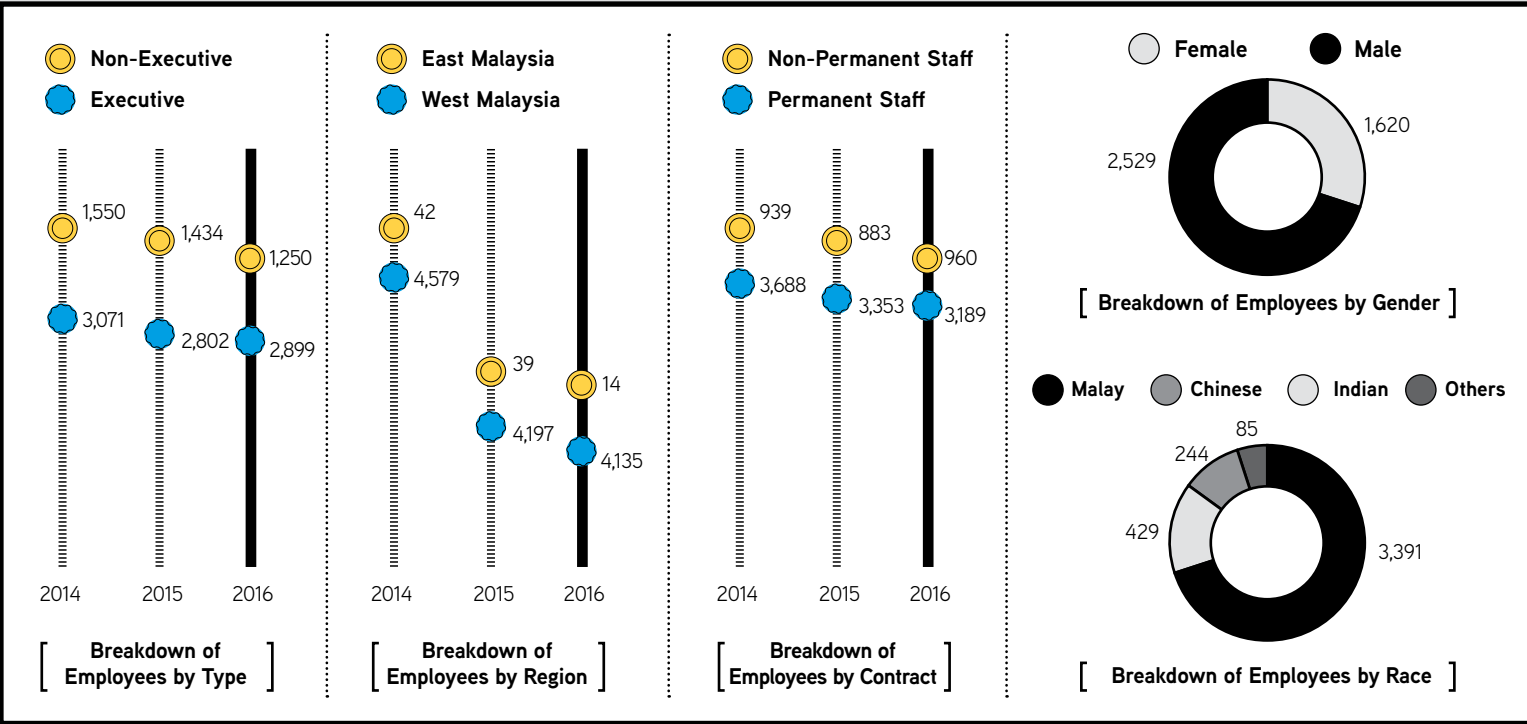
Competitive Remuneration and Benefits

Media Prima offers a competitive rewards and benefits package. Following the Group’s recent acquisition and expansion exercise, we reviewed our remuneration review and aligned our remuneration packages with the changing business environment. This allows us to be more equitable in rewarding high achievers in the workplace, develop employee talent and determine our competitiveness vis-à-vis the market. Our fair remuneration system applies to all employees, regardless of age, gender or other characteristics.

KEY BENEFITS			
"CARING" Cluster	JOB-related Cluster	FACILITIES Cluster	CORPORATE Image Cluster
<ul style="list-style-type: none"><li>Healthcare</li><li>Outpatient<ul style="list-style-type: none"><li>Hospitalisation</li><li>Dental</li><li>Maternity</li><li>Medical Exam</li><li>Insurance</li></ul></li><li>Leave<ul style="list-style-type: none"><li>Annual</li><li>Marriage</li><li>Paternity &amp; Maternity</li><li>Compassionate</li><li>Medical</li><li>Study</li><li>Unpaid</li><li>Unused</li></ul></li><li>Retirement<ul style="list-style-type: none"><li>Age</li><li>Benefits</li></ul></li></ul>	<ul style="list-style-type: none"><li>Car Allowance</li><li>Phone Allowance</li><li>Mileage Reimbursement</li><li>Meal Allowance</li><li>Overtime Allowance</li><li>Shift Allowance</li><li>Transfer Allowance</li></ul>	<ul style="list-style-type: none"><li>Probation Period</li><li>Notice Period</li><li>Business Travel &amp; Accommodation</li><li>Clothing Allowance</li></ul>	<ul style="list-style-type: none"><li>Professional Association Membership</li></ul>

Diversity

Fostering a culture of diversity and inclusion has played a key role in the sustained success of our workforce. Valuing diversity refers to respecting and supporting the uniqueness of each individual. Diversity includes attributes such as gender, age, ethnicity, language, cultural background, physical ability, religious belief and lifestyle choices.



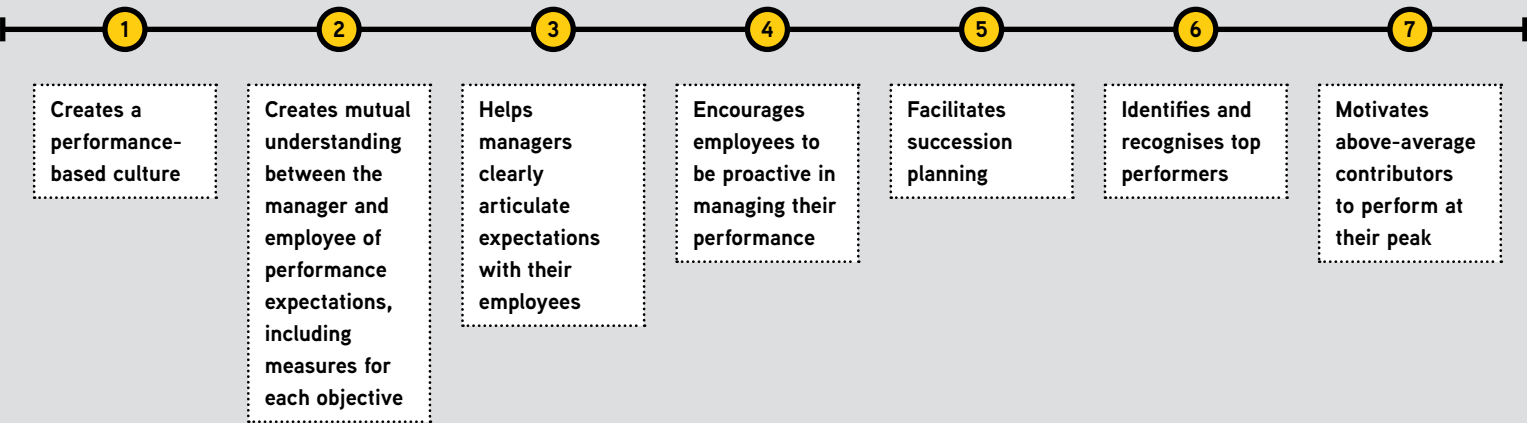
# SUSTAINABILITY REPORT

## SOCIAL : LABOUR PRACTICES AND DECENT WORK

### Performance Measurement

Media Prima’s Performance Management Programme is a critical tool for aligning employee objectives with the Group’s overall priorities. The Performance Management Programme encourages regular dialogue between employees and managers in the planning, coaching, monitoring and evaluation of employee performance. Annual performance reviews are conducted each year, and all full-time employees participate in these reviews. Performance reviews are not performed for contractors or third-party employees.

### How Media Prima’s Performance Management Programme Drives a High-performance Culture



SECTION  
FIVE

### Employee Engagement

Media Prima comprises 4,149 employees. Each team member brings his or her unique talents and ideas to work every day to help Media Prima achieve its goals. We strive to create open work environments as diverse as the markets we serve.

MAJOR EMPLOYEE ENGAGEMENT ACTIVITIES	
Theme	Initiative
Family friendly profit	Planning for your future
	Telco Day
	Pasar Tani/ Agriculture Market under FAMA agency
Culture	Food Truck
	Hari Raya gatherings
	Saku Savvy
	Chinese New Year employee gathering
	Festival subsidies
	Battle of the Bands 2016
Health & Wellness	Employee Wellness Programme
	Sports carnival
	Jom Sihat Media Prima 2016
Spiritual	Ibadah Qurban
	Haj Package
	Fidyah Programme
	Talaqqi Al-Quran, Kuliah Agama and Tahlil
Welfare	Staff visits, calamity aid and counselling



SOCIAL : LABOUR PRACTICES AND DECENT WORK

Training and Development

Media Prima’s talent development provides employees with continuous training and development opportunities. Employees are provided with options to apply and enrol for development programmes they are interested in. We conduct Training Needs Analysis (TNA) at the end of the third quarter of each year to plan the development requirements of each platform and ensure the development plans support Media Prima’s vision and mission. Employees are also asked to map their ‘self-development’ strategies that reflect their personal goals, interests and ambitions.

GROUP INTERNAL TRAINING COURSES				
Type of Course	Number of Courses	Number of Attendees	Man-days	Investment (RM)
Functional	135	3,187	3,583	855,902.35
Organisational	68	2,317	2,933	838,346.38
Leadership	19	377	577	376,970.70

GROUP EXTERNAL TRAINING COURSES				
Type of Course	Number of Courses	Number of Attendees	Man-days	Investment (RM)
Functional	187	780	1,758	1,229,266.10
Organisational	4	10	87	18,015.00
Leadership	4	11	59	95,110.24

TRAINING FIGURES AT A GLANCE		
Training	Unit	2016
Average training budget per employee	RM	787.45
Average number of hours of training per year per employee by employee category	Hours	20

SECTION  
FIVE

Talent Management and Succession Planning

In 2016, we established a Talent Management Unit to strengthen our succession planning framework. Our talent strategy provides the optimal level of support for growth and an opportunity to excel.

As we expand our business activities, we increase the readiness of our talents and leadership pool. The talent review exercise is conducted annually to ensure a constant flow of talent. Our talent pool represents 16% of the Group’s total population.

HIGH POTENTIAL (THE PIPELINE LEADER)	HIGH PERFORMER (THE EXPERT)
The ability, competency and aspiration to succeed in a leadership role	Exceptional ability in their areas of expertise and therefore classified as a specialist
Produce outstanding results and obtain a high performance rating	Do not demonstrate leadership potential
Strong learning agility and be able to consistently adapt to new situations and challenges	Competently perform daily operations and are able to deliver results in current role
	May not effectively adapt to new challenges in future roles

# SUSTAINABILITY REPORT

## SOCIAL : LABOUR PRACTICES AND DECENT WORK

### Health and Safety at Work

At Media Prima, we believe that a safe and healthy workplace is a fundamental right of every person and also a business imperative. Substantial safety training is delivered to our employees using the Department of Safety and Health guidelines. We have also established health and safety programmes to educate employees on potential hazards they face on a daily basis.

#### 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				
Location	Chairman	Secretary	Members	
			Management Representatives	Employee Representatives
Sri Pentas	1	1	4	12
Shah Alam	1	1	7	9
Prai	1	1	6	8
Senai	1	2	4	6
Ajil	1	1	4	8
Bangsar	1	1	11	11

SECTION  
FIVE

#### Health and Safety Training

Media Prima is committed to providing a safe and healthy work environment for all employees, contractors and business partners. We maintain a fully integrated Health, Safety and Environmental (HSE) management system, as well as a number of related procedures to recognise various health and safety codes, regulations and standards.

Some safety courses conducted in 2016 include:

- Working at height
- CPR and First Aid
- Safety in Handling Forklift and Reach Trucks
- Basic Fire Fighting
- Vehicle Defensive Driving
- Chemical Handling, Labelling and Safety Data Sheet of Hazardous Chemicals
- Ergonomic at the Workplace

#### Safety Measures for Suppliers and Subcontractors

We are committed to a zero harm approach to the safety and health of our employees, contractors and site visitors. Our OHSAS Steering Committee, led by the OHSAS-MR or designee, introduces processes that obtain and review contractor method statements. All the contractors are furnished with relevant information and documents to ensure they comply with our OSH Management System. Every contractor must submit a completed contractor method statement that outlines the nature of work and proposals for minimising and managing OSH hazards and risks. The method statement includes an assessment of OSH issues associated with the specific work activities.

SOCIAL : HUMAN RIGHTS

As a responsible employer, we recognise the International Labour Organisation’s (ILO) eight fundamental conventions.



Freedom of association and recognition of the right to collective bargaining

These conventions are inculcated in our engagement with the unions. We do not interfere with employees’ decisions to associate and enjoy cordial working relations with the unions and employees. It is important that they are able to exercise their right to be informed, monitor and be included in the decision-making process. This helps protect their rights and interests while providing a greater sense of work ownership. Transparency and openness are actively encouraged in the workplace.

Union Groups Representing Employees’ Interests

1	2	3	4	5
National Union of Journalists (NUJ)	National Union of Newspaper Workers (NUNW)	Kesatuan Sekerja Kakitangan Sistem Televisyen Malaysia Berhad (KSKSTMB)	Kesatuan Sekerja Eksekutif Kakitangan Primeworks Studios Sdn	Kesatuan Sekerja Eksekutif Kakitangan Sistem Televisyen Malaysia Berhad (KSESTMB)
Represents 10.77% of The News Straits Times Press Sdn Bhd	Represents 11.10% of The News Straits Times Press Sdn Bhd	Represents 4.70% of Sistem Televisyen Malaysia Berhad	Represents 2.31% of Primeworks Studios Sdn Bhd	Represents 8.20% of Sistem Televisyen Malaysia Berhad

SECTION  
FIVE

Media Prima conducts business in a manner that respects the rights and dignity of all people. Our Code of Conduct contains provisions for human rights and all employees are required to report violations in our operations or in those of our business partners. All suppliers and contractors are expected to abide by this Code.

Provide associates with a safe and healthy workplace	Prohibit discrimination in our hiring and employment practices
Forbid the use of child labour	Prohibit physical abuse and harassment of associates as well as threats of either
Do not use forced, prison, indentured, bonded or involuntary labour	Advocate freedom of association and the rights of workers and employers to bargain collectively

We comply with the Children and Young Persons (Employment) Act 1966. Our policy for employing young talents for programmes states that children below the ages of 18 must be accompanied by their parents when performing their roles.



# SUSTAINABILITY REPORT

## S O C I A L : S O C I E T Y

As a good corporate citizen, Media Prima is fully committed to supporting a variety of good causes and offers support to the communities in which it operates.

### MEDIA PRIMA'S TARGETED SOCIAL INITIATIVES

EDUCATION

HUMANITARIAN

ENVIRONMENT

COMMUNITY

#### SECTION FIVE

#### Media Prima - NSTP Humanitarian Fund

Established on 15 May 1991, the Media Prima-NSTP Humanitarian Fund was initially launched to encourage caring Malaysians to provide financial assistance to individuals who would otherwise be unable to afford medical treatment. Tabung Bencana NSTP-Media Prima, Tabung Palestin Media Prima and Tabung TV3 Bersamamu operate under this fund.

We leverage on the strength of our integrated media platforms to generate support, raise awareness of deserving cases and channel the funds to initiatives that benefit the victims.

#### Tabung Bencana NSTP – Media Prima

Tabung Bencana NSTP was set up as relief efforts for victims of natural disasters and other humanitarian crisis in Malaysia and abroad. Leveraging on the strength of our integrated media platforms, we effectively raise awareness and allow the public and other corporate citizens to donate funds to help these victims.

In 2016, the Tabung Bencana NSTP – Media Prima raised and distributed a total of RM2,659,217 to help victims of various natural disasters rebuild their lives and recover their losses.

#### Tabung Kemanusiaan Rohingya Media Prima

Media Prima launched the Tabung Kemanusiaan Rohingya Media Prima to enable caring individuals and organisations to help civilians caught up in the ongoing political conflict in the Rakhine state of Myanmar. Proceeds from the fund are used to provide humanitarian assistance to them. Media Prima is one of the first to respond to disasters both locally and overseas. The Media Prima-NSTP Humanitarian Fund is viewed highly for providing humanitarian efforts for victims of natural disasters and other global conflicts.

#### MEDIA PRIMA LAUNCHED THE TABUNG KEMANUSIAAN ROHINGYA IN NOVEMBER 2016



SOCIAL : SOCIETY

Tabung Palestin Media Prima

First established in 2012, Tabung Palestin Media Prima is a collaboration with Mercy Malaysia. The Perdana Global Peace Foundation has since become a partner in this effort. Countless men, women and children have been killed needlessly in Gaza. This fund supports the people suffering from these atrocities. The total amount raised under the Tabung Kemanusiaan Palestine Media Prima as at 31 December 2016 was RM171,004.24.

Tabung TV3 Bersamamu

In 2006, TV3 and Maybank established Tabung TV3 Bersamamu, an ongoing charitable fund initiative by TV3. Maybank2u.com has been appointed as the sole channel for public donations.

Our reality programme, Bersamamu, highlights the plight of some members of society who face hardship such as poverty, sickness and single motherhood. The programme also aims to motivate the public and corporate bodies to give generously. The fund collected and disbursed 362,000 in 2016.

**Media Prima**

Promoting Intelligence, Nurturing Talent & Advocating Responsibility (PINTAR)

Media Prima continued to support the PINTAR school adoption programme to help increase the motivation and success of students from underperforming schools through education. It also aims to develop human capital that is adequately prepared to meet future challenges.

We took the initiative to participate in the PINTAR Foundation school adoption programme. In 2014, we continued our sponsorship of SK Cherating for another three years from 2015 to 2017.

In 2016, we invested close to RM50,000 in forms of education assistance for students of SK Cherating. The money was used to sponsor the children's tuition fees, tutorial papers, field trips, Newspaper-In-Education (NIE) and our DIDIK – Seminar Bimbingan Peperiksaan BH.

Briged Sukarelawan Media Prima – NSTP

The volunteer brigade was set up in 2011 and is part of the overall group corporate responsibility strategy to develop a sustainable business model. Besides being the backbone of numerous relief missions under Tabung Bencana NSTP-Media Prima, the brigade also conducted activities such as a medical outreach programme, a blood donation drive, a visit to an underprivileged home and *gotong-royong* to clean a beach and build a home for an *Orang Asli* family.

**The New Straits Times Press Berhad (NSTP)**

Donation of Refurbished Computers

In 2016, NSTP donated refurbished computers to six schools and four religious centres to promote the spirit of learning to younger generations and the surrounding community.

The refurbished computers were unused after the NSTP began a 5S programme at its Balai Berita Bangsar. Each printing plant nominated recipients after evaluating their needs.

**New Straits Times (NST)**

The New Straits Times In Education (NIE)

NST's NIE programme evolves to keep abreast of the government's nation-building and manpower development goals. The varied projects have all focused on improving English language learning.

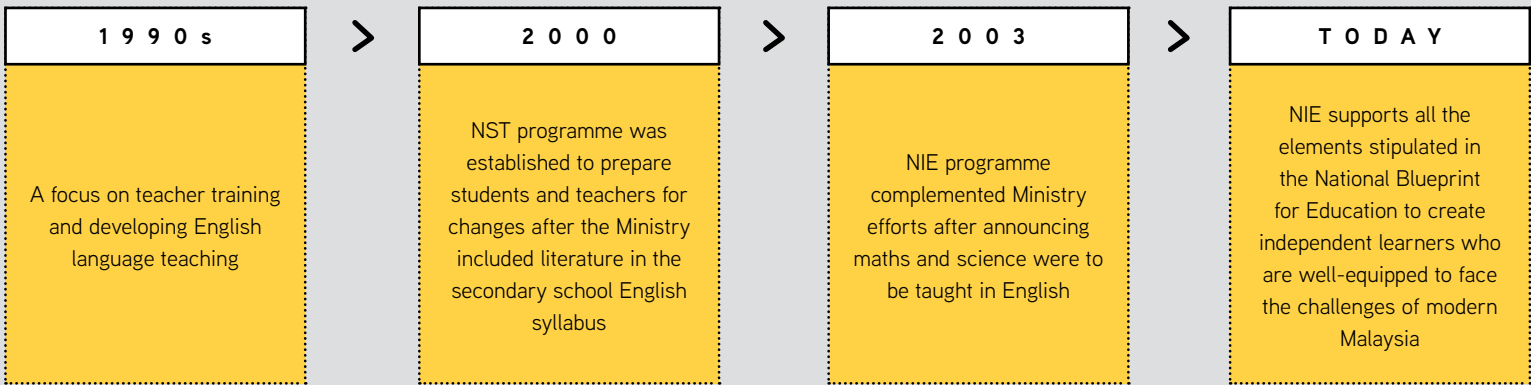
ZABEDAH SETAPA, 46, RECEIVED PROSTHETIC LIMBS FOR HER BOTH HANDS AND LEGS FROM MEDIA PRIMA NSTP HUMANITARIAN FUND. SEEN IN PICTURE ZABEDAH TRYING TO WALK, ASSISTED BY TEH LIN AND LOUIS DANIEL BIERMANN OF TEH LIN PROSTHETIC AND ORTHOPEDIC CO SDN BHD



# SUSTAINABILITY REPORT

## SOCIAL : SOCIETY

### CHRONOLOGY OF THE NIE PROGRAMME



Since it was established, NIE has conducted various educational activities comprising ground activities, print engagement and online presence.

#### NST Outreach

In 2014, NST introduced its own CSR programme, NST Outreach. Programmes are aligned with NST's brand, which is helping improve English education. In 2014, we held the UPSR Workshop for SK Sungai Serai, Frog Classroom for students and surrounding community of Sungai Serai, Kuang, Selangor and Newspaper Education to 216 students of SK Sungai Serai.

#### Berita Harian

##### Akhbar Dalam Darjah (ADD)

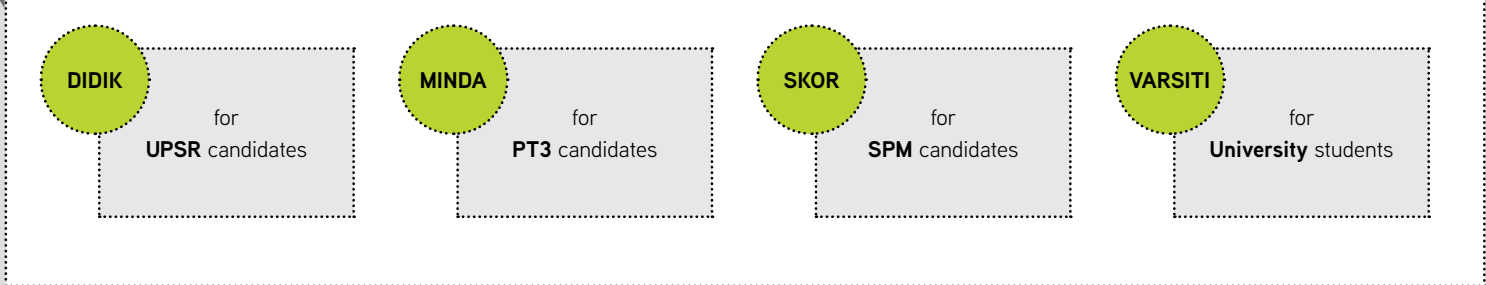
Akhbar Dalam Darjah (ADD) workshops encourage school teachers to use newspapers in classroom teaching. They form part of BH's CSR programme to make learning more effective and interesting.

In 2016, we conducted Bengkel ADD in Johor, Kelantan, Kuala Selangor and Kota Kinabalu with the State Education Department; Bengkel ADD was held in Putrajaya and Port Klang in collaboration with private schools.

#### BERITA HARIAN'S ADD WORKSHOPS WERE A SELL-OUT SUCCESS IN 2016



#### FOUR SECTIONS OF ADD



S O C I A L : S O C I E T Y

Seminar Bimbingan Peperiksaan BH

The BH Examination Training Guidance Seminars began in 1996 with Klinik UPSR, followed by PMR seminars and SPM seminars. All received tremendous public support.

The two-day seminar covers four subjects that helped students tackle examination questions. Held between February and October 2016, the seminar helped approximately 58,000 students in 241 locations.

Anugerah Pelajar Cemerlang

Introduced in 2006, this award recognises the outstanding achievements of students who participated in Seminar Bimbingan Peperiksaan BH:

- UPSR BH Didik course
- Seminar PT3 BH Minda
- Seminar SPM BH Skor

All 21 award recipients received RM1,000 in cash, a certificate and a trophy at a ceremony held on 31 May 2016.

BERITA HARIAN'S ANNUAL ANUGERAH PELAJAR CEMERLANG HELPS INCENTIVISE SCHOOL CHILDREN TO EXCEL IN THEIR EXAMINATIONS



SECTION  
FIVE

Semarak Ramadan BH

In 2009, BH introduced the Semarak Ramadan programme in all states to give back to society during the holy month of Ramadan. BH helps ease the financial burden of underprivileged and needy members of society in preparation for Hari Raya Aidilfitri.

BH also helped local mosques and suraus organise religious activities and improve their facilities. The volunteers conducted gotong-royong and prepared dishes for breaking fast with the local community.



Slaughtered two cows and distributed their meat to 34 Muslim families



Groceries amounting to RM10,000 were given to 180 families



Delivered a motivational talk and workshop on mathematics to 40 Orang Asli primary students



# SUSTAINABILITY REPORT

## SOCIAL : SOCIETY

### Harian Metro

#### Titipan Kasih Harian Metro (TKHM)

Harian Metro is a strong advocate of CSR, through which it fulfils its social obligations to readers and the community. Introduced in 2010, TKHM was Harian Metro's first initiative. The Metro Prihatin column highlights the plights of the poor and underprivileged. The Harian Metro team visited these families and charity homes to donate groceries, basic household items and cash. As part of Harian Metro's 25<sup>th</sup> anniversary, Harian Metro visited families and institutions that were recipients of the previous programme.

#### Harian Metro Kotak Rezeki

This new CSR programme was introduced by Harian Metro in the month of Ramadan. The programme helps clients and advertisers sponsor underprivileged communities with cash or in-kind donations during this holy month. Volunteers prepared boxes at Balai Berita Shah Alam, which were distributed to the respective state bureau chiefs, nationwide.

#### DETAILS OF THE BOXES ARE AS FOLLOW.

Type of Boxes	Items	No. of Boxes	Recipients	Sponsor
Individual	Mineral water, cupcakes, packet drinks and packet dates	10,000	Policemen, bus and taxi drivers, doctors, nurses, soldiers, toll both operators and homeless people	Affin Bank Group and Affin Islamic Bank
Families	5 kg of rice, cooking oil, sugar, flour, condensed milk, instant noodles and biscuits	1,000	Poor families, single mothers, orphanages, old folks homes and madrasah tahfiz	Affin Bank Group and Affin Islamic Bank

### Media Prima Television Networks (MPTN)

#### #Syukurselalu

TV3 & TV9 organised Bazaar #SyukurSelalu for a second year during the holy month of Ramadan. The Sepetang Di Pavillion initiative, under the Syukur Selalu campaign, invited children from underprivileged homes to breakfast. Children from Rumah Baitul Fitrah and Rumah Nur Syaheera were invited to Fish and Co., and received a donation of RM5,000 each from Pavillion on 25 June 2016. Donations amounting to RM3,000 and in kind contributions were presented to these homes.

#### Project CSR

A lack of knowledge of rare diseases is a significant problem in Malaysia. 'Project CSR': Challenge, Sport and Responsibility, a brand new show by ntv7, aims to address this shortcoming. Each episode features registered charitable organisations and individuals. Athletes, including Khoo Cai Lin, Fauzan Lutfi, Amir Mustafa and Alia Sazana Azahari, underwent innovative physical challenges to help raise funds for extensive research to be conducted on these rare diseases.

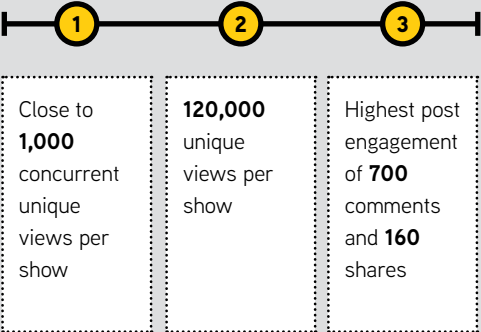
### Media Prima Radio Networks (MPRN)

#### Closer to Our Stakeholders

Recently, MPRN began to allow station announcers on duty to be contacted directly through the official WhatsApp number. MPRN is the first network radio station in Malaysia to allow listeners to communicate in real time with the radio stations.

With the rise of social media, Hot FM showcased the first ever Facebook LIVE mini showcase, FB ROCK Hot. The platform presented one rock band daily for one week. It has created a 'talkability' milestone for listeners and music lovers on Facebook. Bands featured included Akim & the Majistret, Hujan, OAG, Hyperac and Kristal.

#### FB ROCK Hot Achievements



### Big Tree Outdoor's Project Everyone

Big Tree carried out 'Project Everyone' with its business partner Posterscope. This CSR campaign communicates United Nations global goals to help end extreme poverty and tackle climate change. The campaign was aired on Cubig @Imbi to raise awareness for the project. Big Tree also publicised a UNICEF CSR campaign, 'My Promise to Children'. This civil-society campaign promotes children's rights by displaying messages on digital screens at LRT stations and KLCC as well as Kuching and Kota Kinabalu airports.

### Media Prima Digital Cares for the Homeless

Media Prima Digital supports the PERTIWI Soup Kitchen project by volunteering to distribute basic prepacked healthy meals and clean water at Medan Tuanku Homeless Transit (Lorong Media Tuanku 2) to vulnerable children, parents and elderly. Volunteers volunteered their time after work hours to feed the homeless, manage the crowd, clean the centre and distribute food.

SOCIAL : PRODUCT RESPONSIBILITY

Meeting the Rising Demand in the Digital Era

Tonton Creates Values in Digital Era

Tonton offers a world-class video viewing experience that resides on an intelligent platform. The online video portal serves as an integrated catch-up TV service and enables Media Prima to deliver more content, user interactivity and personalisation to the public. Through its HD-ready quality viewing experience, tonton provides an even more compelling proposition to users, advertisers and clients.

CJ WOW SHOP

CJ WOW SHOP is an innovative home shopping network that was established in 2016. It provides Malaysians with a uniquely visual, interactive and immersive experience across television, online and mobile platforms.

NSTP Goes Digital

NSTP diversified its offerings over the past years by developing a suit of visually appealing and interactive digital magazines. In 2016, NSTP launched six interactive online and digital products namely Speed & Wheels, Dhiya, FullAMark, L.E.T, Harian Metro Mountain Bike Gran Prix App and MagStreet.

Media Prima Labs Tech Leadership Presence

In 2016, Media Prima Labs expanded the Odyssey – Apps & Games initiative. In collaboration with Malaysian Digital Economy Corporation (MDEC), Media Prima Labs promoted the latest in-house mobile games and lifestyle apps at two key tech conferences.

Media Prima Labs will continue participating in regional tech conferences to gain presence in the Southeast Asia region. SEA Game Jam, held in conjunction with Level Up KL, was organised by MDEC and Media Prima Digital. Level Up KL is a South East Asian industry event for game developers which gathered local, regional and international industry key players.

Media Prima Digital Online Empowerment Solution

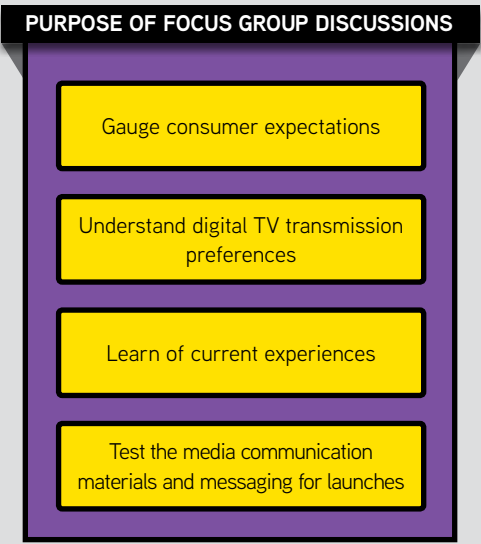
Media Prima Digital has extended its digital marketing services to all Media Prima platforms with a newly engaged partner for social media listening services. Through this service, we are able to monitor conversations on the internet. Using this tool, we can easily manage multiple social media accounts in one centralised platform to enhance our brand’s connection with the online community. Furthermore, we can conduct competitor analysis and do real-time brand monitoring by using keyword tracking.

Understanding Diversity of Opinion

We encourage plurality and diversity of opinion, promoting freedom of the media through a variety of services and content. This empowers our viewers and customers to make their own programme and content decisions.

Media Prima Television Networks (MPTN)

In 2016, we conducted a nationwide survey through 16 focus group discussions.



The survey was conducted among the population that covered:

- Adults aged between 18 and 55 years old;
- Malay, Chinese and Indians;
- Free-to-air (FTA) homes in rural and urban areas;
- FTA/Pay TV Homes in the Klang Valley; and
- Both male and females (working, housewives, youth and single).

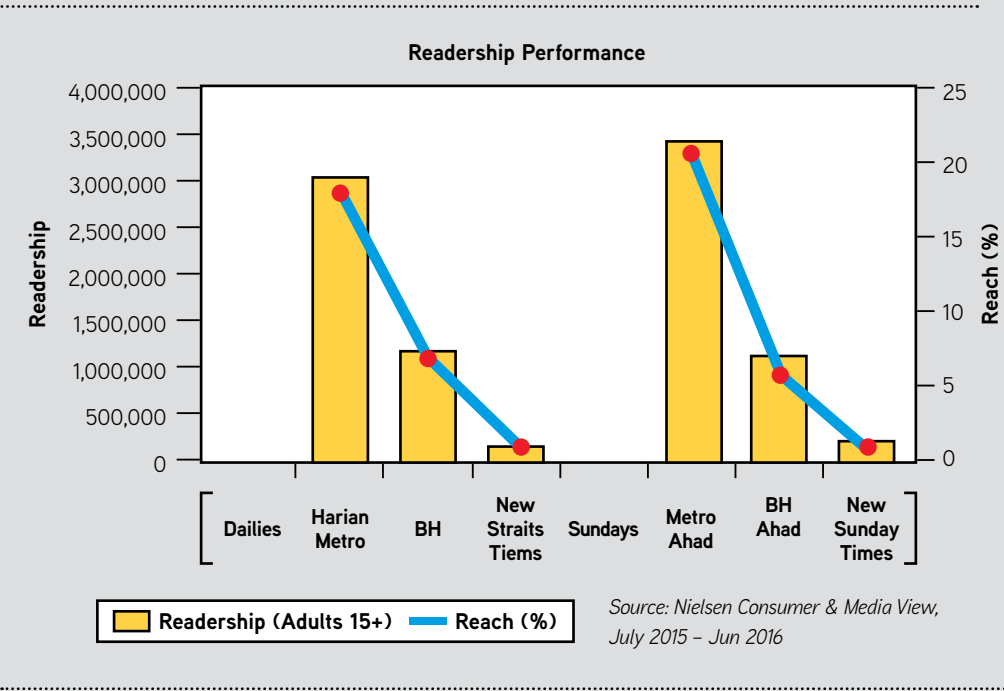
Media Prima Radio Networks (MPRN)

The radio network team monitors customers’ satisfaction by researching content and music preferences. MPRN recently engaged GFK Research to conduct a survey on its growth from various platforms such as social media and digital. The results show strong performances by Fly FM, Hot FM, One FM and Kool FM. The four stations increased the number of listeners and reached their targeted audiences; each recorded a good proportion of white-collar executives and professionals.

NSTP

We conduct occasional internal and external research to gauge readers’ experiences. NSTP continues to subscribe to Nielsen Company’s Consumer and Media View database to track the performance of its printed and digital products.

SECTION  
FIVE



Customer Privacy

We understand the importance of personal information to our customers, employees and other stakeholders. As such, we are committed to protecting the personal data we hold. We take great care to ensure this information is kept safe and secure by maintaining physical, electronic and procedural safeguards.

Our data protection and security policies are updated regularly to ensure they meet corporate best practice and reflect the changing needs of a modern media company.

Privacy and cookie policies are regularly updated to ensure that our customers know exactly where they stand when it comes to how we use their data.

\*Full disclosure of our sustainability efforts can be found in the Media Prima Sustainability Report 2016

# INVESTOR RELATIONS

The Group recognises the importance of establishing and sustaining effective engagement with all of its current and prospective shareholders – local and international, institutional and private, large and small. We are committed to promoting effective two-way communication between the company and the investment community by conducting constructive ongoing dialogue with shareholders to ensure that we are able to clearly communicate our position – our strategy, investment thesis, and business performance.

A regular series of one-on-one and group meetings, conference calls and investor conferences are conducted to keep the investment community well-informed of the latest developments in the business and to provide research analysts and fund managers with updates on the company and industry developments, such that they become cognisant with the Group and its investment proposition, have great understanding of the underlying drivers of the Group's success and are able to make informed decisions on our company. Mindful of the institutional shareholders concerns over matters pertinent to them including financial results, strategic developments, corporate governance and material business matters affecting the Group, our Investor Relations team conducts investment conferences and road shows with institutional investors during the year, to further engage with shareholders and potential investors.

Our financial results are released quarterly, through announcements to Bursa Securities, containing financial statements, analyses of performance of the Group and each business segment, and outlook for the following financial period. Each quarter, we also ensure timely distribution of our investor presentations to our research analysts and fund managers who cover our stock. Biannually, upon the second quarter and full year financial results release, we present our results to research analysts and fund managers who cover our stock, via briefings which include a question and answer session chaired by our Group Managing Director and supported by our senior management team.

In line with our commitment to providing open lines of communication with the wider investment community, a press conference is also held biannually to update the media. In addition, outlines of the quarterly financial results are announced in selected daily newspapers and copies of the full announcement and investor presentations are normally supplied to shareholders and members of the investment community upon request.



Our Investor Relations focus is as much about us explaining the Group to the investment community as it is about us listening to the views and feedback from that very group. To measure the effectiveness and quality of the dialogue maintained throughout the year, the Investor Relations team has conducted an Investor Relations survey in December 2016 to assess the levels of satisfaction and effectiveness of Media Prima's Investor Relations activities for 2016. Analysts, shareholders and fund managers were invited to participate in the survey. Our Investor Relations has scored an overall score of 4.08 rating points (out of a maximum of 5 rating points) which exceeds our internal target rating for the survey of 4.00 rating points. 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.

For each three-week period preceding the release of the Group's quarterly financial results, the Group enters into a silent period during which the Group does not comment on the outlook of the financial results to investors or the media. During this period,

the Group refrains from holding one-on-one or group meetings or answering questions in regard to financial results and business forecasts. However, should an important event occur during this period, the Group will disclose it in a timely manner.

The Group Corporate Communications team is responsible to coordinate Investor Relations events which include organising 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.

In addition to corporate announcements, events and developments are notified to the public via press releases and/or by holding press conferences after general meetings or corporate events. These would provide shareholders, analysts and the investing public with an overview of the Group's performance and operations. 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 are available on Media Prima's website, [www.mediaprima.com.my](http://www.mediaprima.com.my)

# BOARD OF DIRECTORS



1

**DATUK SERI FATEH ISKANDAR  
BIN TAN SRI DATO' MOHAMED MANSOR**

GROUP CHAIRMAN

5

**RAJA DATUK ZAHARATON  
BINTI RAJA ZAINAL ABIDIN**

INDEPENDENT NON-EXECUTIVE DIRECTOR

2

**DATO' SRI AMRIN  
BIN AWALUDDIN**

GROUP MANAGING DIRECTOR

6

**DATUK MOHD NASIR  
BIN AHMAD**

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

3

**DATUK SHAHRIL RIDZA  
BIN RIDZUAN**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

7

**TAN SRI DATO' SERI UTAMA HAJI ISMAIL  
BIN HAJI OMAR**

INDEPENDENT NON-EXECUTIVE DIRECTOR

4

**LYDIA ANNE ABRAHAM**

INDEPENDENT NON-EXECUTIVE DIRECTOR

8

**DATUK LOO TOOK GEE**

INDEPENDENT NON-EXECUTIVE DIRECTOR



# PROFILE OF BOAR



**DATUK SERI FATEH ISKANDAR  
BIN TAN SRI DATO' MOHAMED MANSOR**

**GROUP CHAIRMAN**

*(Appointed as Group Chairman on 1 September 2015)  
Chairman of the Nomination & Remuneration Committee,  
and Risk Management Committee of Media Prima*



**DATO' SRI AMRIN BIN AWALUDDIN**

**GROUP MANAGING DIRECTOR**

*(Appointed as Group Managing Director on 1 September 2009)*

SECTION  
SIX

Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor, aged 49, male, a Malaysian, is the Independent Non-Executive Chairman of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 4 September 2009, and is the Chairman of the Nomination and Remuneration Committee and Risk Management Committee of Media Prima.

Datuk Seri Fateh Iskandar attended the Malay College Kuala Kangsar (MCKK) and later obtained his law degree from the University of Queensland, Australia and subsequently went on to obtain his Masters in Business Administration.

He practiced law in Australia before coming back to Malaysia joining Kumpulan Perangsang Selangor Berhad (KPS) as its Corporate Manager. He left KPS to join Glomac in 1992 as General Manager for Business Development and climbed his way up the corporate ladder. In February 1997, he was appointed to the Board of Glomac Berhad. He is currently the Group Managing Director / Chief Executive Officer of Glomac Berhad, a main board property company listed on Bursa Malaysia since June 2000.

Apart from sitting on several private limited companies, Datuk Seri Fateh Iskandar sits on the Board of Axis-REIT Managers Berhad, the first REITs company to be listed on Bursa Malaysia. He is also a Director of Telekom Malaysia Berhad, Malaysia's broadband champion and leading integrated information and communications Group. In October 2014, he was appointed as a Director for VADS Berhad, an IT company servicing the IT and Telecommunications Industry. He is also a Member of the City Advisory Board Member for DBKL effective November 2014 by His Majesty the King.

He is currently the President of The Real Estate & Housing Developer's Association (REHDA) Malaysia and Immediate Past Chairman of REHDA Selangor Branch. He is the former Deputy Chairman of the Malaysian Australian Business Council (MABC), former Chairman of Gagasan Badan Ekonomi Melayu, Selangor Branch (GABEM) a body that promotes entrepreneurship amongst Malays in the country. He is the Co-Chair of the Special Taskforce to Facilitate Business Group (PEMUDAH) on Legal & Services and is also a Member of PEMUDAH Selangor Group. He was one of the founding Director of MPI (Malaysian Property Incorporated), a partnership between the Government and the private sector that was established to promote property investments and ownership to foreigners all around the world.

With around 25 years of experience and involvement in the property development and real estate industry, his vast experience and expertise has made him a very well-known and respected figure among his peers locally as well as on the international arena. He is frequently invited as a guest speaker in forums, seminars and conventions to offer his insights and views and to share his wealth of experiences and has given talks both locally and internationally on the property market in Malaysia over the years. He was awarded the "Malaysian Business Award in Property 2012" and won another award in 2013 from Asean Business Council for Property Excellence. In mid-2013 he was also accorded the "Entrepreneurship Award – Property & Real Estate" by Asia Pacific Entrepreneurship Malaysia. In April 2014, Datuk Seri Fateh Iskandar was awarded by The Leaders International the "Global Leadership Awards 2014 – Commercial Property Development. In November 2004, he was awarded The Brand Laureate Corporate Leader Brand Icon Award by the Asia Pacific Brands Foundation. Latest in addition was the "Global Leadership Awards 2015 – Masterclass Developer Of The Year" organised by The Leaders International.

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 had no convictions for any offences within the past five years.

Dato' Sri Amrin bin Awaluddin, aged 50, male, a Malaysian, is the Group Managing Director of Media Prima. He was appointed to the Board of Media Prima on 1 September 2009.

He held various positions within the Group prior to assuming his current position on 1 September 2009 and holds a Bachelor of Business Administration (Honours) from Acadia University, Canada and Master of Business Administration (Finance) with Distinction from University of Hull, England. He is a member of the Chartered Institute of Management Accountants (CIMA), United Kingdom.

He joined the Group as the Chief Financial Officer of Sistem Televisyen Malaysia Berhad ("STMB") in November 2001. In September 2003, he was appointed as Group Chief Financial Officer of Media Prima Berhad. He assumed the position of Chief Executive Officer of Natseven TV Sdn Bhd (ntv7) in January 2006 and then as the Chief Executive Officer of Sistem Televisyen Malaysia Berhad (STMB) in April 2008.

Dato' Sri Amrin sits on the Board of Media Prima's subsidiaries amongst them The News Straits Times Press (Malaysia) Berhad (NSTP), STMB, Synchorosound Studio Sdn Bhd (Synchorosound Studio), Big Tree Outdoor Sdn Bhd (BTO), Primeworks Studios Sdn Bhd (Primeworks Studios) and Media Prima Digital Sdn Bhd. He is also the Independent Non-Executive Director of Taliworks Corporation Berhad and CIMB Banking Group.

He is the Deputy President of Kuala Lumpur Business Club (KLBC), a Board Advisor of Pusat Sains Negara, Member of the Board of Yayasan Kelana Ehsan, Member of the Board of Trustees of Enactus Education Foundation, Ahli Lembaga Pengurus Tabung Amanah Perwira dan Pertahanan Negara (TAPPN).

Prior to joining the Group, Dato' Sri Amrin was with Amanah Merchant Bank Berhad, Renong Berhad, Malaysia Resources Corporation Berhad (MRCB) and Putera Capital Berhad.

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 had no convictions for any offences within the past five years.

# D O F D I R E C T O R S



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

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

Datuk Shahril Ridza bin Ridzuan, aged 46, male, a Malaysian, is a Non-Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 22 October 2001 and is a member of the Nomination & Remuneration 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 Berhad. He has had no convictions for any offences within the past five years.



**LYDIA ANNE ABRAHAM**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**

*(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 59, female, a Malaysian, is an Independent Non-Executive Director of 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. She also currently sits on the Board of Metrod Holdings Berhad.

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 had no convictions for any offences within the past five years.

# PROFILE OF BOARD



**RAJA DATUK ZAHARATON  
BINTI RAJA ZAINAL ABIDIN**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

*(Appointed as Independent Non-Executive Director  
on 13 August 2015)  
Member of the Nomination & Remuneration Committee of  
Media Prima*



**DATUK MOHD NASIR BIN AHMAD**

**SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

*(Appointed as Senior Independent Non-Executive Director  
on 18 November 2016)  
Chairman of the Audit Committee and Member of the  
Risk Management Committee of Media Prima*

Raja Datuk Zaharaton binti Raja Zainal Abidin, aged 68, female, a Malaysian, is an Independent Non-Executive Director. She was appointed to the Board of Media Prima on 13 August 2015. She is also a member of the Nomination and Remuneration 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 (EPU) 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 June 24, 2014 she was appointed as Chairman of Global Maritime Ventures Berhad, a subsidiary of Bank Pembangunan Malaysia Berhad. She was appointed as visiting scholar to the Institute for Environment and Development (LESTARI) at Universiti Kebangsaan Malaysia between 2006 and 2012 and continued to undertake collaborative research on sustainable development.

Within the Media Prima Group, Raja Datuk Zaharaton is the Chairman of Big Tree Outdoor Sdn Bhd 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, as well as its associate companies, ASTRA Capital and ARECA Capital. She is also an independent non-executive director of Taliworks Corporation Berhad and Yinson Holdings Berhad.

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 had no convictions for any offences within the past five years.

Datuk Mohd Nasir bin Ahmad, aged 62, male, a Malaysian, is the Senior Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 26 February 2016. He is also the Chairman of the Audit Committee of Media Prima and a member of the Risk Management 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 37 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 UKM Holdings Sdn Bhd, Chairman of SIRIM Tech Venture Sdn Bhd and a member of the Board of Universiti Kebangsaan Malaysia besides being 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), sits on the board of Synchronsound Studio Sdn Bhd and Primeworks Studios Sdn Bhd.

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

# D O F D I R E C T O R S



**TAN SRI DATO' SERI UTAMA HAJI ISMAIL  
BIN HAJI OMAR**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

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

Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar, aged 63, male, a Malaysian, is an Independent Non-Executive Director of 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 and 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).

Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar 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 brilliant career, he was again 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 other directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past five years.



**DATUK LOO TOOK GEE**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

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

Datuk Loo Took Gee, aged 60, female, a Malaysian, is an Independent Non-Executive Director of 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, Diploma in Public Administration from the National Institute of Public Administration (INTAN), Kuala Lumpur and 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 sits on the board of Synchrosound Studio Sdn Bhd, Media Prima Digital 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.

Her previous positions are as follows: Deputy Secretary- General (2) – Ministry of Energy, Water & Communications, Malaysia (9 April 2007-July 2010); Undersecretary – (International And Sustainable Energy), Energy Division, Ministry of Energy, Water & Communications, Malaysia (1 January 2006-8 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 had no convictions for any offences within the past five years.



# SENIOR MANA

**DATO' SRI AMRIN BIN AWALUDDIN**, Group Managing Director



Dato' Sri Amrin bin Awaluddin, aged 50, male, a Malaysian, is the Group Managing Director of Media Prima. He was appointed to the Board of Media Prima on 1 September 2009.

He held various positions within the Group prior to assuming his current position on 1 September 2009 and holds a Bachelor of Business Administration (Honours) from Acadia University, Canada and Master of Business Administration (Finance) with Distinction from University of Hull, England. He is a member of the Chartered Institute of Management Accountants (CIMA), United Kingdom.

He joined the Group as the Chief Financial Officer of Sistem Televisyen Malaysia Berhad ("STMB") in November 2001. In September 2003, he was appointed as Group Chief Financial Officer of Media Prima Berhad. He assumed the position of Chief Executive Officer of Natseven TV Sdn Bhd (ntv7) in January 2006 and then as the Chief Executive Officer of Sistem Televisyen Malaysia Berhad (STMB) in April 2008.

Dato' Sri Amrin sits on the Board of Media Prima's subsidiaries amongst them The News Straits Times Press (Malaysia) Berhad (NSTP), STMB, Synchorosound Studio Sdn Bhd (Synchorosound Studio), Big Tree Outdoor Sdn Bhd (BTO), Primeworks Studios Sdn Bhd (Primeworks Studios) and Media Prima Digital Sdn Bhd. He is also the Independent Non-Executive Director of Taliworks Corporation Berhad and CIMB Banking Group.

He is the Deputy President of Kuala Lumpur Business Club (KLBC), a Board Advisor of Pusat Sains Negara, Member of the Board of Yayasan Kelana Ehsan, Member of the Board of Trustees of Enactus Education Foundation, Ahli Lembaga Pengurus Tabung Amanah Perwira dan Pertahanan Negara (TAPPN).

Prior to joining the Group, Dato' Sri Amrin was with Amanah Merchant Bank Berhad, Renong Berhad, Malaysia Resources Corporation Berhad (MRCB) and Putera Capital Berhad.

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 had no convictions for any offences within the past five years.

**MOHAMAD ARIFF BIN IBRAHIM**, Group Chief Financial Officer



Mohamad Ariff bin Ibrahim, male, aged 51, a Malaysian, is the Group Chief Financial Officer of Media Prima Berhad since 15 April 2010.

He started his career with Pricewaterhouse in 1991. He then moved to Malaysia Mining Corporation Berhad as an Internal Auditor. He then joined the New Straits Times Press (Malaysia) Bhd (NSTP) in 1993 where he held various positions in the Finance Department.

In 2000, he was transferred from NSTP to its insurance subsidiary and promoted as a Senior Manager of Finance. During his tenure in the insurance subsidiary, he held various position including as its Head of Marketing in Bancassurance division. He was actively involved in the renationalisation of the Insurance & Takaful industry and the corporate exercise under taken by CIMB Insurance & Takaful Division, holding his last post as Director of Operations until 2008. In 2009, became Chief Financial Officer (CFO) of the NSTP before assuming his current position.

He is a fellow member of The Chartered Association of Certified Accountants (UK) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA), and 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. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past five years.

# G E M E N T T E A M

**DATUK KAMAL BIN KHALID**, Chief Executive Officer Media Prima Television Networks



A Malaysian, male, aged 46, Datuk Kamal bin Khalid joined on 4 May 2009, after serving as the Head of the Communications Unit in the Prime Minister’s Office from 2003.

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

Datuk Kamal received his secondary education at MRSM Muar, Johor and graduated with a Bachelor of Law (with Honours) Degree from the University of Nottingham, England in 1994.

He was selected to become Malaysia’s Eisenhower Fellow in 2005.

Datuk Kamal sits on the Board of Sistem Televisyen Malaysia Behad (STMB).

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 had no convictions for any offences within the past five years.

**DATUK SERI MOHD ASHRAF BIN ABDULLAH**, Group Managing Editor, News & Current Affairs, Media Prima Television Networks



A Malaysian, male, aged 50, Datuk Seri Ashraf bin Abdullah joined TV3 as Group Editor on 17 June 2009. He was promoted as Group Managing Editor, News and Current Affairs, Television Networks on 19 November 2013.

He started his career in journalism with the New Straits Times 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 Masters Degree in International Studies and Diplomacy.

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 had no convictions for any offences within the past five years.

Datuk Seri Ashraf sits on the Board of Sistem Televisyen Malaysia Behad (STMB).

# SENIOR MANA

**DATO' MOHAMMAD AZLAN BIN ABDULLAH**, Chief Executive Officer, The New Straits Times Press (Malaysia) Berhad  
*(Dato' Azlan has resigned effective 28 February 2017)*



Dato' Mohammad Azlan bin Abdullah, male, aged 48, was appointed as the Chief Executive Officer of The New Straits Times Press (Malaysia) Berhad (NSTP) on 1 January 2012 after serving as the Chief Executive Officer of Big Tree Outdoor which he joined in 2001.

He started his career at Coopers and Lybrand, a public accounting firm in 1991 and later joined Projek Lebuhraya Utara Selatan Bhd (PLUS) from 1992 – 1999. He then moved to the Renong Group as its Senior Manager in the property division in 1999.

He is a graduate of University of Tasmania, Australia, with a Bachelor of Business (Accounting).

He is also a Fellow Member of Certified Practising Accountant (CPA) Australia and is a Chartered Accountant, of the Malaysian Institute of Accountants (MIA).

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 had no convictions for any offences within the past five years.

**DATUK ABDUL JALIL BIN HAMID**, Group Managing Editor, The New Straits Times Press (Malaysia) Berhad  
*(Datuk Jalil has been appointed Chief Executive Officer of NSTP effective 1 March 2017)*



A Malaysian, male, aged 59, Datuk Abdul Jalil bin Hamid joined the NSTP 15 October 2011 after a vibrant journalism career spanning four countries.

Datuk 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, covering equities, energy, commodities markets and general news and politics.

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 UiTM in Mass Communications, he also attended journalism fellowship programmes in the United States and Japan.

Datuk Jalil sits on the Board of The New Straits Times Press (Malaysia) Berhad (NSTP).

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 had no convictions for any offences within the past five years.

# G E M E N T T E A M

**SEELAN PAUL**, Chief Executive Officer, Media Prima Radio Networks



A Malaysian, aged 43, Seelan Paul joined Media Prima Radio Networks (MPRN) on 1 August 2005 as the Network Manager. Being one of the pioneer members of MPRN, Seelan has demonstrated strong leadership and steered the company towards remarkable growth of MPRN; from operating only one radio station (Fly FM) initially to establishing another three main brands namely Hot FM, One FM and Kool FM.

Seelan was first exposed to the media industry as a radio announcer prior to his employment at Media Prima. A few years later, he was given the trust to assume the role of Chief Operating Officer in 2009 and subsequently, Chief Executive Officer on 1 August 2011. This graduate of Universiti Putra Malaysia (with a Bachelors Degree in Education) has played an integral role in Media Prima's recent launch of Kool FM last March.

Seelan together with the team spearheaded Radio+, a new trade direction for Radio Network by leveraging on digital medium extensively. This business direction is developed so that radio can tap into the growth of digital advertising.

In recognition of Seelan's contribution towards the local radio industry, he was appointed President of Commercial Radio Malaysia (CRM) for 2015/ 2016 term. He is also a Committee Member of the National Football Development Programme Malaysia.

Seelan 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 shareholder of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within past five years.

SECTION  
SIX

**JEFF CHEAH**, Chief Executive Officer, Big Tree Outdoor Sdn Bhd



Jeff Cheah, a Malaysian, male, aged 41, joined the Group on 15 January 2001 as Account Manager- Billboard. His career took off and he was eventually appointed as the Chief Executive Officer of Big Tree Outdoor on 3 January 2013.

He is also the president of Outdoor Advertising Association of Malaysia (OAAM) where he spearheads the association to mitigate and administrate an avenue for both the government and industry players in dealing with issues pertaining to the Out-Of-Home (OOH) advertising industry.

In 1995, he joined Intraco Plastic (M) Sdn Bhd before continuing his studies at the University of South Australia, Adelaide majoring in Marketing. Upon graduation, he joined Metromedia Technologies (M) Sdn Bhd. He has impeccable knowledge and experience in marketing and advertising given his 14 years of experience in the OOH advertising industry.

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 had no convictions for any offences within the past five years.



# SENIOR MANA

**DATUK AHMAD IZHAM BIN OMAR**, Chief Executive Officer, Primeworks Studio



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), Datuk Izham Omar, a Malaysian, male, aged 47, who joined the Group on 9 January 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 eco-system.

Besides MPTN, Datuk Izham's other notable stints included heading the Group's Radio Networks. A multi award-winning music producer, arranger, songwriter and musician, Datuk 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 VIMA (Voice of Independent Music Awards) for his contribution to music.

Datuk Izham is an alumni of Boston, USA's Berklee College of Music (1991) before acquiring his International Management course at IESE in Barcelona, Spain in 1993. He then pursued his MBA at the Suffolk University in Boston, USA (1994) before later sitting for Effective Media Strategies course at Harvard University in Cambridge, USA (2008). Currently Datuk 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 had no convictions for any offences within the past five years.

**RAFIQ BIN RAZALI**, Chief Executive Officer, Media Prima Digital Sdn Bhd



Rafiq bin Razali, a Malaysian, male, aged 32, joined the Group on 15 April 2016 as the Chief Executive Officer of Media Prima Digital ("MPD"). He who holds a Bachelor of Science (First Class Honours) in Actuarial Science from Pennsylvania State University, United States of America, 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 and a group of investors established KFit, a Malaysian start-up company that provides a mobile application for users to plan their wellness activities such as gym membership, fitness studios and related activities. KFit today boasts operations in eight countries across Asia Pacific. He was the Vice President and a founding shareholder of KFit.

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. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past five years.

# G E M E N T T E A M

SHAREEN OOI, Group Chief Marketing Officer



Shareen Ooi, a Malaysian aged 51 is Group Chief Marketing Officer in Media Prima and leads integrated marketing. She is responsible for the marketing of Media Prima’s integrated services portfolio to a wide range of clients, growing business for the organization and its multi-platforms that include Television, Radio, Print, Digital and Outdoors.

Notable is Shareen’s tenure at Media Prima, serving for more than 30 years. She is a seasoned sales and marketing professional with over 3 decades of experience and with record breaking results to show for it. Indeed sales has been an integral part of Shareen’s life in Media Prima, which she pursues with a passion. She began her career as a pioneer marketing and sales staff in 1985 and proceeded to soar higher over the years to become the Group Chief Marketing Officer for the Integrated Marketing arm of Media Prima since 2013.

Shareen knows that sales is the heart of any organisation and understands the complexity of managing an entire sales process and her experience in dealing with clients from a variety of sectors gives her a cutting edge in dealing with client relationships.

Shareen thrives on challenges, particularly those that expand the company’s reach. She focuses on developing marketing strategies and campaigns that differentiate Media Prima and its offerings in the market. She focuses on understanding how customers are changing, and to become more involved in developing new marketing capabilities across the company.

Shareen’s dynamism, unique approach and strong networking skills has allowed her to maximise opportunities and gain new clients and she hopes to continue to bring the company to greater heights in the coming year, helping clients to achieve sustainable growth through ideas, strategies and solutions that will effectively bring results.

Shareen holds a Masters in Business Administration from the Berne University in Switzerland and was conferred with the prestigious Kesatria Mangku Negara (KMN) Award in 2013 by the Yang di-Pertuan Agong for her outstanding achievements in the industry.

She 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 had no convictions for any offences within the past five years.

# STATEMENT ON CORPORATE GOVERNANCE

The Board of Media Prima Berhad is pleased to present to the shareholders, the Statement on Corporate Governance of Media Prima Berhad for the financial year ended 31 December 2016. The Statement on Corporate Governance of Media Prima Berhad aims to provide shareholders with a description of the corporate governance practices of Media Prima Berhad and its subsidiaries (“the Group”) and demonstrates the Board’s commitment in achieving high standards of corporate governance throughout the Group.

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.

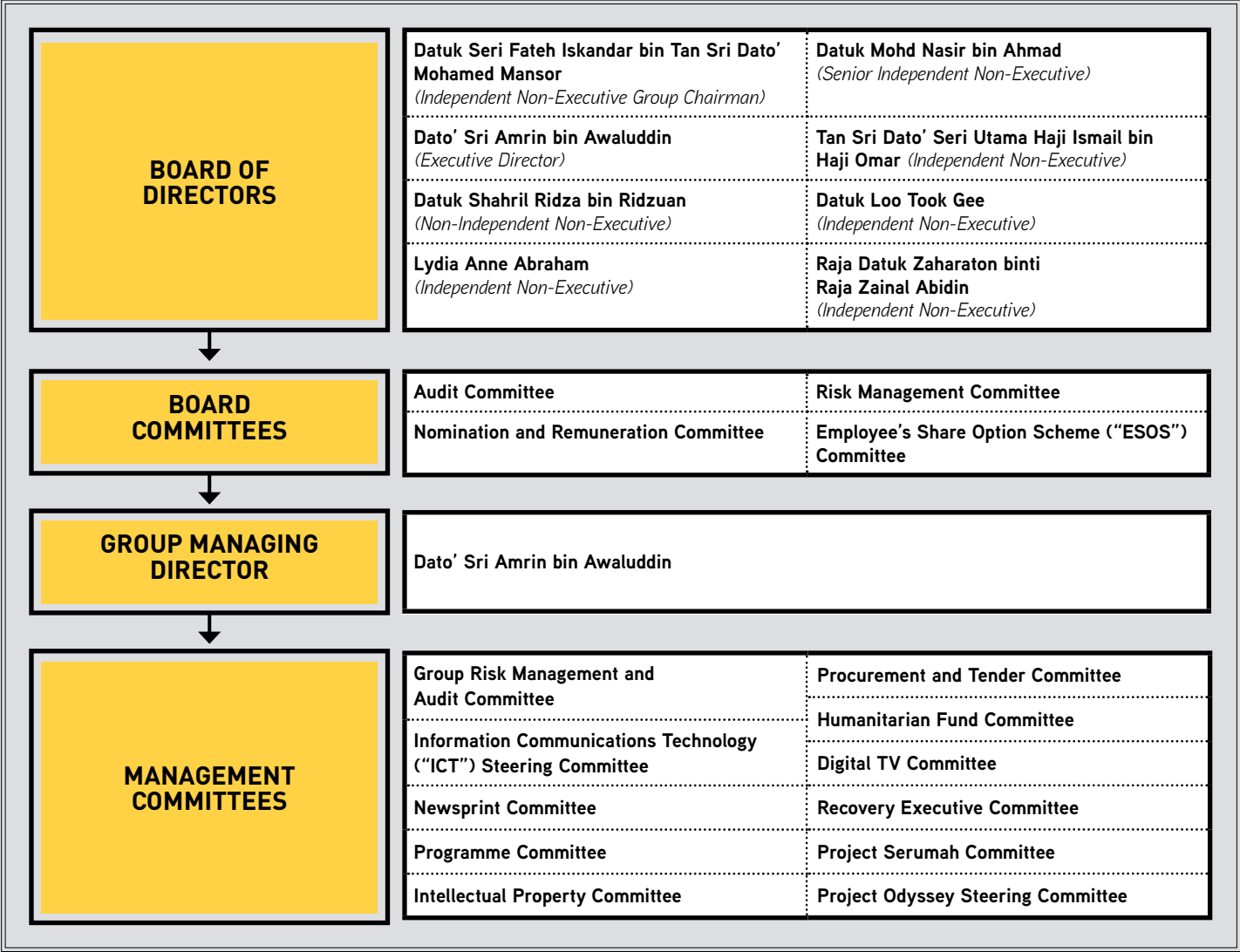
The commitment and efforts of the Board and Management in sustaining high standards of corporate governance and investor relations is proven by the following awards/accolades received in 2016:-

Awards/Accolades	Organiser
<ul style="list-style-type: none"><li>Asiamoney’s Best Managed Company (Small Cap) 2016; and</li><li>Asiamoney’s Corporate Governance Poll 2016:-<ul style="list-style-type: none"><li>Best for Disclosure and Transparency – Winner</li><li>Best for Corporate Social Responsibility – Winner</li><li>Best for Investor Relations – Runner-Up</li><li>Best Overall for Corporate Governance – Runner-Up</li><li>Best for Responsibilities of Management and the Board of Directors – Runner-Up</li><li>Best for Shareholders’ Right and Equitability Treatment – Runner-Up</li></ul></li></ul>	Asiamoney Publications by Euromoney Institutional Investor Group
Best Corporate Social Responsibility Reporting Awards 2016 - Silver	National Annual Corporate Report Awards (NACRA)
Human Resource Asia Recruitment Awards 2016:- <ul style="list-style-type: none"><li>Best On-Boarding Experience – Silver</li><li>Best Career Website by a Corporate HR Team – Bronze</li></ul>	Human Resources Magazine by Lighthouse Independent Media Ltd.
Putra Brands Awards (Media and Network) 2016 - Bronze	Association of Accredited Advertising Agents Malaysia (4As)
The Spark Awards for Media Excellence South East Asia 2016:- <ul style="list-style-type: none"><li>Best Corporate Branding by a Media Owner – Gold</li><li>Best Media Solutions (Print) – Gold</li><li>Best Media Solutions (Radio) – Silver</li><li>Best Media Solutions (TV/Online Video) – Bronze</li><li>Best Engagement Strategy – Bronze</li><li>Best Subscription Strategy – Bronze</li></ul>	Marketing Magazine by Lighthouse Independent Media Ltd.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

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:-



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.

1.2 Board Meeting

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 2016.



# STATEMENT ON CORPORATE GOVERNANCE

During the financial year ended 31 December 2016, the Board of Directors had met seven (7) times on the following occasions:-

No.	Board of Directors' Meeting	Date
1	51 <sup>st</sup> Meeting	26 February 2016
2	Special Meeting	21 April 2016
3	52 <sup>nd</sup> Meeting	12 May 2016
4	53 <sup>rd</sup> Meeting	11 August 2016
5	Special Meeting	19 September 2016
6	54 <sup>th</sup> Meeting	17 November 2016
7	Special Meeting	29 November 2016

Details of Board members' attendance at the Board of Directors' Meeting for the financial year ended 31 December 2016 are as follows:-

No.	DIRECTORS	ATTENDED/HELD	ATTENDANCE
1	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor <i>(Appointed on 4 September 2009)</i>	7/7	100%
2	Dato' Sri Amrin bin Awaluddin <i>(Appointed on 1 September 2009)</i>	6/7	86%
3	Datuk Shahril Ridza bin Ridzuan <i>(Appointed on 22 October 2001)</i>	7/7	100%
4	Lydia Anne Abraham <i>(Appointed on 19 November 2013)</i>	7/7	100%
5	Raja Datuk Zaharaton binti Raja Zainal Abidin <i>(Appointed on 13 August 2015)</i>	6/7	86%
6	Datuk Mohd Nasir bin Ahmad <i>(Appointed on 26 February 2016)</i>	6/6	100%
7	Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar <i>(Appointed on 22 July 2016)</i>	4/4	100%
8	Datuk Loo Took Gee <i>(Appointed on 6 August 2016)</i>	4/4	100%
9	Dato' Gumuri bin Hussain <i>(Resigned on 18 November 2016)</i>	5/6	83%
10	Tan Sri Dato' Seri Mohamed Jawhar <i>(Resigned on 11 August 2016)</i>	4/4	100%
11	Dato' Abdul Kadir bin Mohd Deen <i>(Retired on 21 April 2016)</i>	2/2	100%

Key transactions deliberated and approved by the Board in 2016 include:-

AREAS	KEY TRANSACTION
Strategic Stewardship	<ul style="list-style-type: none"><li>Proposed Budget and Business Plan of the Group for the financial year ending 31 December 2017;</li><li>Quarterly Group Managing Director's Reports;</li><li>Quarterly Risk Profiles of Media Prima Group;</li><li>Review of existing business of Media Prima Group; and</li><li>Corporate Rationalisation Exercise.</li></ul>
Investor Relations	<ul style="list-style-type: none"><li>Quarterly Shareholdings' Reports</li><li>Declaration of a final dividend for the financial year ended 2015;</li><li>Declaration of first interim dividend for the financial year ended 2016;</li><li>Press release on the Group's Performance for the financial year ended 2015; and</li><li>Press release on the Group's Quarterly Performance for the financial year ended 2016.</li></ul>
Financial Reporting	<ul style="list-style-type: none"><li>For the release of financial results and announcement made to Bursa Malaysia Securities Berhad:-<ul style="list-style-type: none"><li>Group consolidated financial results for the financial year ended 2015; and</li><li>Group quarterly consolidated financial results (i.e. Q4 of 2015 and Q1, Q2 &amp; Q3 of 2016).</li></ul></li></ul>
Boardroom Affairs	<ul style="list-style-type: none"><li>Appointment of Directors to the Media Prima Berhad Board;</li><li>Nomination of Directors/Member of Board Committees of Media Prima Berhad;</li><li>Disclosure of Directors' interest; and</li><li>Circular Resolutions passed during the quarter.</li></ul>
Regulation Updates	<ul style="list-style-type: none"><li>Circulars/Letters from Authorities.</li></ul>
Litigation Status	<ul style="list-style-type: none"><li>Quarterly summary and status of litigation suits.</li></ul>
Employee Welfare	<ul style="list-style-type: none"><li>Key Performance Indicators achievements and employees' Key Performance Indicators bonus payment for financial year ended 2015;</li><li>Key Performance Indicators Bonus Framework for the financial year ended 2016;</li><li>Key Performance Indicators proposed merit increments for employees for 2016;</li><li>Balance Scorecard and Key Performance Indicators Bonus for Senior Management for 2015 &amp; 2016; and</li><li>Appointment and remuneration structure for the newly appointed Chief Executive Officer of Media Prima Digital Sdn Bhd.</li></ul>

1.3 Board Committees

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.

A. Audit Committee

The Audit Committee was established on 19 August 2003 and is currently chaired by Datuk Mohd Nasir bin Ahmad. The Committee had held four (4) meetings in 2016 namely on 23 February 2016, 9 May 2016, 8 August 2016 and 9 November 2016 and the members’ attendance are as follows:-

No.	DIRECTORS	ATTENDED/HELD	ATTENDANCE
1	Datuk Mohd Nasir bin Ahmad (Chairman) <i>(Appointed on 12 May 2016)</i>	1/2	50%
2	Lydia Anne Abraham	4/4	100%
3	Tan Sri Dato’ Seri Utama Haji Ismail bin Haji Omar <i>(Appointed on 22 July 2016)</i>	2/2	100%
4	Datuk Loo Took Gee* <i>(Appointed on 18 November 2016)</i>	N/A	-
5	Dato’ Gumuri bin Hussain <i>(Resigned on 18 November 2016)</i>	4/4	100%
6	Tan Sri Dato’ Seri Mohamed Jawhar <i>(Resigned on 11 August 2016)</i>	3/3	100%
7	Dato’ Abdul Kadir bin Mohd Deen <i>(Resigned on 21 April 2016)</i>	1/1	100%

Note\* Last meeting for the year was held on 9 November 2016.

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 126 of this Annual Report.

B. Risk Management Committee

The Risk Management Committee was established on 12 May 2011. The current Chairman is Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor. The Committee had held four (4) meetings in 2016 namely on 26 February 2016, 12 May 2016, 11 August 2016 and 17 November 2016 and the members’ attendance are follows:-

No.	DIRECTORS	ATTENDED/HELD	ATTENDANCE
1	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor (Chairman)	4/4	100%
2	Lydia Anne Abraham	4/4	100%
3	Tan Sri Dato’ Seri Utama Haji Ismail bin Haji Omar <i>(Appointed on 22 July 2016)</i>	2/2	100%
4	Datuk Mohd Nasir bin Ahmad* <i>(Appointed on 18 November 2016)</i>	N/A	-
5	Dato’ Gumuri bin Hussain <i>(Resigned on 18 November 2016)</i>	4/4	100%
6	Tan Sri Dato’ Seri Mohamed Jawhar <i>(Resigned on 11 August 2016)</i>	3/3	100%

Note\* Last meeting for the year was held on 17 November 2016.

A Risk Management Committee report detailing its responsibilities, terms of reference and summary of initiatives/activities during the year is set out on page 131 of this Annual Report.

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established on 14 May 2015. The current Chairman is Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor. The Committee had held three (3) meetings in 2016 namely on 26 February 2016, 12 May 2016 and 17 November 2016 and the members’ attendance are as follows:-

No.	DIRECTORS	ATTENDED/HELD	ATTENDANCE
1	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor (Chairman)	3/3	100%
2	Datuk Shahril Ridza bin Ridzuan	3/3	100%
3	Raja Datuk Zaharaton binti Raja Zainal Abidin	3/3	100%
4	Tan Sri Dato’ Seri Utama Hj Ismail bin Hj Omar* <i>(Appointed on 18 November 2016)</i>	N/A	-
5	Dato’ Gumuri bin Hussain <i>(Appointed on 22 July 2016 and Resigned on 18 November 2016)</i>	1/1	100%
6	Tan Sri Dato’ Seri Mohamed Jawhar <i>(Resigned on 11 August 2016)</i>	2/2	100%
7	Dato’ Abdul Kadir bin Mohd Deen <i>(Resigned on 21 April 2016)</i>	1/1	100%

Note\* Last meeting for the year was held on 17 November 2016.

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.

# STATEMENT ON CORPORATE GOVERNANCE

**D. Employee’s Share Option Scheme (ESOS) Committee**

The ESOS Committee was established on 27 August 2004 and is currently chaired by Raja Datuk Zaharaton binti Raja Zainal Abidin and the members are Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor and Dato’ Sri Amrin bin Awaluddin. The Committee had not held any meeting in 2016.

**1.4 Management Committees**

The Group has established various Management Committees in supporting the Board to fulfil its responsibilities. The Management Committees and its respective salient terms of reference are as follows:-

COMMITTEES	RESPONSIBILITIES
Project Odyssey Steering Committee	To provide Group-wide consultation, coordination and monitoring on the implementation of Project Odyssey.
Programme Committee	To ensure transparency of the procurement process of media contents especially on television and digital media.
Group Risk Management and Audit Committee	To oversee the Group’s risk management activities and internal control processes.
Procurement & Tender Committee	To ensure transparency and integrity of the procurement process on capital and operational expenditures.
Information Communications Technology (“ICT”) Steering Committee	To review and monitor the status of implementation of ICT initiatives within the Group.
Recovery Executive Committee	To plan and manage business recovery and business operations in the event of a disaster or major disruption to key business operations.
Newsprint Committee	To ensure that the supply of newsprint is sufficient and the acquisition of newsprint is in the best interest of the Company.
Project Serumah Committee	To ensure effective relocation process between MPB’s premises and accommodate expansion plan for the Group.
Humanitarian Fund Committee	To set annual plan for the fund raising campaigns and to monitor the charity events organised by the Group.
Digital TV Committee	To ensure proper processes for MPB’s Digital TV development are in place and to keep abreast with the industry’s Digital TV development and market demands.
Intellectual Property (“IP”) Committee	To oversee the IP Management in MPB under the scopes of planning & coordination, protection & management, commercialisation, database and training & publication.

**1.5 Clear Roles and Responsibilities**

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:-

**A. 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 2016 Business Plan and Budget for the Board’s review at the Special Board meeting and was approved by the Board on 25 November 2015. 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.

**B. 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 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.

### C. Succession Planning

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.

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 2016 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 2017.

### D. 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 of the Risk Profiles of the Group and Business Platforms and tabling the Risk Profiles to the Board for notification.

Details of the Risk Management Committee and the Group's Risk Management Framework are set out in the Statement on Risk Management and Internal Control on page 119 of this Annual Report.

### E. Shareholders' Communication Policy and Investor Relations Programme

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](http://www.mediaprima.com.my).

### F. The Group's Internal Control

The Board is ultimately responsible for the adequacy and integrity of the Group's internal control system. Details pertaining to the Company's internal control system and its effectiveness are available in the Statement on Risk Management and Internal Control on page 119 of this Annual Report.

## 1.6 Code of Ethics

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](http://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.

## 1.7 Whistleblowing Policy

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.

## 1.8 Strategies Promoting Sustainability

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 2016. A detailed coverage of our corporate responsibility initiatives are explained separately in our Sustainability Report 2016.



# STATEMENT ON CORPORATE GOVERNANCE

## 1.9 Access to Information and Advice

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.

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.

## 1.10 Company Secretary

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.

## 1.11 Board Charter

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. It was last reviewed in May 2015 to include the merger of the Nomination and Remuneration Committee into the Nomination and Remuneration Committee and its terms of reference.

The Board Charter is available on the Company’s official website at [www.mediaprima.com.my](http://www.mediaprima.com.my).

## 2. STRENGTHEN COMPOSITION AND BALANCE

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.

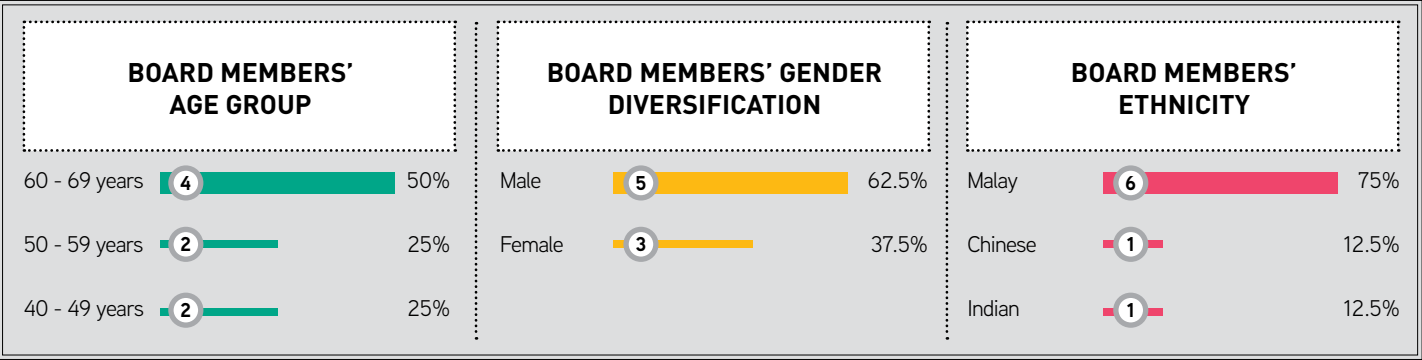
### 2.1 Criteria in Recruitment Process and Annual Assessment of Directors

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.

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 92-95 of this Annual Report.

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 submitted to the Board for approval via resolution on 12 July 2016.

The Board is supportive of gender diversity and had on 6 August 2016 appointed Datuk Loo Took Gee as an additional female Independent Non-Executive Director. 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 2016:-



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

Date of Change	Details
23 February 2016	Dato' Gumuri bin Hussain redesignated from Independent Non-Executive Director to Senior Independent Non-Executive Director.
26 February 2016	Datuk Mohd Nasir bin Ahmad appointed as the Group's Independent Non-Executive Director.
21 April 2016	Tan Sri Dato' Seri Mohamed Jawhar redesignated from Non-Independent Non-Executive Director to Independent Non-Executive Director.
	Dato' Abdul Kadir bin Mohd Deen retired as the Group's Independent Non-Executive Director.
	Dato' Abdul Kadir bin Mohd Deen resigned as members of the Audit Committee and the Nomination and Remuneration Committee.
12 May 2016	Datuk Mohd Nasir bin Ahmad appointed as a member of the Audit Committee.
22 July 2016	Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar appointed as the Group's Independent Non-Executive Director and a member of the Audit Committee.
	Dato' Gumuri bin Hussain appointed as a member of the Nomination and Remuneration Committee.
6 August 2016	Datuk Loo Took Gee appointed as the Group's Independent Non-Executive Director.
11 August 2016	Tan Sri Dato' Seri Mohamed Jawhar resigned as the Group's Independent Non-Executive Director and members of the Audit Committee and the Nomination and Remuneration Committee.
18 November 2016	Dato' Gumuri bin Hussain resigned as the Group's Independent Non-Executive Director, the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.
	Datuk Mohd Nasir bin Ahmad redesignated from Independent Non-Executive Director to Senior Independent Non-Executive Director.
	Datuk Mohd Nasir bin Ahmad redesignated from a member to the Chairman of the Audit Committee.
	Datuk Mohd Nasir bin Ahmad appointed as a member of the Risk Management Committee.
	Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar appointed as a member of the Nomination and Remuneration Committee.
	Datuk Loo Took Gee appointed as a member of the Audit Committee.

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.

The Nomination and Remuneration Committee is responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment. 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.

# STATEMENT ON CORPORATE GOVERNANCE

## 2.2 Remuneration Policies

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.

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. Employee’s 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.

### 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.

The details on the aggregate remuneration of directors for the financial year ended 31 December 2016, distinguishing between Executive and Non-Executive Directors with categorisation into appropriate components are as follows:-

Remuneration	Non-Executive Directors	Executive Director	Total
	RM		
Fees (Media Prima)	464,344	-	464,344
Fees (Subsidiaries)	318,746	-	318,746
Salary	-	1,164,876	1,164,876
Bonus	67,693	194,146	261,839
EPF	-	283,878	283,878
Other Remuneration/Emoluments	728,560	144,023	872,583
Benefits in Kind	17,455	7,200	24,655
Total	1,596,798	1,794,123	3,390,921

The remuneration paid to Directors during the year, analysed into bands of RM50,000, is as follows:-

Remuneration Band	Non-Executive Directors	Executive Director	Total
	RM		
Less than RM100,000	*4	-	4
RM100,001 – RM150,000	**1	-	1
RM150,001 – RM200,000	***3	-	3
RM200,001 – RM250,000	****1	-	1
RM400,001 – RM450,000	1	-	1
RM1,750,001 – RM1,800,000	-	1	1
Total	10	1	11

Note: Successive bands of RM50,000 are not shown entirely as they are not represented.

- \* 2 Non-Executive Directors were appointed and 1 Non-Executive Director retired during the year.
- \*\* 1 Non-Executive Director was appointed during the year.
- \*\*\* 1 Non-Executive Director resigned during the year.
- \*\*\*\* 1 Non-Executive Director resigned during the year.

3. REINFORCE INDEPENDENCE

3.1 Assessment of Independence

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 Board 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.

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 continues to fulfil definition of independence as set out in the terms of reference and the listing requirement.

3.2 Tenure of Independent Director

The Board has adhered to the nine-year rule for Independent Non-Executive Directors in Media Prima Berhad 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.

Having said that, 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’s 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 92-95 of this Annual Report.

3.3 Shareholders’ Approval for Re-appointment as Independent Non-Executive Director after a Tenure of Nine Years

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.



# STATEMENT ON CORPORATE GOVERNANCE

### 3.4 Separation of Positions of the Group Chairman and Group Managing Director

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. 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.

Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor, 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.

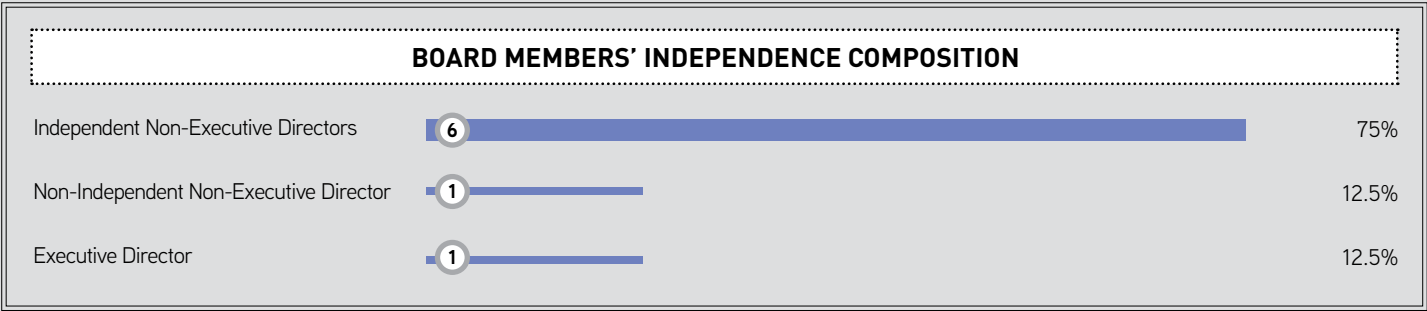
He has established a commendable relationship with the Executive and Non-Executive Directors. He commands respect given his legal and business knowledge coupled with vast experience in corporate sectors and various agencies. With his in-depth experience, Datuk Seri Fateh Iskandar is able to provide a different perspective, deep insight and guidance on the Group’s strategic directions.

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.

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.

### 3.5 Board Independence

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.



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.

### 3.6 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:-

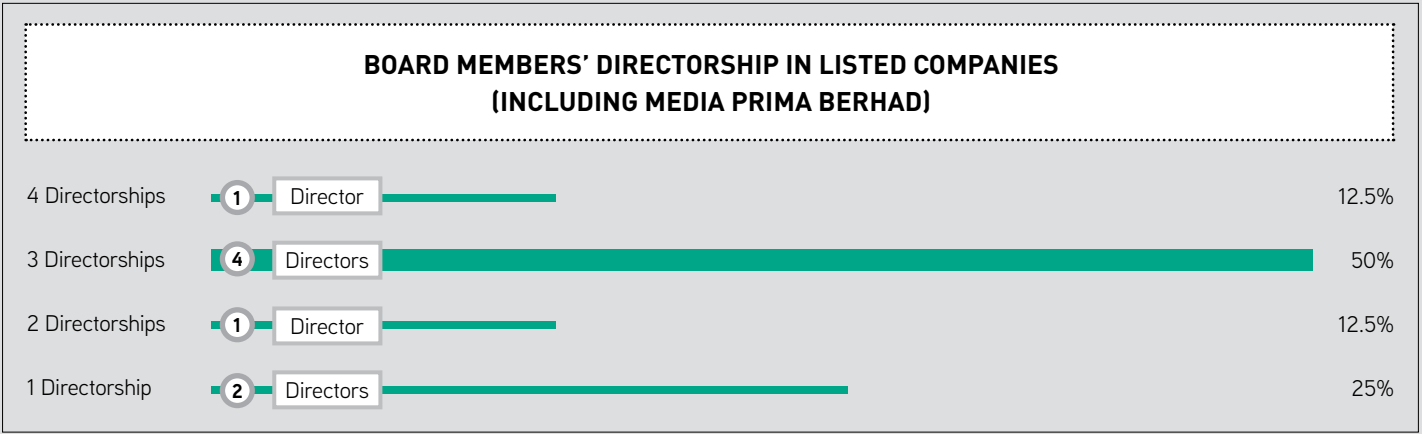
Email	mohdnasirmpb@mediaprima.com.my	Office Address	Media Prima Berhad, Group Secretarial, Level 3, Balai Berita Bangsar, Anjung Riong, No. 31, Jalan Riong, Bangsar, 59100 Kuala Lumpur.
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4. FOSTER COMMITMENT

4.1 Time Commitment

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.

As regulated under Bursa Malaysia Listing Requirement, all directors of the Group hold less than five (5) directorships in public listed companies as at 31 December 2016. 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 accepting any new directorship.

4.2 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 2016 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 2016 are tabulated as follows:-

Conferences/Seminars/Trainings & Date	Organiser	Attendees
Strategy		
Managing Business Successfully (29 January 2016)	SIRIM Berhad	Datuk Mohd Nasir bin Ahmad
Critical Evaluation of Business Plans for UNITEN MBA Programme (13 May 2016)	Universiti Tenaga Nasional	Datuk Mohd Nasir bin Ahmad
Managing Business Successfully (9 May 2016)	MIMOS Berhad	Datuk Mohd Nasir bin Ahmad
Visioning Exercise: Board Strategy Session (4 – 6 September 2016)	Employees Provident Fund	Datuk Shahril Ridza bin Ridzuan
Strategic Leadership Alignment (17 – 19 January 2016)	Employees Provident Fund	Datuk Shahril Ridza bin Ridzuan
Thought Leadership Session Programme: Nurturing Strategic, Innovative & Global Minds (6 April 2016)	Employees Provident Fund	Datuk Shahril Ridza bin Ridzuan
Strategy Community Installing Workshop (25 May 2016)	Employees Provident Fund	Datuk Shahril Ridza bin Ridzuan
Speaker - Power Talks Session: Business Series (28 May 2016)	Star Media Group Berhad	Datuk Shahril Ridza bin Ridzuan
CEO Faculty Programme on topic “Moving Forward Under Limitations” (18 July 2016)	Universiti Malaya	Datuk Shahril Ridza bin Ridzuan
Technology		
Board of Directors’ Workshop (29 November 2016): (a) Media Prima Berhad on “The Open Source Organisation – New Leadership & Management Imperatives for the Digital Age; and (b) Global Entertainment and Media Outlook 2016-2020: Capturing Attention and Value in Today’s Global Multi-Speed Media Landscape.	In-house	<ul style="list-style-type: none"><li>Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor</li><li>Datuk Shahril Ridza bin Ridzuan</li><li>Datuk Mohd Nasir bin Ahmad</li><li>Lydia Anne Abraham</li><li>Raja Datuk Zaharaton binti Raja Zainal Abidin</li><li>Tan Sri Dato’ Seri Utama Haji Ismail bin Haji Omar</li><li>Datuk Loo Took Gee</li></ul>
Akamai Foster Forward: Grand Challenges Facing The Internet (19 July 2016)	Telekom Malaysia	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor

# STATEMENT ON CORPORATE GOVERNANCE

Conferences/Seminars/Trainings & Date	Organiser	Attendees
Governance		
Corporate Governance Breakfast Series with Directors: Thought Leadership Session for Directors - The Cybersecurity Threat and How Boards Should Mitigate the Risks (18 November 2016)	Bursa Malaysia	Datuk Loo Took Gee
Corporate Governance Breakfast Series with Directors: Anti-corruption & Integrity – Foundation of Corporate Sustainability (8 December 2016)	Bursa Malaysia	Tan Sri Dato’ Seri Utama Haji Ismail bin Haji Omar
New Auditor Report – Sharing the UK Experience (13 January 2016)	Securities Commission	Datuk Mohd Nasir bin Ahmad
FIDE Forum: The New and Revised Auditor Reporting Standards – Implications to Financial Institutions (20 January 2016)	Bank Negara Malaysia	Datuk Mohd Nasir bin Ahmad
MIA and MICG Roundtable (7 June 2016)	Malaysian Institute of Accountants	Datuk Mohd Nasir bin Ahmad
A Conversation with Andrew Fastow Ex-CFO Enron (6 June 2016)	PwC Malaysia	Datuk Mohd Nasir bin Ahmad
Integrity in the Boardroom (14 December 2016)	Coalition for Business Integrity	Lydia Anne Abraham
Fraud Risk Management (14 December 2016)	Coalition for Business Integrity	Lydia Anne Abraham
33 <sup>rd</sup> ASEAN Social Security Association (ASSA) Board Meeting (12 – 13 September 2016)	ASEAN Social Security Association	Datuk Shahril Ridza bin Ridzuan
Board of Directors’ Training of Taliworks Corporation Bhd on Corporate Disclosure Policy of the Listing Requirements (19 January 2016)	Taliworks Corporation Berhad	<ul style="list-style-type: none"><li>Dato’ Sri Amrin bin Awaluddin</li><li>Raja Datuk Zaharaton binti Raja Zainal Abidin</li></ul>
Industry Focus		
REHDA Institute Seminar – Budget 2017: Impact on Affordable Homeownership & First Home Buyers (2 November 2016)	Real Estate and Housing Developers Institute	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor
12th Khazanah Global Lecture Delivered by Dame Dr Jane Goodall “Caring for the Earth: Reasons For Hope” (31 October 2016)	Khazanah Global Lecture	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor
REHDA 2016 Property Outlook/Round Table Session (9 March 2016)	Real Estate and Housing Developers Institute	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor
Engagement Session on Trans-Pacific Partnership Agreement (27 January 2016)	Khazanah Nasional Berhad	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor
Strata Management Seminar: The Good, The Bad and the Ugly (14 January 2016)	Building Management Association of Malaysia & Real Estate and Housing Developers Institute	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor
Finance & Investor Relations		
SIDC Capital Market Directors Program: Module 1 – Directors as Gatekeepers of Market Participants (18 January 2016)	Securities Industry Development Corporation	Raja Datuk Zaharaton binti Raja Zainal Abidin
CA ANZ Thought Leadership Forum: Ethics in Banking and Financial – What does the Future Hold (22 September 2016)	Chartered Accountants Australia and New Zealand	Datuk Mohd Nasir bin Ahmad
ACCA ASEAN Conference (17 June 2016)	Association of Chartered Certified Accountants	Datuk Mohd Nasir bin Ahmad
ACCA Annual Conference (10 May 2016)	Association of Chartered Certified Accountants Malaysia	Datuk Mohd Nasir bin Ahmad
CIMB Risk Appetite Workshop (24 March 2016)	CIMB	<ul style="list-style-type: none"><li>Dato’ Sri Amrin bin Awaluddin</li><li>Datuk Mohd Nasir bin Ahmad</li></ul>

Conferences/Seminars/Trainings & Date	Organiser	Attendees
Finance & Investor Relations		
SIDC Capital Market Directors Program: Module 2B - Business Challenges and Regulatory Expectations – What Directors Need to Know (18 January 2016)	Securities Industry Development Corporation	Raja Datuk Zaharaton binti Raja Zainal Abidin
SIDC Capital Market Directors Program: Module 3 – Risk Oversight and Compliance (Action Plan for Board of Directors) (19 April 2016)	Securities Industry Development Corporation	Raja Datuk Zaharaton binti Raja Zainal Abidin
SIDC Capital Market Directors Program: Module 4 – Current and Emerging Regulatory Issues in the Capital Market (20 April 2016)	Securities Industry Development Corporation	Raja Datuk Zaharaton binti Raja Zainal Abidin
Board of Directors’ Training of Taliworks Corporation Bhd on 2017 Budget, Corporate Tax and Other Highlights (16 November 2016)	Taliworks Corporation Bhd	Raja Datuk Zaharaton binti Raja Zainal Abidin
Board of Directors’ Training of Taliworks Corporation Bhd on Listing Requirements, Directors’ Dealing in Securities and Insider Trading, and Proposed Amendments to Malaysian Code on Corporate Governance 2016 (9 August 2016)	Taliworks Corporation Bhd	Raja Datuk Zaharaton binti Raja Zainal Abidin
3 <sup>rd</sup> Annual Capital Market 2016 Facilitating Responsible Finance Through Islamic Capital Market in the US – Alternative Funding & Investment Avenues (Prioritising the Next Phase) (9 – 10 November 2016)	Malaysia US Chamber of Commerce	Datuk Shahril Ridza bin Ridzuan
EPF Investment Seminar 2016 (22 – 23 October 2016)	Employees Provident Fund	Datuk Shahril Ridza bin Ridzuan
2 <sup>nd</sup> Bloomberg Most Influential Summit Conference on Asian Economic Community – A Ray of Sunshine for Asian Market (27 – 29 September 2016)	Bloomberg	Datuk Shahril Ridza bin Ridzuan
MBSB Directors Training – Malaysian Financial Reporting Standard (28 March 2016)	Ernst & Young Malaysia	Datuk Shahril Ridza bin Ridzuan
Global Islamic Finance Forum 5.0 (12 May 2016)	Association of Islamic Banking Institutions Malaysia	Datuk Shahril Ridza bin Ridzuan
Malaysia as Global Hub for Fund Administration – Potential & Challenges (25 May 2016)	International Centre for Education in Islamic Finance	Datuk Shahril Ridza bin Ridzuan
Composite Risk Rating with the Board Members (21 March 2016)	CIMB Group	Dato’ Sri Amrin bin Awaluddin
TA Securities Roundtable Forum : Is There Light At The End Of The Tunnel for Consumers (3 August 2016)	TA Securities	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor
Knowledge Sharing: How Global Central Banks Have Borrowed Future Growth Rate (14 June 2016)	IQI Holdings	Datuk Shahril Ridza bin Ridzuan
CIMB Risk Posture Workshop (28 September 2016)	CIMB	Dato’ Sri Amrin bin Awaluddin
Regulatory		
Mandatory Accreditation Programme (13 – 14 October 2016)	The ICLIF Leadership and Governance Centre	<ul style="list-style-type: none"><li>• Tan Sri Dato’ Seri Utama Haji Ismail bin Haji Omar</li><li>• Datuk Loo Took Gee</li></ul>
Human Resource		
CEO Faculty Programme: The Employees Provident Fund – Issues and Challenges (1 December 2016)	Universiti Malaya	Datuk Shahril Ridza bin Ridzuan
CEO Faculty Programme: The Employees Provident Fund – The Malaysian Economy (6 December 2016)	Universiti Malaya	Datuk Shahril Ridza bin Ridzuan
CEO Faculty Programme: A Study and Industrial Exposure (31 October 2016)	Universiti Malaya	Datuk Shahril Ridza bin Ridzuan
Oxford Pensions & Retirement Conference (11 – 14 September 2016)	Oxford-JOIM-EDHEC Conference	Datuk Shahril Ridza bin Ridzuan
CEO Faculty Program: Tea & Experience Sharing Session (20 October 2016)	Universiti Teknologi MARA	Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor



# STATEMENT ON CORPORATE GOVERNANCE

## 5. UPHOLDING INTEGRITY IN FINANCIAL REPORTING

### 5.1 Financial Statements

The Annual Audited Financial Statements are prepared on a going concern basis and give a true and fair view of the state of affairs of Media Prima Berhad as at 31 December 2016.

The Audit Committee assists the Board of Directors in overseeing the financial reporting, internal control, risk management and governance processes. The Audit Committee meets regularly with the External and Internal Auditors to discuss and review the audit plan, quarterly financial results, annual financial statements and the audit findings, and makes recommendations for the Board's approval in 2016.

The Group Chief Financial Officer provided assurance that appropriate accounting policies have been applied consistently in preparing the Group Consolidated Financial Statements 2016, supported by reasonable and prudent judgement and estimates. The Board of Directors had been assured that proper accounting records are kept so as to enable the preparation of the Financial Statements with reasonable accuracy. The Board of Directors has overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and has ensured that the Group's financial reporting presents a balanced and comprehensive assessment of its financial position and prospects.

Based on the Audit Committee's recommendation and confirmation, the Board of Directors is satisfied that it has met its obligation to present a balanced and understandable assessment of the Group's financial position and prospects in presenting the annual financial statements and quarterly announcement to shareholders. This also applies to other price-sensitive public reports and reports to regulators.

### 5.2 Relationships with Internal and External Auditors

The Board has established a formal, transparent and appropriate relationship with the Group's Auditors, both External and Internal, through the Audit Committee. The Audit Committee meets regularly with the External and Internal Auditors to discuss and review the audit plan, quarterly financial results, annual financial statements and the audit findings, and makes recommendations for the Board's approval. During the year, the Board has also met with the External and Internal Auditors without the presence of the Executive Director and Management.

## 6. RECOGNISE AND MANAGE RISKS

### 6.1 Sound Framework to Manage Risks

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 size and diversity of the operations of the Group as a multi-platform company involve the management of a wide variety of risks. The nature of these risks means that events occur which would give rise to unanticipated or unavoidable losses. The Group's systems of risk management and internal control are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

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 Risk Management Framework was last revised in January 2016.

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.

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.

### 6.2 Internal Audit Function

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.

## 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The corporate website at [www.mediaprima.com.my](http://www.mediaprima.com.my) plays a crucial part as a public communication tool, with a dedicated "About Us" and "Corporate Governance" sections consisting of various materials including the Board Charter, Director's Code of Ethics, No Festive Gifts Policy, among others. Pertinent notifications and publications like the quarterly financial results, financial highlights, Annual Reports, minutes of general meetings, current shareholding structure, and other notable information which are announced via Bursa Malaysia Securities are made available under the "Investor Relations" column of the corporate website. Media Prima Berhad ensures that its website is current, informative and contains information relevant to all stakeholders.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 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.

8.2 Website

The Group strives to ensure that shareholders and the general public would have an easy and convenient access to the Group’s latest financial results, press releases, annual reports and other corporate information via its website [www.mediaprima.com.my](http://www.mediaprima.com.my). Each of Media Prima’s subsidiaries has also established their own websites as a source of information and excellent medium of communication to shareholders and the general public.

8.3 Dividend Policy

A dividend policy would provide the flexibility to the Group to channel excess cash flow to maximise shareholders’ returns. The dividend policy reflects the Board’s current views on the Group financial and cash flow position. The dividend policy will be reviewed from time to time as it is the policy of the Board, in recommending dividend distribution. The Board of Directors has approved a dividend policy with a pay-out ratio ranging from a minimum of 60% to the maximum of 80% based on:-

- PATAMI
- Funding requirement (capital expenditure and investments); and
- Availability of cash flow.

8.4 Investor Relations

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, Annual General Meeting and Investors Briefing.

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	Designation	Contact Number	Related Matters
Mohamad Ariff bin Ibrahim	Group Chief Financial Officer	03 2724 8778	Financial/Investor Relations
Sere Mohammad bin Mohd Kasim	Group General Manager, Group Corporate Governance	03 2724 8975	Internal Control and Internal Audit
Mohd Hisham bin Md. Shazli	Group General Manager, Group Risk Management	03 2724 8988	Risk Management
Tuan Haji Zulkifli bin Haji Mohd Salleh	Group General Manager, Group Stakeholder Management & Regulatory Affairs	03 2724 8923	Stakeholder Management/ Regulatory Compliance
Azlan bin Abdul Aziz	Group General Manager, Group Corporate Communications	03 2724 8949	Corporate Responsibility and Other Queries
Amal @ Nur Amal binti Abdul Manaf	General Manager, Group Legal	03 2724 8904	Legal

9. STATEMENT OF DIRECTOR’S RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for the preparation of the financial statements of the Group and the Company. The Board has ensured that the financial statements have been prepared based on accounting policies that have been consistently and properly applied, supported by reasonable and prudent judgements and estimates and in adherence to all applicable accounting standards.

It is also the Board’s responsibility to ensure that accounting records are accurate, within margins of reasonableness, which discloses the financial position of the Group and the Company in a true and fair manner.

This Statement on Corporate Governance was approved by the Board of Directors on 9 March 2017.

# ADDITIONAL COMPLIANCE INFORMATION

**1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS**

There were no proceeds raised from corporate proposals during the financial year.

**2. AUDIT AND NON-AUDIT FEES**

The amount of Audit and Non-Audit Fees paid/payable to external auditors and their affiliated companies by the Company for the financial year ended 31 December 2016 are set out in Note 6 to the financial statements for the financial year ended 31 December 2016 on page 159 of this Annual Report.

**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 2016 or entered into since the end of the previous financial year.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors is pleased to provide the Statement on Risk Management and Internal Control. The statement outlines 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 2016.

## 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, process improvement and measuring achievement as assurance to the Group’s various stakeholders.

Media Prima Berhad advocates a continuous and iterative process for enhancing risk awareness across the organisation through an Enterprise-Wide Risk Management (ERM) framework which is largely benchmarked against the ISO 31000:2009 Risk Management – Principles and Guidelines. The framework provides the subsidiaries (business platforms), operating units and support functions (business units) a consistent approach for risk identification and institutes a common platform to discuss and manage risks.

Sound internal control system is a vital process developed to ensure effective and efficient operation, provide reliable and relevant reporting, and compliance with the 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 structures and processes which have been established throughout the Group are updated and reviewed from time to time to suit the changes in business environment.

The Group established the three lines of defence concept: risk taking units (business platforms), risk control unit (Group Risk Management Department), and risk checking unit (Group Corporate Governance Department). The risk taking units manage the day-to-day management of risks inherent in its business activities, while the risk control unit is responsible for setting the risk management framework and developing tools and methodologies. Complementing this is the risk checking unit or internal audit, which provides independent assurance of the effectiveness of the internal control approach.

SECTION  
SEVEN

## B. CONTROL ENVIRONMENT 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. Key control lies in the four (4) lines of defence:-

#### 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 the 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 Nomination and Remuneration Committee, Audit Committee, Risk Management Committee and Employee’s Share Option Scheme 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](http://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.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 and 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 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 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 131 of this Annual Report.

**iii. Independence of the Audit Committee**

The Board is also supported by the Audit Committee with 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) Non-Executive Directors who are highly experienced and whose knowledge, background and judgement are invaluable to the Group. The Audit Committee has unimpeded access to both the Internal and External Auditor 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. Further details of the activities undertaken by the Audit Committee during the year are set out in the Audit Committee Report on page 126 of this Annual Report.

**iv. Operating Units**

At the forefront, operating units are responsible for identification and management of risks within its operations. The operating units are also responsible for compliance of all daily activities with the approved policies, guidelines and procedures.

**Management Committees**

Management Committees have been 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 and Audit Committee, Procurement & Tender Committee, ICT Steering Committee, Digital TV Committee, Humanitarian Fund Committee, Intellectual Property Committee, Project Odyssey Steering Committee, Project Serumah Committee and Recovery Executive Committee with 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

Media Prima Berhad’s risk management philosophy 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 Media Prima Berhad’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.

The Company has a structured risk management reporting line to ensure significant risks are escalated to the appropriate levels. The Risk Management Committee role is to provide oversight and extensive discussion on risk management matters at the Board level. The Risk Management Committee reviews and assesses the adequacy of these risk management policies and ensures infrastructure, resources and systems are emplaced for risk management.

In discharging their risk management responsibilities, the Board and Risk Management Committee are supported by Group Risk Management Department. Together with the various business units, Group Risk Management Department coordinates the risk review exercise across the Group to identify, manage and report the significant risks faced by the company to the Risk Management Committee and ultimately to the Board. The Group Risk Management Department is also responsible for ensuring that the risk management framework is effectively implemented and that risk registers are maintained by the respective business platforms.

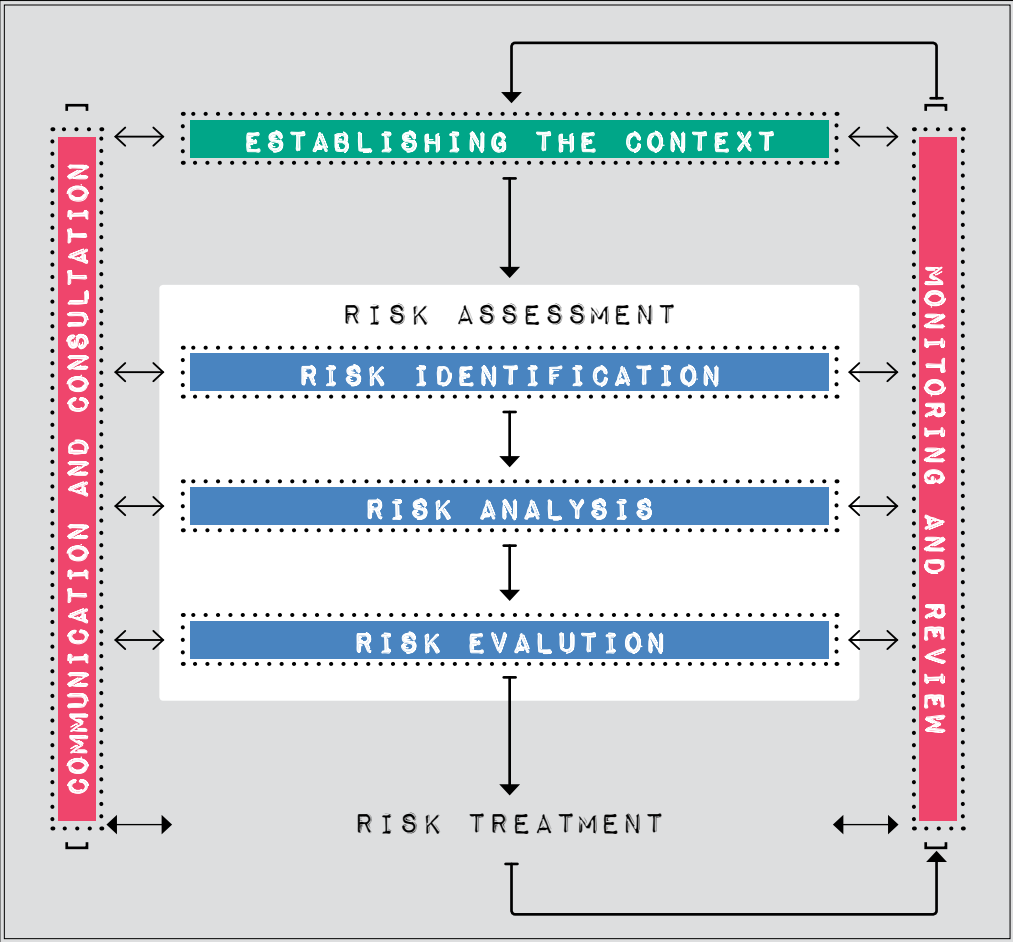
GROUP RISK MANAGEMENT REPORTING STRUCTURE			
BOARD		MANAGEMENT	Department
Board Of Directors	Risk Management Committee	Group Risk Management and Audit Committee	Group Risk Management

Risk Management Framework

Media Prima Berhad’s risk management framework is designed based on ISO 31000:2009 Risk Management – Principles and Guidelines, where it sets out the risk management governance and infrastructure, risk management processes and control responsibilities. The 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.

The following principles are the crux of the Media Prima Berhad’s risk management framework:-

- Risks can be managed, but cannot be totally eliminated;
- Risks are aligned with, and driven by, business values, targets and objectives;
- Risk 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
- Risk management processes are integrated with other processes including budgeting, planning and business development.



Risk Management Process

Media Prima Berhad has in place a structured risk management process coordinated by the Group Risk Management Department. The Group Risk Management Department facilitates risk review exercise and prepares 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 a criteria matrix that reflects 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; and
- 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 Risk Management Committee 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 that its products and services continue available. The plan outlines strategies and procedures to ensure Media Prima Berhad’s business operation is resumed in timely manner:- <ul style="list-style-type: none"><li>Critical Business Operations: Business impact analysis (BIA) determines the core business areas greatly impacted as a result of disruption or disaster. The analysis take into consideration the reliant upon the continued functioning of every related business component, but some are more crucial than others and require greater recovery priorities. Recovery site and assets are in place to ensure earliest possible restoration of critical operations resume upon a disruption is the main objective of BCP and</li><li>Important Business Operations: Functions that are less “mission critical” had been evaluated and identified. Understanding the important operations and analysing system needed to continuously support the critical functions are essential and is part of the risk mitigation. Redundancy plans and back-up systems are in place to facilitate recovery and ensure the continuing important operations in the worst scenario.</li></ul> The plan, which covers all business units in Media Prima Berhad, is reviewed and successfully tested periodically to ensure it stays relevant.
COMPETITIVENESS	Adverse macroeconomic conditions, locally and globally, have significant impact on media industry. Advertising revenue has shift to less expensive options in response to the reduction in advertising and promotion (A&P) spending.  Media Prima Berhad anticipates these uncertainties by constantly analysing internal and external factors that could affect its business and periodically realigning its strategies to adapt with these uncertainties with the aim to always provide the competitive offerings to its customers.	In order to keep up with the evolution of the media industry, Media Prima Berhad is expanding its products and services beyond the traditional platforms and at the same time continuously refreshing its existing offerings.  Other than embracing a new fashion of advertising, the Company believes that the ability to provide a good content is also a pull factor to become a media partner of choice.  Media Prima Berhad has set out several strategies to ensure the contents produced are of good quality and widespread:- <ul style="list-style-type: none"><li>Contents travel across multiple platforms; digital and non-linears;</li><li>Creating global sales through local contents; and</li><li>Partnering with competitors, regional and international companies.</li></ul>
CONSUMER BEHAVIOUR	Media Prima Berhad understands rapid changing of consumer behaviour and interest through big data and analytics.  In the era of technology, everything is at a fingertip. This has significantly influenced consumer behavior to look for products and services that are within their reach and at their convenient. The expectations to be visible and cope with the technology development have become more and more challenging.	Media Prima Berhad has always strived to offer the best products and services to its consumers:- <ul style="list-style-type: none"><li>Keep abreast with the technology;</li><li>Analyse consumer behaviour that potentially affect the Company’s strategies;</li><li>Customise contents to meet consumer demand; and</li><li>Expand and strategise on capturing consumer revenue.</li></ul>

Whilst Group Risk Management Department 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 the in-house Internal Audit function established to provide independent assurance of the adequacy of risk management, internal control and governance systems within the Group. 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 the approved annual 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.
- 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 current 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. Thus, the Group Corporate Governance Department is independent of the activities being audited and is performed with impartiality, proficiency and due professional care.

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

With the introduction of the new Policy Management Framework, the Company is realigning its existing policies and procedures to build consistency in embedding appropriate controls across business units in Media Prima Berhad. The policies and procedures are reviewed regularly to maintain the relevancy of the policies and procedures’ requirements. Periodic awareness sessions are carried out to inform employees of the new and/ or updated policies and procedures.

During the year, the following policies and procedures have been endorsed for implementation across business units within Media Prima Berhad:-

DOCUMENTS	PURPOSE
Group Purchasing Procedure	The Procedure details the end to end work processes for the purchase of goods and services for Media Prima Berhad and all its subsidiaries. It also describes cross functional role and the actions to be undertaken/required from the point of request by user departments/budget owners, the processing of the requests by Procurement unit to the point of submission for payment to Finance and includes expected cycle times for all processes as well as shared processes.
Group Training Bonding Procedure	The purpose of this procedure is to ensure a proper transfer of knowledge and skills to the workplace upon completion of trainings is carried out.
Group Products and Services Exchange Procedure	The Procedure provides a framework for the contra arrangement as to ensure that all contra proposals are adequately evaluated and approved. It strives to ensure that Media Prima Berhad’s interests in contra arrangement are always protected.
Group Motor Vehicles Procedure	The Procedure details the end to end work processes for managing motor vehicles registered under Media Prima Berhad and its subsidiaries. It also describes cross functional roles and the actions required from the point of acquisition of the vehicles, usage of the vehicles to the point of disposal of the vehicles.

Group Human Resources Policy

- The Group has a comprehensive Human Resources Policy approved by the Board that sets the tone of control consciousness and employee conduct. There is also 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

- The Group has also in place a Performance Management System which is linked to and guided by Key Performance Indicators and accountability. Key Performance Indicators help in defining and measuring progress towards attaining organisational goals.
- Key Performance Indicators are quantifiable measurements agreed to beforehand that reflect the critical success factors of an organisation and a series of goal-setting and coaching sessions have been rolled out since the beginning of 2016 to line managers and also Heads of Department to enhance staff’s performance.

Limits of Authority

- The Limits of Authority for the Group have 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.
- Separate Limits of Authorities for every business platforms had been prepared in order to ensure adequate management control and smooth operations at platform level. All Heads of platform shall always be governed by the authority limits accorded to them in the Limits of Authority for the respective platforms. The Limits of Authority had been recently updated and made effective on 24 November 2016 as to reflect the current operations and business needs.



# 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 guide and reference to assist employees to live up to the high ethical business standards, and it provides guidance on the way business and duties are conducted in an efficient, effective and fair manner.
- The Code highlights key issues and identifies the relevant policies and procedures and resources to help employees conduct business and duties with high integrity in line with the Group’s acceptable practices.
- The No Festive Gift Policy was established to complement the existing Employee Code of Ethics. This policy aims to assist employees in conducting business in an environment which is free from conflict of interest.

### 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 was conducted during the year by the Group Corporate Governance Department. A General Audit Report with rating was issued to all the operating companies/departments within the Group at the end of the assessment.
- The rating system evaluates the achievement of 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 lodges the report.

POLICY	DESCRIPTION
Anti-fraud Policy	<ul style="list-style-type: none"><li>• Defines fraud and fraudulent activities;</li><li>• Type of fraudulent activities covered under the policy;</li><li>• Management’s responsibilities in prevention, deterrence and detection of fraud; and</li><li>• Management’s sentiment on anti-fraud culture, internal control system, risk assessment, control activities, information &amp; communication and monitoring.</li></ul>
Whistleblowing Policy	<ul style="list-style-type: none"><li>• Defines types of whistleblowers;</li><li>• Type of wrongdoings covered under this policy;</li><li>• Guidance for employees to communicate any illegal or immoral conduct to the appropriate party within the Group;</li><li>• Protection assurance for the whistleblowers; and</li><li>• Whistleblowing reporting, investigation and communication procedures for the related parties involved.</li></ul>

### 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 in 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 wish to conduct and/or continue conducting business with the Group need to be registered with Media Prima Berhad via Supplier e-Registry (“SUPeR”) System. Once the registration is successful, suppliers can conduct business with the Group, effective upon receipt of an email notifying the same.
- The Code applies to all suppliers, vendors, contractors and any other persons undertaking business with the Group.

### 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
Human Resource Management (“HRMS”)	To implement an integrated HR System for the Group.
Newsroom Automation System	To replace the previous iNews with Media News in enabling News and Current Affairs Department to better support new digital media.
Wireless Area Network (“WAN”)	To upgrade all WAN infrastructure nationwide to provide a higher speed and reliable internet and network connectivity for Regional Printing Plants to Balai Berita and Sri Pentas.
Group-wide Internet	To upgrade internet services for both Balai Berita and Sri Pentas with Distributed Denial-of-Service (“DDoS”) and higher bandwidth volume.
Enterprise Storage Archival System (“ESAS”)	To provide long-term solutions of centralised content storage in private cloud as opposed to the previous fragmented array of video servers.

- System Penetration Testing had been conducted in November 2016 on the areas of Network Architecture, Wireless Security, Application Assessment, Database Review, Host Assessment, Internal & External Penetration, Active Directory (AD) Review and Email Services, Social Media Vulnerability, Social Engineering, Mobile Applications, Web Applications and Source Code.
- A management framework that includes an ICT Steering Committee and an Information Security Officer had been established to manage Enterprise Security Architecture and Information Security Audit Framework within the Group.

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 the 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 2016.
- 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.
- 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 information 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 Communication and Multimedia Act 1998, Communication and Multimedia Content Forum Content Code and the respective license conditions of each TV Networks, Radio Networks and Print Media; and
- 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
<b>Sere Mohammad bin Mohd Kasim</b> Group General Manager, Group Corporate Governance	Internal Control and Internal Audit
<b>Mohd Hisham bin Md. Shazli</b> Group General Manager, Group Risk Management	Risk Management
<b>Tuan Haji Zulkifli bin Haji Mohd Salleh</b> Group General Manager, Group Stakeholder Management & Regulatory Affairs	Stakeholder Management & Regulatory Affairs
<b>Amal @ Nur Amal binti Abdul Manaf</b> General Manager Group Legal	Legal

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 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 Board has received assurance from both the Group Managing Director and Group Chief Financial Officer 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 Group Corporate Governance Department regularly review the processes to ensure the effectiveness of the existing controls. There has been no significant change in Media Prima Berhad’s risk management environment. Group Risk Management Department monitors the control environment and business processes 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 2016 has been reviewed by the Audit Committee and Risk Management Committee prior to their recommendation to the Board for approval.

This Statement on Risk Management and Internal Control is made on the recommendation of the Audit Committee and Risk Management Committee which was approved by the Board of Directors on 9 March 2017.

E. ASSOCIATED COMPANY

The state of risk management and internal control of Malaysian Newsprint Industries Sdn Bhd (“MNI”), an active associated company of Media Prima Berhad is excluded from this statement.

However, a Senior Management member from Media Prima Berhad namely Encik Mohamad Ariff Ibrahim who was appointed to MNI’s Board, attended its Board meetings and reviewed the key financial information of the company. He reports to the Media Prima Berhad Board in the event that the Company does not appropriately manage significant risks. He also provides the Media Prima Berhad’s Board with performance related information to enable timely and informed decision making on the Group’s investment in such companies.

F. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement on Risk Management and Internal Control has been reviewed by the External Auditors as required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the inclusion in the Annual Report of Media Prima Berhad for the year ended 31 December 2016.

The limited assurance review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised 2015) issued by the Malaysian Institute of Accountants. RPG5 (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 report on the Audit Committee of the Board for the financial year ended 31 December 2016. The Audit Committee Report provides information into the manner in which the Audit Committee discharged its duties and functions for the Group in 2016.

## A. COMPOSITION OF MEMBERS

The Audit Committee was established on 19 August 2003. 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.

DATUK MOHD NASIR BIN AHMAD	LYDIA ANNE ABRAHAM	TAN SRI DATO' SERI UTAMA HAJI ISMAIL BIN HAJI OMAR	DATUK LOO TOOK GEE
			
<b>Senior Independent Non-Executive Director*</b>	<b>Independent Non-Executive Director</b>	<b>Independent Non-Executive Director</b>	<b>Independent Non-Executive Director</b>
<i>(Appointed as member on 12 May 2016)</i>	<i>(Appointed as member on 14 May 2015)</i>	<i>(Appointed as member on 22 July 2016)</i>	<i>(Appointed as member on 18 November 2016)</i>
<ul style="list-style-type: none"><li>Chairman of Audit Committee.*</li><li>Member of Risk Management Committee.</li></ul>	<ul style="list-style-type: none"><li>Member of Audit Committee.</li><li>Member of Risk Management Committee.</li></ul>	<ul style="list-style-type: none"><li>Member of Audit Committee.</li><li>Member of Risk Management Committee.</li><li>Member of Nomination and Remuneration Committee.</li></ul>	<ul style="list-style-type: none"><li>Member of Audit Committee.</li></ul>

\* Effective 18 November 2016

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 92-95 of this Annual Report.

## B. MEETINGS

The Audit Committee had held a total of four (4) meetings during the financial year 2016 and the details of attendance of the Committee members are as follows:-

Name of Director	50 <sup>th</sup> ACM 23 Feb 2016	51 <sup>st</sup> ACM 9 May 2016	52 <sup>nd</sup> ACM 8 Aug 2016	53 <sup>rd</sup> ACM 9 Nov 2016	Attendance (%)
Dato' Gumuri bin Hussain (former Chairman) *	√	√	√	√	4 of 4 (100%)
Tan Sri Dato' Seri Mohamed Jawhar *	√	√	√	N/A	3 of 3 (100%)
Dato' Abdul Kadir bin Mohd Deen *	√	N/A	N/A	N/A	1 of 1 (100%)
Lydia Anne Abraham	√	√	√	√	4 of 4 (100%)
Datuk Mohd Nasir bin Ahmad (current Chairman) **/**	N/A	N/A	#	√	1 of 2 (50%)
Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar **	N/A	N/A	√	√	2 of 2 (100%)

ACM: Audit Committee Meeting

# Absence with apologies

\* Dato' Abdul Kadir bin Mohd Deen, Tan Sri Dato' Seri Mohamed Jawhar and Dato' Gumuri bin Hussain resigned as Audit Committee members effective 21 April 2016, 11 August 2016 and 18 November 2016 respectively.

\*\* Datuk Mohd Nasir bin Ahmad, Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar and Datuk Loo Took Gee appointed as Audit Committee members effective 12 May 2016, 22 July 2016 and 18 November 2016 respectively.

\*\*\* Datuk Mohd Nasir bin Ahmad appointed as Audit Committee Chairman effective 18 November 2016.

The Audit Committee meets on a scheduled basis at least once every quarter with the quorum of three (3) members for 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. The Audit Committee also invited members of the Senior Management or relevant employees within the Group who the Committee deems fit to attend its meetings to assist in resolving and clarifying matters raised in 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 about Committee 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 business.

The Committee has the explicit right to convene meetings with both the Internal and External Auditor without the presence of the Management. The Audit Committee had held two (2) meetings with the External Auditor on 23 February 2016 and 8 August 2016 respectively in the absence of the Management and Executive Director.

The Chairman of Audit Committee 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 the Terms of Reference in discharging its functions which is in accordance to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and recommendations of the Malaysian Code of Corporate Governance 2012 ("MCCG 2012") 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](http://www.mediaprima.com.my). The Board Charter is regularly reviewed to enhance its processes and procedures and ensure alignment with the new requirements and regulations. During the year, no revision was made to the Terms of Reference of the Audit Committee.

## D. SUMMARY OF ACTIVITIES

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 2015 exercise were reviewed and presented to the Audit Committee on 23 February 2016.
3. The Audit Committee reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report for the financial year 2015 which were approved on 23 February 2016 for inclusion in Media Prima Berhad's Annual Report for 2015.

### 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 2016 were reviewed at the Audit Committee meetings on 9 May 2016, 8 August 2016 and 9 November 2016, respectively. The quarterly unaudited financial results announcements were made public through Bursa Malaysia on 12 May 2016, 11 August 2016 and 29 November 2016 respectively.

2. 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.

The Audit Committee had reviewed the annual financial statements for the financial year ended 2015 at its meeting on 23 February 2016. The relevant announcement was made public on Bursa Malaysia on 26 February 2016.

3. The Audit Committee were given the assurance by the Group Chief Financial Officer and Group Managing Director in safeguarding the integrity of information 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 27 April 2016, 21 July 2016 and 28 October 2016 for the first, second and third quarters of 2016 respectively.



# AUDIT COMMITTEE REPORT

## EXTERNAL AUDIT

1. 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 2016. 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.

The Audit Committee had recommended the proposed audit fees for the Board’s approval which was duly approved by the Board on 11 August 2016.

2. 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 23 February 2016 with regards to the relevant disclosures in the annual audited financial statements for 2015.

Messrs PricewaterhouseCoopers (“PwC”) was reappointed as the External Auditor for the financial year ended 2016 by the shareholders at the Media Prima Berhad 15<sup>th</sup> Annual General Meeting held on 21 April 2016.

3. The Audit Committee was briefed by PwC on the inclusion of communicating Key Audit Matters in the Independent Auditor’s Report being part of the deliverables during the Audit Plan 2016 presentation. It requires the External Auditor to describe each key audit matter, include a reference to related financial statement disclosures, and address why the matter was considered to be one of the most significant in the audit and how it was addressed in the audit.

This is in regards with the amendments to Bursa Malaysia Main Market Listing Requirements relating to Disclosure and Corporate Governance Requirements on 24 March 2016 with the key objective, among others; enhancing the integrity of financial statements and transparency on key audit matters and matters relating to going concern. The auditor’s communication of Key Audit Matters in the auditor’s report is not intended to be a substitute for the inclusion of appropriate and relevant financial statement disclosures but to provide insight whilst promoting transparency and readability.

4. The Audit Committee reviewed PwC’s independence before recommending for re-appointment and remuneration. The External Auditor provided written assurance on 28 January 2016 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 2015.

## INTERNAL AUDIT

1. The Audit Committee reviewed the annual audit plan for the financial year ended 31 December 2017 on 9 November 2016. This was to ensure the principal risk areas were adequately identified and covered in the plan together with the scope and coverage of the audit over the activities of the respective operating units of the Group and the basis of assessment and risks of the proposed areas of audit.

The Audit Plan 2017 focuses on the business operations underlying factors namely sustainability in core business, new business ventures, market segmentation, rapid changes in technology, dynamic shift in media landscape and current economic conditions, among others. These underlying factors are segmented under five (5) thematic approaches for each quarter namely cost management, business sustainability, operational review, periodic assessment & control activities and continuous monitoring. There are eleven (11) audit reviews on Group-wide operations and initiatives for 2017.

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.

The detailed audit reports were presented and deliberated at Audit Committee’s quarterly meetings. The Audit Committee then, reviewed the corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis.

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 annual performance of the Group General Manager, Group Corporate Governance.

## TRAINING

During the year, Audit Committee members attended various conferences, seminars and training programmes to enhance their knowledge in order to discharge their duties efficiently as Directors of the Company 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 Statement on Corporate Governance on page 113 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 being outsourced.

The Group Corporate Governance Department is headed by the Group General Manager, Encik Sere Mohammad bin Mohd Kasim who reports to the Audit Committee. The activities 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. This is to enable the Internal Audit function to remain relevant in the context of new challenges and opportunities in the changing global business and economic environment.

The total costs incurred by the Group Corporate Governance Department in discharging its functions and responsibilities in 2016 amounted to RM1,411,494 (2015: RM1,341,689) comprising mainly on staff costs, travelling and professional membership subscriptions.

The Group Corporate Governance Department is contactable via [gcg@mediaprima.com.my](mailto: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. Accordingly, the Group Corporate Governance Department will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair the internal auditors’ judgement. 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.

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 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 and receive the monthly IIAM’s Internal Auditor Journal. The Journal provides up to date and pertinent information on auditing techniques, applications, trends and best practices that has been a good reference for the internal audit function.

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 2016. The key audit areas performed in 2016 were as follows:-

Audit Committee Meeting	50 <sup>th</sup> Audit Committee Meeting 23 February 2016	51 <sup>st</sup> Audit Committee Meeting 9 May 2016	52 <sup>nd</sup> Audit Committee Meeting 8 August 2016	53 <sup>rd</sup> Audit Committee Meeting 9 November 2016
Scope				
Innovation & Technology Development	<ul style="list-style-type: none"><li>• Cyber Security</li><li>• Social Media</li></ul>	News Operations	Online and Digital Revenue	-
Sustainability	Content Management	<ul style="list-style-type: none"><li>• Business Continuity Management</li><li>• Project Management</li></ul>	<ul style="list-style-type: none"><li>• Environmental, Social and Governance</li><li>• Treasury Management</li></ul>	-
Continuous Monitoring & Auditing	Follow-Up Report	Follow-Up Report	<ul style="list-style-type: none"><li>• Group Managing Director’s Office</li><li>• Follow-Up Report</li></ul>	<ul style="list-style-type: none"><li>• Annual Stock Take 2016</li><li>• Annual Assessment 2016</li><li>• Follow-Up Report</li></ul>

The corresponding reports of the audit performed were presented to the Audit Committee and forwarded to the Management for attention and corrective actions.

Members of the Management were invited to the Audit Committee meetings from time to time, where necessary to provide further clarification on issues highlighted.

The Management is responsible for ensuring that corrective actions on reported weaknesses are implemented within the required timeframe. The Group Corporate Governance Department continuously monitors the implementation of audit recommendations through periodic follow-up reviews.

The 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:-

- Provided independent verification of results and/or votes at competition-based programmes organised by the Group such as Harian Metro Mudah Menang, Muzik-Muzik, Anugerah Juara Lagu, Da’i Pendakwah Milenia, Anugerah Bintang Popular Berita Harian, State & National RHB Spell-It-Right Challenge and Anugerah Skrin;
- Proposed process improvements to ground events organised by the Group such as Karnival Jom Heboh and Raudhah Dihatiku;
- Participated in tender opening process for both procurement and disposal of assets so as to ensure that due process had been observed and complied with according to approved Policies and Procedures;
- Conducted communication sessions with Management on internal audit activities and planning of audits to ensure that areas of Management concern are covered;
- Organised knowledge sharing sessions on various topics such as conflict of interest, ethics and governance; and
- Prepared the Statement on Corporate Governance, the Statement on Risk Management and Internal Control and the Audit Committee Report for Media Prima Berhad’s Annual Report 2016.

# 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 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 (IIA).

**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 appropriate 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 2016 include:-

Conference/Seminars and Course Title	Date	Trainer/Organiser
Environmental, Social & Governance (“ESG”) Seminar for FTSE4Good Bursa Malaysia Index	14 April & 1 August 2016	Bursa Malaysia
Corporate Governance Statement Reporting Workshop	8 November 2016	Bursa Malaysia
Project Auditing	25 – 26 April 2016	Corporate Intelligence Advisors
Effective Audit Report Writing	24 – 25 May 2016	Synergy Knowledge
ICLIF’s Breakfast Dialogue with Andrew Fastow (former CFO of Enron)	3 June 2016	The ICLIF Leadership and Governance Centre
2016 National Conference – Navigate Waves of the Digital Revolution	10 – 11 October 2016	The Institute of Internal Auditors Malaysia
Managing Employees	24 – 25 February 2016	In-House
Basic Project Management	23 – 24 March 2016	In-House
The Gatekeeper: Administrative Excellence	28 – 29 March 2016	In-House
Nomination for Emergency Response Team for 5S	29 March 2016	In-House
IP Awareness: Management of Intellectual Property Assets	13 April 2016	In-House
Knowledge Sharing: Connected Consumer	5 August 2016	In-House
Legal: When You Are on the Witness Stand	11 August 2016	In-House
Intellectual Property (“IP”) Related Matters	6 September 2016	In-House
2016 Management Retreat	22 – 23 September 2016	In-House
Board of Directors’ Workshop 2016	2 November 2016	In-House
Media Prima 2016 Talent Pool Retreat	14 November 2016	In-House
Session with Group Managing Director (“GMD”) – Latest Development and Plans for Q4 2016	15 December 2016	In-House

This Audit Committee Report is made on the recommendation of the Audit Committee which was approved by the Board of Directors on 9 March 2017.

# RISK MANAGEMENT COMMITTEE REPORT

Media Prima Berhad (MPB) is an industry unlike any other. We are in the content industry, an industry defined by ideas, new thinking, innovation and above all, creative thinking beyond the ordinary. Ideas matter. In churning out ideas of extraordinary standard, we must be willing to risk the unusual.

In the process of nurturing unusual ideas the Board needs to be assured the sources of uncertainty that could impair continuing operations or event that can derail MPB from reaching its strategic objective is soundly managed. To manage risks better, Risk Management Committee (RMC) has refined the risk management framework to be more holistic and quantifies the impact more clearly.

## 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 authorized 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.

## B. COMMITTEE MEMBERS

MEMBER	
Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor	(Chairman)
Dato’ Gumuri bin Hussain	(Resigned on 18 November 2016)
Lydia Anne Abraham	
Tan Sri Dato’ Seri Utama Hj Ismail bin Hj Omar	(Appointed on 22 July.2016)
Tan Sri Dato’ Seri Mohamed Jawhar	(Resigned on 11 August 2016)
Datuk Mohd Nasir bin Ahmad	(Appointed on 18 November 2016)

- 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.



# RISK MANAGEMENT COMMITTEE REPORT

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 2016, the Risk Management Committee (RMC) had met four (4) times and attendances of members are illustrated below:-

MEMBER		ATTENDANCE
Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor	(Chairman)	4/4
Dato’ Gumuri bin Hussain	(Resigned on 18 November 2016)	4/4
Lydia Anne Abraham		4/4
Tan Sri Dato’ Seri Utama Hj Ismail bin Hj Omar	(Appointed on 22 July 2016)	2/2
Tan Sri Dato’ Seri Mohamed Jawhar	(Resigned on 11 August 2016)	3/3
Datuk Mohd Nasir bin Ahmad	(Appointed on 18 November 2016)	N/A

E. RISK MANAGEMENT COMMITTEE REPORT

- Risk Management Framework - Since 2004, a formalised risk management framework has been implemented across MPB Group which risks are identified, evaluated and controlled on a coordinated and integrated basis. The framework is geared to achieving the Group objectives, set forth in four categories:



## • OBJECTIVES OF RISK MANAGEMENT FRAMEWORK •

	<b>STRATEGIC</b>	High level goals aligned with and supporting the Group mission.		<b>REPORTING</b>	Reliability of reporting.
	<b>OPERATIONS</b>	Effective and efficient use of the Group resources.		<b>COMPLIANCE</b>	Compliance with applicable laws and regulations.

- Review of Crisis Management
  - In 2016, several Business Continuity Plan (BCP) simulation exercises were conducted to assess the readiness and effectiveness of its recovery plan. Simulation was done on the critical business operations involving broadcasting (live and non-live), transmission of data, printing operations, digital operations and IT readiness. This form an integral part of the Group contingency plan to minimize operational disruptions in the event of a disaster. As part of the Group ongoing test/simulation programme, the business continuity plan is continuously being enhanced and tested.
- 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 three 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 elaboration of the controls and policy in place to mitigate or treat these risks.

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# DIRECTORS' REPORT

The Directors have pleasure in submitting their report with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

### 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 investment holding, commercial television and radio broadcasting, publishing, sale of newspapers, home shopping network, provision of internet based online services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and streaming rights, content production, 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 of the subsidiaries and associates are set out in Note 22 and Note 23 to the financial statements respectively.

### FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net (loss)/profit for the financial year	(69,783)	130,890
Attributable to:		
Owners of the Company	(59,198)	
Non-controlling interests	(10,585)	
Net loss for the financial year	(69,783)	

### DIVIDENDS

The dividends paid or declared by the Company since 31 December 2015 were as follows:

	RM'000
(1) In respect of the financial year ended 31 December 2015, a final single-tier dividend of 5.0 sen per share on 1,109,199,286 ordinary shares, paid on 24 June 2016	55,460
(2) In respect of the financial year ended 31 December 2016, a first interim single-tier dividend of 2.0 sen per share on 1,109,199,286 ordinary shares, paid on 30 September 2016	22,184
(3) In respect of the financial year ended 31 December 2016, a second interim single-tier dividend of 2.0 sen per share on 1,109,199,286 ordinary shares, paid on 30 December 2016	22,184
	99,828

The Directors had on 23 February 2017 recommended the payment of a final single tier dividend of 4.0 sen per ordinary share, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

### RESERVES AND PROVISIONS

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

### ISSUANCE OF SHARES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the period since the date of the last report are:

Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (Group Chairman)	
Dato' Sri Amrin bin Awaluddin	
Datuk Shahril Ridza bin Ridzuan	
Lydia Anne Abraham	
YM Raja Datuk Zaharaton binti Raja Zainal Abidin	
Datuk Mohd Nasir bin Ahmad	(appointed on 26 February 2016)
Tan Sri Dato' Seri Utama Haji Ismail bin Haji Omar	(appointed on 22 July 2016)
Datuk Loo Took Gee	(appointed on 6 August 2016)
Tan Sri Dato' Seri Mohamed Jawhar	(resigned on 11 August 2016)
Dato' Gumuri bin Hussain	(resigned on 18 November 2016)
Dato' Abdul Kadir bin Mohd Deen	(retired on 21 April 2016)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits-in-kind disclosed in Note 7 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.

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, none of the Directors in office at the end of the financial year held any interest in shares and options over ordinary shares in the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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.

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.

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

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

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

In the opinion of the Directors:

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

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution dated 9 March 2017.



DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR  
GROUP CHAIRMAN



DATO' SRI AMRIN BIN AWALUDDIN  
GROUP MANAGING DIRECTOR



# STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	2	1,289,008	1,427,693	239,091	173,177
Other operating income		35,428	30,321	10,548	13,303
Amortisation of intangible assets		(198,702)	(187,338)	-	-
Other media content costs		(22,566)	(43,305)	-	-
Newsprint and newspaper production costs		(111,173)	(136,800)	-	-
Outdoor display and production costs		(81,716)	(84,974)	-	-
Cost of retail goods sold		(41,794)	-	-	-
Transmission, technology and distribution costs		(69,556)	(64,561)	-	-
Employee benefits costs	5	(426,434)	(405,578)	(61,114)	(32,183)
Occupancy costs		(56,526)	(47,784)	(21,709)	(222)
Depreciation		(101,528)	(99,760)	(28)	(28)
Impairment of property, plant and equipment		(76,460)	(267)	-	-
Other operating costs		(180,476)	(165,034)	(22,722)	(10,074)
(Loss)/profit from operations	6	(42,495)	222,613	144,066	143,973
Finance cost	4	(13,325)	(15,300)	(13,176)	(15,097)
Share of results of an associate		(10,089)	(7,245)	-	-
(Loss)/profit before taxation		(65,909)	200,068	130,890	128,876
Taxation	8	(3,874)	(61,360)	-	(10,514)
Net (loss)/profit for the financial year		(69,783)	138,708	130,890	118,362
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
- Revaluation of available-for-sale financial assets	26	-	147	-	-
Other comprehensive income for the financial year, net of tax		-	147	-	-
Total comprehensive (loss)/income for the financial year		(69,783)	138,855	130,890	118,362
(Loss)/profit attributable to:					
- Owners of the Company		(59,198)	138,717		
- Non-controlling interests		(10,585)	(9)		
		(69,783)	138,708		
Total comprehensive (loss)/ income attributable to:					
- Owners of the Company		(59,198)	138,861		
- Non-controlling interests		(10,585)	(6)		
		(69,783)	138,855		
(Loss)/earnings per share:					
- Basic (sen)	9	(5.34)	12.51		
- Diluted (sen)	9	(5.34)	12.51		

The accounting policies on pages 141 to 155 and the notes on pages 156 to 195 form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2016

	Note	Group		Company	
		2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	20	623,003	720,312	202	132
Investment properties	21	32,711	37,704	-	-
Subsidiaries	22	-	-	1,665,671	1,663,571
Associates	23	146,395	156,484	-	-
Prepaid transmission station rentals		437	720	-	-
Available-for-sale financial assets	26	2,472	2,472	-	-
Intangible assets	25	437,140	421,172	-	-
Deferred tax assets	19	110,518	84,016	-	-
		1,352,676	1,422,880	1,665,873	1,663,703
CURRENT ASSETS					
Inventories	27	55,244	53,268	-	-
Trade and other receivables	28	318,872	368,715	3,504	1,170
Amounts due from subsidiaries	29	-	-	233,967	173,540
Current tax recoverable		33,456	50,288	88	1,602
Financial assets at fair value through profit or loss	24	90	90	-	-
Deposits, cash and bank balances	31	374,898	420,657	126,842	137,954
		782,560	893,018	364,401	314,266
NON-CURRENT ASSETS HELD FOR SALE					
	34	16,541	14,156	-	-
TOTAL ASSETS					
		2,151,777	2,330,054	2,030,274	1,977,969
NON-CURRENT LIABILITIES					
Commercial papers medium term notes	15	-	300,108	-	300,108
Deferred tax liabilities	19	69,563	68,280	-	-
		69,563	368,388	-	300,108
CURRENT LIABILITIES					
Trade and other payables	18	291,626	317,683	14,460	14,045
Amounts due to subsidiaries	29	-	-	45,724	24,896
Amount due to an associate	30	3,170	1,726	-	-
Commercial papers medium term notes	15	300,108	-	300,108	-
Current tax payables		1,097	7,125	-	-
		596,001	326,534	360,292	38,941
TOTAL LIABILITIES					
		665,564	694,922	360,292	339,049
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	11	1,109,199	1,109,199	1,109,199	1,109,199
Share premium	13	415,536	415,536	415,536	415,536
Other reserves	14	1,755	2,255	-	-
(Accumulated losses)/retained earnings		(64,861)	93,665	145,247	114,185
		1,461,629	1,620,655	1,669,982	1,638,920
NON-CONTROLLING INTERESTS					
		24,584	14,477	-	-
TOTAL EQUITY					
		1,486,213	1,635,132	1,669,982	1,638,920
TOTAL LIABILITIES AND EQUITY					
		2,151,777	2,330,054	2,030,274	1,977,969
		Sen	Sen		
NET ASSETS PER SHARE*		131.77	146.11		

\* 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.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2016

		Attributable to owners of the Company						
		Non-distributable			(Accumulated losses)/ retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
GROUP 2016	Note	Share capital RM'000	Share premium RM'000	Other reserves RM'000				
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)
Transactions with owners:								
Equity contribution from non-controlling interest		-	-	-	-	-	21,070	21,070
Reclassification	14	-	-	(500)	500	-	-	-
Final dividends paid for the financial year ended 31 December 2015	10	-	-	-	(55,460)	(55,460)	-	(55,460)
First interim dividends paid for the financial year ended 31 December 2016	10	-	-	-	(22,184)	(22,184)	-	(22,184)
Second interim dividends paid for the financial year ended 31 December 2016	10	-	-	-	(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
GROUP 2015								
At 1 January 2015		1,109,107	415,449	4,584	63,437	1,592,577	20,627	1,613,204
Net profit for the financial year		-	-	-	138,717	138,717	(9)	138,708
Other comprehensive income:								
- Revaluation of available-for-sale financial assets	28	-	-	144	-	144	3	147
Total comprehensive income for the financial year		-	-	144	138,717	138,861	(6)	138,855
Transactions with owners:								
Exercise of Employees' Share Option Scheme ("ESOS")	11	92	87	(14)	-	165	-	165
Cancellation of expired ESOS	14	-	-	(2,459)	2,459	-	-	-
Acquisition of additional interest in a subsidiary	22(b)(ii)	-	-	-	(23)	(23)	(5,230)	(5,253)
Final dividends paid for the financial year ended 31 December 2014	10	-	-	-	(55,460)	(55,460)	-	(55,460)
First interim dividends paid for the financial year ended 31 December 2015	10	-	-	-	(33,281)	(33,281)	-	(33,281)
Second interim dividends paid for the financial year ended 31 December 2015	10	-	-	-	(22,184)	(22,184)	-	(22,184)
Dividends paid/payable to non-controlling interests		-	-	-	-	-	(914)	(914)
Total transactions with owners for the financial year		92	87	(2,473)	(108,489)	(110,783)	(6,144)	(116,927)
At 31 December 2015		1,109,199	415,536	2,255	93,665	1,620,655	14,477	1,635,132

The accounting policies on pages 141 to 155 and the notes on pages 156 to 195 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2016

		Non-distributable		Distributable	
	Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
<b>COMPANY</b>					
<b>2016</b>					
At 1 January 2016		<b>1,109,199</b>	<b>415,536</b>	<b>114,185</b>	<b>1,638,920</b>
Net profit and total comprehensive income for the financial year		-	-	<b>130,890</b>	<b>130,890</b>
<u>Transactions with owners:</u>					
Final dividends paid for the financial year ended 31 December 2015	10	-	-	<b>(55,460)</b>	<b>(55,460)</b>
First interim dividends for the financial year ended 31 December 2016	10	-	-	<b>(22,184)</b>	<b>(22,184)</b>
Second interim dividends for the financial year ended 31 December 2016	10	-	-	<b>(22,184)</b>	<b>(22,184)</b>
Total transactions with owners for the financial year		-	-	<b>(99,828)</b>	<b>(99,828)</b>
At 31 December 2016		<b>1,109,199</b>	<b>415,536</b>	<b>145,247</b>	<b>1,669,982</b>

	Note	Non-distributable			Distributable	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	
<b>COMPANY 2015</b>						
At 1 January 2015		1,109,107	415,449	2,473	104,289	1,631,318
Net profit and total comprehensive income for the financial year		-	-	-	118,362	118,362
<u>Transaction with owners:</u>						
Exercise of ESOS	11	92	87	(14)	-	165
Cancellation of expired ESOS	14	-	-	(2,459)	2,459	-
Final dividends paid for the financial year ended 31 December 2014	10	-	-	-	(55,460)	(55,460)
First interim dividends for the financial year ended 31 December 2015	10	-	-	-	(33,281)	(33,281)
Second interim dividends for the financial year ended 31 December 2015	10	-	-	-	(22,184)	(22,184)
Total transactions with owners for the financial year		92	87	(2,473)	(108,466)	(110,760)
At 31 December 2015		1,109,199	415,536	-	114,185	1,638,920



# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash flows generated from/(used in) operations	33	136,609	267,647	(19,029)	(34,169)
Income tax paid (net of refund)		(18,289)	(41,735)	1,514	(87)
Net cash flow generated from/(used in) operating activities		118,320	225,912	(17,515)	(34,256)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary (net cash acquired)	22(b)(i)	-	(18,949)	-	-
Property, plant and equipment					
- Additions		(77,774)	(79,381)	(98)	(27)
- Proceeds from disposals		2,072	1,386	-	-
Non-current assets held for sale					
- Proceeds from disposal		-	3,345	-	-
Investment properties					
- Additions		(50)	-	-	-
Intangible assets (excluding programmes and film rights)					
- Additions		(10,083)	(5,666)	-	-
Increase in investments in subsidiaries	22(a)(iii)	-	-	(2,100)	-
Disbursement of intercompany loan	36	-	-	(5,000)	(17,000)
Repayment of intercompany loan by a subsidiary	36	-	-	10,000	40,000
Interest received		14,388	13,682	10,535	11,407
Dividends received		-	-	106,070	132,218
Net cash flow (used in)/generated from investing activities		(71,447)	(85,583)	119,407	166,598
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of:					
- Redeemable fixed rate bonds		-	(150,000)	-	(150,000)
- Hire purchase and lease creditors		-	(1,295)	-	-
- Banker's acceptance		(5,313)	(1,400)	-	-
Drawdown of:					
- Banker's acceptance		5,313	1,400	-	-
Equity contribution from non-controlling interest		21,070	-	-	-
Acquisition of additional interest in a subsidiary	22(b)(ii)	-	(5,253)	-	-
Net proceeds from issuance of ordinary shares arising from:					
- Exercise of ESOS		-	165	-	165
Restricted bank balances		1,048	8,565	1,157	8,960
Interest paid		(13,325)	(16,989)	(13,176)	(16,786)
Dividends paid to shareholders of the Company		(99,828)	(110,925)	(99,828)	(110,925)
Dividends paid to non-controlling interests		(549)	(365)	-	-
Net cash flow used in financing activities		(91,584)	(276,097)	(111,847)	(268,586)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR					
		(44,711)	(135,768)	(9,955)	(136,244)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		415,684	551,452	136,797	273,041
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	32	370,973	415,684	126,842	136,797

The accounting policies on pages 141 to 155 and the notes on pages 156 to 195 form an integral part of these financial statements.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the Financial Year Ended 31 December 2016

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 the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments, if any) at fair value through profit or loss.

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 AB.

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 9 March 2017.

### (a) Amendments to published standards that are effective

The amendments to published standards that are effective for the Group and Company's financial year beginning on or after 1 January 2016 are as follows:

- Amendments to MFRS 11 "Joint Arrangements – Accounting for acquisition of interests in joint operations"
- Amendments to MFRS 101 "Presentation of Financial Statements – Disclosure initiative"
- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangible Assets"
- Amendments to MFRS 127 "Separate Financial Statements – Equity method in separate financial statements"
- Amendments to MFRS 10, 12 & 128 "Investment entities – Applying the consolidation exception"
- Annual Improvements to MFRSs 2012 - 2014 Cycle (Amendments to MFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", MFRS 7 "Financial Instruments: Disclosures", MFRS 119 "Employee Benefits" and MFRS 134 "Interim Financial Reporting")

The above amendments to published standards did not have any material impact on the financial statements of the Group and Company.

### (b) Standards and amendments to published standards that are applicable to the Group but not yet effective

#### (i) Financial year beginning on/after 1 January 2017

- Amendments to MFRS 107 "Statement of Cash Flows – Disclosure initiative" introduces an 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.

The amendments shall be applied retrospectively.

In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences.

- Amendments to MFRS 12 "Disclosures of Interests in Other Entities" clarifies that when 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.

An entity shall apply the amendments retrospectively for annual periods beginning on or after 1 January 2017.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the Financial Year Ended 31 December 2016

## A BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments to published standards that are applicable to the Group but not yet effective (continued)

(ii) Financial year beginning on/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" 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 meet, 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" 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 the income statement, 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 is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 15 "Revenue from Contracts with Customers" 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 BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments to published standards that are applicable to the Group but not yet effective (continued)

(ii) Financial year beginning on/after 1 January 2018 (continued)

- MFRS 15 “Revenue from Contracts with Customers” replaces MFRS 118 “Revenue” and MFRS 111 “Construction Contracts” and related interpretations. (continued)

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 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.

(iii) Financial year beginning on/after 1 January 2019

- MFRS 16 “Leases” 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 the income statement.

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 effects of the above standards and amendments to published standards are currently being assessed by the Directors.

## B BASIS OF CONSOLIDATION

(a) 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 C 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.



# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the Financial Year Ended 31 December 2016

## B BASIS OF CONSOLIDATION (CONTINUED)

### (a) Subsidiaries (continued)

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.

### (b) 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.

## B BASIS OF CONSOLIDATION (CONTINUED)

### (b) Associates (continued)

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.

### (c) 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.

### (d) 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.

## C 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 on acquisitions of subsidiaries is included in “Intangible Assets”.

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 I on impairment of non-financial assets.

## D RESEARCH AND DEVELOPMENT

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.

## E 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 I 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.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the Financial Year Ended 31 December 2016

**F    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 I 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.

**G    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.

## H INTANGIBLE ASSETS

### (a) 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 I on impairment of non-financial assets.

### (b) 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 I 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 I on impairment of non-financial assets.

### (c) Acquired publishing rights and contracts

Acquired publishing rights and contracts 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 I on impairment of non-financial assets.

### (d) Computer software

Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. 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.

## I 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.

## J 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.

## K 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 Z(v) 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.



# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the Financial Year Ended 31 December 2016

## L INVENTORIES

Inventories are stated at the lower of cost and net realisable value. 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.

Cost comprises direct labour, materials, sub-contract costs and related expenditure and is determined on a weighted average basis.

## M 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.

## N LEASES

### (a) 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 F 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.

### (b) 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.

## O 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.

## O CURRENT AND DEFERRED TAX (CONTINUED)

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.

## P 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.

### (iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for its employees i.e. Employee Share Options Scheme ("ESOS").

The fair value of options granted under the Employee Share Options Scheme ("ESOS") is recognised as an employee benefits cost with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and the remaining employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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

Recharges made by the Company in respect of options granted to subsidiaries are accounted for as amounts receivable from subsidiaries.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the Financial Year Ended 31 December 2016

**Q   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.

**R   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.

**S   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.

**T   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.

**U   DEBT INSTRUMENTS**

Debt instruments 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, debt instruments 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 debt instruments.

**V 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.

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.

**W 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.

Dividend income is recognised when the right to receive payment is established.

Revenue of the Company from the provision of management services to subsidiaries is recognised when the services have been rendered.

Revenue of the subsidiaries is recognised upon the delivery of products and customer acceptance or performance of services, or upon broadcast, display or publishing of advertisements, net of discounts, returns, sales commissions, sales rebates and taxes, if any. Revenue from display rental income, advertisement production works and events are recognised in accordance with the terms of the sales contract which is principally over the period of the contract, on an accrual basis. Accordingly, all amounts received in advance are disclosed in the financial statements as deferred income.

Interest income of the Group and Company is recognised using the effective interest rate method.

Rental income is recognised on an accrual basis.

**X FOREIGN CURRENCIES**

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

(b) 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.



# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the Financial Year Ended 31 December 2016

**X FOREIGN CURRENCIES (CONTINUED)**

(b) Transactions and balances (continued)

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.

(c) Group companies

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

- assets and liabilities for each 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.

**Y 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.

**Z 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.

## Z FINANCIAL ASSETS (CONTINUED)

### (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 Z(v)) 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.

### (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.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the Financial Year Ended 31 December 2016

## Z FINANCIAL ASSETS (CONTINUED)

(v) Subsequent measurement - impairment of financial assets (continued)

(b) Assets classified as available-for-sale (continued)

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.

(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.

## AA 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.

## AB 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.

(a) 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 investment in The New Straits Times Press (Malaysia) Berhad (“NSTP”) group (Note 22) and investment in Malaysian Newsprint Industries Sdn Bhd (“MNI”) (Note 23), 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 25).

## AB CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### (a) Critical accounting estimates and assumptions (continued)

#### (i) Assessment of impairment of non-financial assets (continued)

Recoverable amount is measured at the higher of the fair value less cost to sell 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.

Projected future cash flows are based on Group's judgement in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, margins, future inflationary figures, appropriate 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 Note 22, 23 and 25 of the financial statements.

#### (ii) Deferred tax assets

As at 31 December 2016, the Group has deferred tax assets of RM110.5 million, which mainly is attributable to NSTP and certain subsidiaries in Television Networks and Digital Media reportable segments. The 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.

The taxable profit projections for NSTP includes the effects of the cost savings arising from the consolidation exercise by ceasing its regional printing plants in Senai and Ajil to optimise its printing plant capacity, which was completed during the financial year, as set out in Note 20. Other key assumptions used in deriving the taxable profit projections for NSTP are disclosed in Note 25.

The taxable profit projections of the other subsidiaries within the Television Networks, Radio Networks and Digital Media include the effects of the cost management initiatives by reorganising operations to maximise efficiency and enhance the performance of the segments as part of a fully integrated media group. Other key assumptions, in particular, average revenue growth rates of 4.0% and 3.5% were applied for Television Networks and Digital Media respectively with contribution margins projected based on industry trends and growth in overhead cost determined based on past performance and expected inflationary factors.

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.

### (b) Critical judgements in applying the Group's accounting policies

There are no critical judgements made in applying the Group's accounting policies.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

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 investment holding, commercial television and radio broadcasting, publishing, editorial services, sale of newspapers, home shopping network, provision of internet based online services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and streaming rights, content production, property management services, procurement 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 of the subsidiaries and associates are set out in Note 22 and Note 23 to the financial statements respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board 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

2 REVENUE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Advertising revenue	1,074,441	1,226,212	-	-
Newspaper sales	125,234	179,048	-	-
Content sales and services	21,768	17,934	-	-
Sale of retail goods	61,413	-	-	-
Talent revenue	1,791	433	-	-
License income	563	-	-	-
Rental income from investment properties and outdoor cellular antenna space	3,798	4,066	-	-
Management fees	-	-	77,762	16,065
Dividends from subsidiaries	-	-	161,329	157,112
	1,289,008	1,427,693	239,091	173,177

Revenue recognised from exchanges of goods and services (“contra arrangements”) included in advertising revenue amounted to RM2,761,000 (2015: RM571,000).

3 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.

3 SEGMENT INFORMATION (CONTINUED)

The reportable operating segments derive their revenue primarily from the following activities:

Television Networks	Commercial television broadcasting, video-on-demand services and home shopping network
Radio Networks	Commercial radio broadcasting
Outdoor Media	Outdoor advertising space and related outdoor advertisement production works
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

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 and Content Creation 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:

	Television Networks RM’000	Radio Networks RM’000	Outdoor Media RM’000	Print Media RM’000	Digital Media RM’000	Content Creation RM’000	#Corporate RM’000	Elimination RM’000	Total RM’000
2016									
Revenue from external customers	630,485	68,124	157,495	410,095	2,319	20,490	-	-	1,289,008
Inter-segment revenue	1,238	270	1,248	5,395	30,141	94,785	239,091	(372,168)	-
	631,723	68,394	158,743	415,490	32,460	115,275	239,091	(372,168)	1,289,008
Royalties	(2,900)	(321)	-	-	-	-	-	-	(3,221)
	628,823	68,073	158,743	415,490	32,460	115,275	239,091	(372,168)	1,285,787
EBITDA	70,075	25,660	59,054	7,102	4,786	11,477	144,094	(158,616)	163,632
Depreciation and amortisation	(44,126)	(1,508)	(9,661)	(45,454)	(4,455)	(74)	(28)	(2,909)	(108,215)
Impairment loss and restructuring expenses	-	-	-	(97,912)	-	-	-	-	(97,912)
Finance cost	(4,400)	(682)	-	(686)	-	-	(13,176)	5,619	(13,325)
Taxation	(16,369)	2,196	(12,342)	22,820	-	(989)	-	810	(3,874)
Share of results of an associate	-	-	-	(10,089)	-	-	-	-	(10,089)
Reportable segment profit/(loss) after tax before allocation to non-controlling interest	5,180	25,666	37,051	(124,219)	331	10,414	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.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

3 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the chief operating decision-maker for the reportable segments is as follows: (continued)

	Television Networks RM'000	Radio Networks RM'000	Outdoor Media RM'000	Print Media RM'000	Digital Media RM'000	Content Creation RM'000	#Corporate RM'000	Elimination RM'000	Total RM'000
2015									
Revenue from external customers	626,188	67,503	157,229	551,619	11,408	13,733	13	-	1,427,693
Inter-segment revenue	4,470	174	361	10	15,683	97,377	173,177	(291,252)	-
	630,658	67,677	157,590	551,629	27,091	111,110	173,190	(291,252)	1,427,693
Royalties	(1,496)	(245)	-	-	-	-	-	-	(1,741)
	629,162	67,432	157,590	551,629	27,091	111,110	173,190	(291,252)	1,425,952
EBITDA	134,452	26,971	57,553	103,775	394	19,362	149,076	(165,832)	325,751
Depreciation and amortisation	(38,674)	(1,923)	(9,017)	(48,621)	(1,786)	(125)	(28)	(2,964)	(103,138)
Finance cost	(4,434)	-	-	(1,130)	-	-	(15,097)	5,361	(15,300)
Taxation	(18,475)	(6,744)	(11,971)	(18,663)	10,800	(5,136)	(10,512)	(659)	(61,360)
Share of results of an associate	-	-	-	(7,245)	-	-	-	-	(7,245)
Reportable segment profit after tax before allocation to non-controlling interest	72,869	18,304	36,565	28,116	9,408	14,101	123,439	(164,094)	138,708

# 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.

4 FINANCE COST

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expenses on:				
- Banker’s acceptance	149	168	-	-
- Commercial paper medium term notes	13,176	13,104	13,176	13,104
- Redeemable fixed rate bonds	-	1,993	-	1,993
- Hire purchase	-	35	-	-
	13,325	15,300	13,176	15,097

5 EMPLOYEE BENEFITS COSTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Wages, salaries and bonus	325,312	323,384	44,926	23,012
Defined contribution retirement plan	47,923	50,514	6,985	5,234
Termination benefits	18,632	118	-	-
Other employee benefits	34,567	31,562	9,203	3,937
	426,434	405,578	61,114	32,183

6 LOSS/(PROFIT) FROM OPERATIONS

Loss/(profit) from operations is stated after charging/(crediting):

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Royalties	3,221	1,741	-	-
Finance income	(14,388)	(13,682)	(10,535)	(11,407)
Auditors' remuneration:				
- Statutory audit	1,400	1,400	65	65
- Other services	343	96	131	96
- Tax services	711	297	18	18
Depreciation:				
- Property, plant and equipment	100,130	98,236	28	28
- Investment properties	1,398	1,524	-	-
Amortisation:				
- Prepaid transmission station rentals	283	283	-	-
Gain on disposal:				
- Property, plant and equipment	(473)	(929)	-	-
- Non-current assets held for sale	-	(646)	-	-
- Unsold newspapers	(6,450)	(8,931)	-	-
Provision for/(reversal of) impairment:				
- Trade and other receivables (net)	10,127	3,554	-	-
- Amounts due from subsidiaries	-	-	-	117
- Investment in subsidiaries	-	-	-	2,073
- Intangible assets	31	46	-	-
- Investment properties	-	(1,479)	-	-
Inventories written down	1,500	-	-	-
Write-offs:				
- Property, plant and equipment	7	32	-	-
Rental expenses:				
- Transmitters	16,397	16,710	-	-
- Outdoor display sites	52,254	54,474	-	-
- Premises	22,385	14,367	13,038	-
- Office equipment	4,157	4,246	1,434	-
- Motor vehicles	139	127	115	-
Rental income:				
- Equipment	(2,502)	(1,497)	-	-
- Premises	(810)	(827)	-	-
Distribution costs	29,547	26,872	-	-
Repair and maintenance	46,364	50,556	8,245	88
Research and development	9,149	7,962	-	40
Professional and consultancy	11,869	8,901	1,450	1,699
Advertising and promotion	32,331	31,462	1,681	1,471
Foreign exchange (gains)/losses (net):				
- Realised	(199)	2,065	58	-
- Unrealised	320	88	-	-



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

7 DIRECTORS' REMUNERATION

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Non-executive Directors:				
- Fees	783	934	464	457
- Allowances	693	744	419	402
- Defined contribution retirement plan	-	22	-	11
- Other remuneration	104	422	102	421
Executive Directors:				
- Basic salaries and bonus	1,359	1,135	1,359	1,135
- Allowances	144	149	144	149
- Defined contribution retirement plan	284	255	284	255
	3,367	3,661	2,772	2,830
Estimated monetary value of benefits-in-kind	24	73	10	33

8 TAXATION

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Current financial year	23,114	47,964	-	-
- Under accruals in prior financial year	5,979	10,187	-	10,514
	29,093	58,151	-	10,514
Deferred tax:				
- Origination and reversal of temporary differences (Note 19)	(25,219)	3,209	-	-
	3,874	61,360	-	10,514

Income tax is calculated at the statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

The explanation of the relationship between taxation and (loss)/profit before taxation is as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before taxation	(65,909)	200,068	130,890	128,876
Tax calculated at the Malaysian corporate income tax rate of 24% (2015: 25%)	(15,818)	50,017	31,414	32,219
Tax effects of:				
- Expenses not deductible for tax purpose	7,652	3,284	3,461	282
- Income not subject to tax	(4,801)	(3,313)	(41,247)	(42,129)
- Temporary differences and unused tax losses not recognised as deferred tax	6,786	5,502	1,295	2,831
- Temporary differences in respect of previous years	1,895	(7,059)	-	-
- Share of results of an associate	2,421	1,811	-	-
- Expenses eligible for double deduction	(240)	(266)	-	-
- Under accruals of taxation in prior financial years	5,979	10,187	-	10,514
- Effect of change in tax rate	-	1,197	-	111
- Utilisation of group tax relief	-	-	5,077	6,686
Taxation	3,874	61,360	-	10,514

## 8 TAXATION (CONTINUED)

Included in income tax expense of the Group are tax savings amounting to RM15.2 million (2015: RM9.8 million) from utilisation of group tax reliefs.

There is no tax charge/credit relating to components of other comprehensive income.

## 9 (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated by dividing the net (loss)/profit 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 2016 and 31 December 2015.

		Group	
		2016	2015
Net (loss)/profit for the financial year attributable attributable to owners of the Company	(RM'000)	(59,198)	138,717
Weighted average number of ordinary shares in issue	('000)	1,109,199	1,109,192
Basic (loss)/earnings per share	(Sen)	(5.34)	12.51
Diluted (loss)/earnings per share	(Sen)	(5.34)	12.51

## 10 DIVIDENDS

Group and Company				
	2016		2015	
	Dividend per share Sen	Amount of net dividend RM'000	Dividend per share Sen	Amount of net dividend RM'000
Dividends paid:				
Final single tier dividend for the previous financial year	5.0	*55,460	5.0	55,460
First interim single tier dividend	2.0	22,184	3.0	33,281
Second interim single tier dividend	2.0	22,184	2.0	22,184
	9.0	99,828	10.0	110,925

\* Paid during the financial year

At the forthcoming Annual General Meeting of the Company, a final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2016 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ended 31 December 2017 when approved by the shareholders.

## 11 SHARE CAPITAL

Group and Company				
	2016		2015	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Ordinary shares of RM1.00:				
<u>Authorised</u>				
At 1 January/31 December	2,000,000	2,000,000	2,000,000	2,000,000
<u>Issued and fully paid</u>				
At 1 January	1,109,199	1,109,199	1,109,107	1,109,107
Issuance of shares arising from:				
- Exercise of ESOS	-	-	92	92
At 31 December	1,109,199	1,109,199	1,109,199	1,109,199

During the previous financial year, the Company increased its issued and fully paid share capital from RM1,109,107,526 to RM1,109,199,286 by way of the issuance of 91,760 ordinary shares of RM1.00 each pursuant to the exercise of the Company's Employees' Share Option Scheme ("ESOS") at exercise price of RM1.80 per option. The premium arising from the exercise of ESOS of RM86,522 has been credited to the Share Premium reserve.

The new ordinary shares issued during the previous financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

12 SHARE-BASED PAYMENTS

Employees’ Share Option Scheme (“ESOS”)

On 15 April 2010, the Company’s shareholders had approved an ESOS which became effective on 14 May 2010 for a period of five (5) years and had expired on 13 May 2015 (“2010 MPB ESOS”).

The main features of the 2010 MPB ESOS were:

- (i) The total number of ordinary shares to be issued by the Company under the ESOS as approved by the Securities Commission should not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (ii) The options granted could be exercised at any time within the option period whilst the Grantee is employed by a corporation in the Group.
- (iii) The exercise price is at a discount of 10% from the weighted average market price of the shares for the five (5) market days immediately preceding the respective dates of offer of the options or the par value of the shares of the Company of RM1.00, whichever is higher.
- (iv) Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with the existing ordinary shares of the Company.
- (v) The persons to whom the options had been granted have no right to participate by virtue of the options in any share issue of any other company.

Set out below were details of options over ordinary shares of the Company granted under the ESOS:

		Number of options over ordinary shares of RM1.00 each					
Grant date	Expiry date	Exercise price RM/ share	At 1 January '000	Exercised '000	Cancelled/ Expired '000	At 31 December '000	Fair value of options RM'000
Financial year ended 31 December 2015							
16 December 2010	13 May 2015	2.10	63	-	(63)	-	-
18 November 2010	13 May 2015	1.98	121	-	(121)	-	-
31 May 2010	13 May 2015	1.80	5,767	(92)	(5,675)	-	-
			5,951	(92)	(5,859)	-	-
						2016 '000	2015 '000
Number of options over ordinary shares vested, as at the end of the financial year						-	-

The fair value of the ESOS granted in which MFRS 2 “Share-based payment” were applied and determined using the Trinomial Valuation model. The significant inputs in the model were as follows:

	2010 MPB Options 31 May 2010	2010 MPB Options 18 November 2010	2010 MPB Options 16 December 2010
Fair value per option (RM)	0.41	0.51	0.64
Exercise price	1.80	1.98	2.10
Option life (number of days to expiry from date of issuance)	1,808 days	1,637 days	1,609 days
Weighted average share price at grant date	2.07	2.33	2.60
Expected dividend yield	5.77%	5.77%	5.77%
Risk free interest rates (Yield of Malaysian Government Securities)	3.11%	3.11%	3.04%
Expected volatility	24.54%	22.35%	22.14%
MPB share historical volatility period:			
From	60 days to 9 July 2010	May 2010	May 2010
To	-	December 2010	December 2010

13 SHARE PREMIUM

	Note	Group and Company	
		2016 RM'000	2015 RM'000
At 1 January		415,536	415,449
Arising from:			
- Exercise of ESOS	11	-	87
At 31 December		415,536	415,536

14 OTHER RESERVES

	Other reserve RM'000	Share option reserve RM'000	Available- for-sale reserve RM'000	Total RM'000
<b>Group</b>				
<b>2016</b>				
1 January 2016	500	-	1,755	2,255
Reclassification	(500)	-	-	(500)
At 31 December 2016	-	-	1,755	1,755
<b>2015</b>				
1 January 2015	500	2,473	1,611	4,584
Cancellation of expired ESOS	-	(2,459)	-	(2,459)
Exercise of ESOS	-	(14)	-	(14)
Revaluation of available-for-sale financial assets	-	-	144	144
At 31 December 2015	500	-	1,755	2,255
				<b>Other reserve RM'000</b>
<b>Company</b>				
<b>2016</b>				
At 1 January/31 December				-
<b>2015</b>				
At 1 January				2,473
Cancellation of expired ESOS				(2,459)
Exercise of ESOS				(14)
At 31 December				-

15 DEBT INSTRUMENTS

	Group and Company	
	2016 RM'000	2015 RM'000
Commercial Papers Medium Term Notes (“CPMTN”)	300,108	300,108
Current:		
5-year 4.38% CPMTN (unsecured)	300,108	-
Non-current:		
5-year 4.38% CPMTN (unsecured)	-	300,108

In 2012, the Company undertook a 7-year Commercial Paper Medium Term Notes (“CPMTN”) programme of up to RM500.0 million in nominal value.

The CPMTN Programme was constituted by a Trust Deed and a Programme Agreement, both dated 13 December 2012. As at 31 December 2016, the Group has issued MTNs in the nominal value of RM300.0 million (2015: RM300.0 million).



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

15 DEBT INSTRUMENTS (CONTINUED)

The principal terms of the CPMTN are as follows:

- (i) Issuance of CP and/or MTN of up to an aggregate limit of RM500.0 million in nominal value. The tenure of the CP/MTN Programme shall be up to seven (7) years from the date of the first issue;
- (ii) The CP will be issued on a zero coupon basis. In respect of coupon bearing MTN, the coupon rate is to be determined prior to the issue date of each issue;
- (iii) The CPMTN Programme shall have an availability period of up to seven (7) years from the date of first issuance of CP or MTN under the CPMTN Programme;
- (iv) The proceeds of the CPMTN Programme shall be utilised for investments, capital expenditure, working capital requirements and/or general corporate purposes of the Group. The capital expenditure of the Group will include, among others, investment in new media platforms and investment in connection with digital television broadcasting; and
- (v) The interest on the MTN of RM300.0 million is 4.38% per annum, payable semi-annually in arrears, calculated on the basis of the actual number of days of 365 days with the last payment of interest to be made on the maturity date of the MTN. The tenure of the MTN of RM300.0 million is 5 years from the date of issue of 28 December 2012.

16 FINANCIAL INSTRUMENTS BY CATEGORY

(a) Financial assets and financial liabilities are categorised as follows:

Group	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
Financial assets				
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
31 December 2015				
Trade and other receivables excluding prepayments and statutory refunds	327,683	-	-	327,683
Deposit, cash and bank balances	420,657	-	-	420,657
Financial assets at fair value through profit or loss	-	90	-	90
Available-for-sale financial assets	-	-	2,472	2,472
Total	748,340	90	2,472	750,902

16 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

(a) Financial assets and financial liabilities are categorised as follows: (continued)

Group	Other financial liabilities at amortised cost RM'000
<u>Financial liabilities</u>	
<b>31 December 2016</b>	
Trade and other payables excluding statutory liabilities	258,850
CPMTN	300,108
Amount due to an associate	3,170
Total	562,128
<b>31 December 2015</b>	
Trade and other payables excluding statutory liabilities	277,250
CPMTN	300,108
Amount due to an associate	1,726
Total	579,084

Company	2016 RM'000	2015 RM'000
<u>Financial assets classified as loans and receivables</u>		
Trade and other receivables excluding prepayments and statutory refundables	491	394
Deposit, cash and bank balances	126,842	137,954
Amounts due from subsidiaries	233,967	173,540
Total	361,300	311,888
<u>Financial liabilities classified as other financial liabilities at amortised cost</u>		
Trade and other payables excluding statutory liabilities	12,611	12,609
CPMTN	300,108	300,108
Amounts due to subsidiaries	45,724	24,896
Total	358,443	337,613

(b) Offsetting of financial assets and financial liabilities:

(i) Financial assets

The following financial assets are subject to offsetting

Company	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
<b>At 31 December 2016</b>			
Amounts due from subsidiaries	235,350	(1,383)	233,967
<b>At 31 December 2015</b>			
Amounts due from subsidiaries	193,060	(19,520)	173,540

(ii) Financial liabilities

The following financial liabilities are subject to offsetting

Company	Gross amounts of recognised financial liabilities RM'000	Gross amounts of recognised financial assets set-off in the statement of financial position RM'000	Net amount RM'000
<b>At 31 December 2016</b>			
Amounts due to subsidiaries	85,405	(39,681)	45,724
<b>At 31 December 2015</b>			
Amounts due to subsidiaries	195,134	(170,238)	24,896

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

17 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:

Group	2016 RM'000	2015 RM'000
<b>Trade receivables:</b>		
Counterparties without external credit rating		
- Group 1	6,693	6,366
- Group 2	251,624	248,552
Total unimpaired trade receivables	258,317	254,918

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.

Group	2016 RM'000	2015 RM'000
Cash at bank and short-term bank deposits:		
AAA/P1	291,110	317,190
AA3/P1	63,353	59,247
AA2/P1	19,861	43,603
AA1/P1	-	130
A1/P1	302	302
Unrated	272	185
	374,898	420,657
<b>Company</b>		
Cash at bank and short-term bank deposits:		
AAA/P1	78,764	90,552
AA3/P1	48,078	47,402
	126,842	137,954

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade payables	50,009	44,458	-	-
Programme rights payables	16,351	10,269	-	-
	66,360	54,727	-	-
Accrued expenses	160,281	189,089	10,971	12,453
Other payables	52,830	62,596	3,489	1,592
Deferred income	11,777	10,722	-	-
Dividends payable	378	549	-	-
	225,266	262,956	14,460	14,045
	291,626	317,683	14,460	14,045

18 TRADE AND OTHER PAYABLES (CONTINUED)

The trade and other payables are denominated as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	283,633	314,659	14,460	14,045
US Dollar	7,368	2,667	-	-
Others	625	357	-	-
	291,626	317,683	14,460	14,045

Credit terms of trade payables range from no credit to 90 days (2015: 90 days).

Deferred income represent rental charges in advance based on the relevant rental contract and advance receipts from customers on sales and services that have yet to be rendered or completed.

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	
	2016	2015
	RM'000	RM'000
Deferred tax assets		
- To be recovered after more than 12 months	67,438	75,509
- To be recovered within 12 months	43,080	8,507
	110,518	84,016
Deferred tax liabilities		
- To be recovered after more than 12 months	(67,790)	(66,907)
- To be recovered within 12 months	(1,773)	(1,373)
	(69,563)	(68,280)
	40,955	15,736

The movement during the financial year relating to deferred tax is as follows:

	Group	
	2016	2015
	RM'000	RM'000
At 1 January	15,736	18,945
Charged/(credited) to profit or loss (Note 8)		
- Property, plant and equipment	22,967	5,788
- Intangible assets	844	879
- Allowances and provisions	(3,786)	3,611
- Hire purchase creditors	-	(518)
- Unused tax losses	3,354	5,305
- Unabsorbed capital allowances	3,533	(2,470)
- Advance billings	355	986
- Reinvestment allowance	(2,408)	(16,641)
- Inventories	360	(149)
	25,219	(3,209)
At 31 December	40,955	15,736

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

19 DEFERRED TAXATION (CONTINUED)

	Group	
	2016	2015
	RM'000	RM'000
Deferred tax assets (before offsetting)		
- Property, plant and equipment	92	-
- Allowances and provisions	12,179	15,966
- Unused tax losses	44,460	41,106
- Advance billings	4,743	4,388
- Unabsorbed capital allowances	18,814	15,281
- Reinvestment allowances	59,282	61,690
- Inventories	365	5
	139,935	138,436
Offsetting	(29,417)	(54,420)
Deferred tax assets (after offsetting)	110,518	84,016
Deferred tax liabilities (before offsetting)		
- Intangible assets	(46,296)	(47,140)
- Property, plant and equipment	(52,684)	(75,560)
	(98,980)	(122,700)
Offsetting	29,417	54,420
Deferred tax liabilities (after offsetting)	(69,563)	(68,280)

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	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	151,946	120,486	48,708	39,641
Deductible temporary differences	10,979	14,387	10,563	14,279
Unabsorbed capital allowances	1,650	1,428	326	279
	164,575	136,301	59,597	54,199
Deferred tax assets not recognised at 24%	39,498	32,712	14,303	13,008

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 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold	Freehold	Buildings	Plant and machinery	Broadcasting and transmission equipment	Production equipment	Office equipment, furniture and fittings	Office renovations	Motor vehicles	Leasehold improve- ments	Assets under construction	Structures	Total
	land	land											
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2016</b>													
<b>Cost</b>													
At 1.1.2016	16,075	95,278	310,780	683,067	742,371	1,358	421,398	30,356	19,818	38,739	10,490	144,622	2,514,352
Additions	-	-	-	1,205	27,101	-	14,620	716	2,729	5,551	27,420	285	79,627
Disposals	-	-	-	(539)	-	-	(3,625)	-	(3,253)	-	-	-	(7,417)
Write offs	-	-	-	-	-	-	-	-	-	-	-	(57)	(57)
Transfer from non-current assets held for sale (Note 34)	1,500	-	-	-	-	-	-	-	-	-	-	-	1,500
Reclassification	-	-	-	6,497	-	-	8,821	-	-	-	(19,678)	4,360	-
At 31.12.2016	17,575	95,278	310,780	690,230	769,472	1,358	441,214	31,072	19,294	44,290	18,232	149,210	2,588,005
<b>Accumulated depreciation</b>													
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 34)	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
<b>Accumulated impairment losses</b>													
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
<b>Net book value</b>													
At 31.12.2016	12,237	92,013	99,123	110,451	153,054	64	88,690	1,195	4,409	8,074	18,232	35,461	623,003

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

20 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Leasehold	Freehold	Buildings	Plant and	Broadcasting	Production	Office	Office	Motor	Leasehold	Assets	Structures	Total
	land	land		machinery	and	equipment	equipment			improve-	under		
	RM'000	RM'000	RM'000	RM'000	transmission	RM'000	RM'000	renovations	vehicles	ments	construction	RM'000	RM'000
2015													
Cost													
At 1.1.2015	17,456	95,278	309,623	703,388	715,321	1,358	390,766	30,356	19,292	31,996	16,457	139,747	2,471,038
Additions	-	-	1,157	9,597	28,477	-	12,787	-	1,345	6,743	19,091	755	79,952
Disposals	-	-	-	(30,601)	(1,110)	-	(978)	-	(819)	-	-	(258)	(33,766)
Write offs	-	-	-	-	(317)	-	(407)	-	-	-	-	(767)	(1,491)
Transfer from investment properties (Note 21)	122	-	-	-	-	-	-	-	-	-	-	-	122
Transfer to non-current assets held for sale (Note 34)	(1,503)	-	-	-	-	-	-	-	-	-	-	-	(1,503)
Reclassification	-	-	-	683	-	-	19,230	-	-	-	(25,058)	5,145	-
At 31.12.2015	16,075	95,278	310,780	683,067	742,371	1,358	421,398	30,356	19,818	38,739	10,490	144,622	2,514,352
Accumulated depreciation													
At 1.1.2015	4,403	-	126,834	476,125	515,609	1,294	289,815	29,168	14,576	31,051	-	101,690	1,590,565
Charge for the financial year	457	-	7,403	21,469	31,761	-	28,167	442	1,427	1,369	-	5,741	98,236
Disposals	-	-	-	(30,496)	(1,030)	-	(917)	-	(800)	-	-	(66)	(33,309)
Write offs	-	-	-	-	(317)	-	(407)	-	-	-	-	(735)	(1,459)
Transfer from investment properties (Note 21)	21	-	-	-	-	-	-	-	-	-	-	-	21
Transfer to non-current assets held for sale (Note 34)	(240)	-	-	-	-	-	-	-	-	-	-	-	(240)
At 31.12.2015	4,641	-	134,237	467,098	546,023	1,294	316,658	29,610	15,203	32,420	-	106,630	1,653,814
Accumulated impairment losses													
At 1.1.2015	-	3,265	50,020	42,985	38,422	-	3,975	-	910	-	-	382	139,959
Charge for the financial year	-	-	-	-	-	-	267	-	-	-	-	-	267
At 31.12.2015	-	3,265	50,020	42,985	38,422	-	4,242	-	910	-	-	382	140,226
Net book value													
At 31.12.2015	11,434	92,013	126,523	172,984	157,926	64	100,498	746	3,705	6,319	10,490	37,610	720,312

## 20 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Company	
	2016	2015
	RM'000	RM'000
<b>Office equipment, furniture &amp; fittings</b>		
<b>Cost</b>		
At 1 January	3,771	3,744
Additions	98	27
At 31 December	3,869	3,771
<b>Accumulated depreciation</b>		
At 1 January	3,639	3,611
Charge for the financial year	28	28
At 31 December	3,667	3,639
<b>Net book value</b>		
At 31 December	202	132

### (a) Impairment of property, plant and equipment

During the 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 property, plant and equipment of RM76.5 million was fully impaired.

### (b) Revision of remaining useful lives of broadcasting and transmission equipment

During the financial year, 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 RM1.4 million (2015: Nil) in the current financial year ended 31 December 2016 as a result of the change in accounting estimates, with RM6.2 million and RM2.1 million of increase in depreciation is expected to be incurred from the identified analogue television transmission assets in the financial year ending 2017 and 2018 respectively.

### (c) Property, plant and equipment pledged as security

As at 31 December 2016 and 31 December 2015, no property, plant and equipment of the Group and Company were pledged as security for liabilities.

## 21 INVESTMENT PROPERTIES

Group	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Cinema RM'000	Total RM'000
<b>Cost</b>					
At 1 January 2016	6,487	9,200	32,701	-	48,388
Additions	-	-	50	-	50
Transfer from non-current assets held for sale (Note 34)	-	-	-	2,382	2,382
Transfer to non-current assets held for sale (Note 34)	-	(2,900)	(2,574)	-	(5,474)
At 31 December 2016	6,487	6,300	30,177	2,382	45,346
<b>Accumulated depreciation</b>					
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 34)	-	-	-	700	700
Transfer to non-current assets held for sale (Note 34)	-	-	(350)	-	(350)
At 31 December 2016	452	-	7,718	750	8,920
<b>Accumulated impairment losses</b>					
At 1 January 2016	2,239	-	1,273	-	3,512
Transfer from non-current assets held for sale (Note 34)	-	-	-	203	203
At 31 December 2016	2,239	-	1,273	203	3,715
<b>Net book value</b>					
At 31 December 2016	3,796	6,300	21,186	1,429	32,711

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

21 INVESTMENT PROPERTIES (CONTINUED)

Group	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Cinema RM'000	Total RM'000
<u>Cost</u>					
At 1 January 2015	6,609	10,808	44,980	2,382	64,779
Transfer to property, plant and equipment (Note 20)	(122)	-	-	-	(122)
Transfer to non-current assets held for sale (Note 34)	-	(1,608)	(12,279)	(2,382)	(16,269)
At 31 December 2015	6,487	9,200	32,701	-	48,388
<u>Accumulated depreciation</u>					
At 1 January 2015	400	-	6,550	700	7,650
Charge for the financial year	38	-	1,486	-	1,524
Transfer to property, plant and equipment (Note 20)	(21)	-	-	-	(21)
Transfer to non-current assets held for sale (Note 34)	-	-	(1,281)	(700)	(1,981)
At 31 December 2015	417	-	6,755	-	7,172
<u>Accumulated impairment losses</u>					
At 1 January 2015	2,239	1,104	1,361	1,682	6,386
Reversal of impairment loss	-	-	-	(1,479)	(1,479)
Transfer to non-current assets held for sale (Note 34)	-	(1,104)	(88)	(203)	(1,395)
At 31 December 2015	2,239	-	1,273	-	3,512
<u>Net book value</u>					
At 31 December 2015	3,831	9,200	24,673	-	37,704

In the previous financial year, the Group recognised a reversal of impairment loss on an investment property amounting to RM1.5 million to bring its carrying value to its recoverable amount. The recoverable amount was based on the investment property's fair value less cost to sell.

The fair value of the properties is estimated at RM87.7 million (2015: RM93.3 million) based on valuations by independent professional valuer during the financial year. The valuation techniques and inputs used in the fair value measurement are set out in Note 40.

Direct operating expenses incurred from investment properties that generated rental income of the Group during the financial year amounted to RM277,000 (2015: RM309,000).

Direct operating expenses incurred from investment properties that did not generate rental income of the Group during the financial year amounted to RM108,000 (2015: RM112,000).

Rental income from investment properties that generated rental income of the Group during the financial year amounted to RM810,000 (2015: RM827,000).

The titles to freehold and leasehold properties included in the investment properties for the Group at net book value of RM0.7 million (2015: RM0.7 million) are in the process of being transferred to the Group. Risks, rewards and effective titles to those properties have been passed to the Group upon unconditional completion of the acquisition of the properties. The Group has submitted the relevant documents to the authorities for transfer of legal titles to the Group and is awaiting the process and formalities of this transfer to be completed.

22 SUBSIDIARIES

	Company	
	2016 RM'000	2015 RM'000
Unquoted shares, at cost	1,091,879	1,089,779
Less: Accumulated impairment losses	(749)	(749)
	1,091,130	1,089,030
Redeemable preference shares ("RPS")	577,684	577,684
Less: Accumulated impairment losses	(3,143)	(3,143)
	574,541	574,541
	1,665,671	1,663,571

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Interest in equity	
			2016 %	2015 %
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	Provision of advertising space and related services, investment holding and management services	100	100
Primeworks Studios Sdn Bhd	Malaysia	Production of television content and motion picture films, acquiring ready made films from local producers and production houses and investment holding	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	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	Malaysia	Content procurement and distribution	100	100
Able Communications Sdn Bhd	Malaysia	Dormant	100	100
Encorp Media Technology Sdn Bhd ^	Malaysia	Dormant	100	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



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

22 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity	
			2016 %	2015 %
<u>Held by STMB</u>				
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 (a)(i))	Malaysia	Home shopping network	51	-
Merit Idea Sdn Bhd	Malaysia	Investment holding	100	100
<u>Held by Merit Idea Sdn Bhd</u>				
Metropolitan TV Sdn Bhd (“8TV”)	Malaysia	Commercial television broadcasting	100	100
<u>Held by Synchrosound Studio Sdn Bhd</u>				
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”) (formerly known as Copyright Laureate Sdn Bhd) (Note (b)(ii))	Malaysia	Commercial radio boradcasting	100	100
<u>Held by Perintis Layar Sdn Bhd</u>				
Max-Airplay Sdn Bhd (“FlyFM”)	Malaysia	Commercial radio broadcasting	100	100
<u>Held by NSTP</u>				
Berita Book Centre Sdn Bhd ^	Malaysia	Dormant	100	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	100
NSTP e-Media Sdn Bhd	Malaysia	Internet based online services	100	100

22 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity	
			2016 %	2015 %
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
<u>Held by New Straits Times Technology Sdn Bhd</u>				
Berita Information Systems Sdn Bhd ^	Malaysia	Dormant	100	100
<u>Held by Jupiter Outdoor Network Sdn Bhd</u>				
Calcom Sdn Bhd	Malaysia	Dormant	100	100
Lokasi Sejagat Sdn Bhd	Malaysia	Dormant	100	100
Skyten Marketing Sdn Bhd	Malaysia	Dormant	100	100
<u>Held by BTO</u>				
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 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	100
Big Tree Seni Jaya Sdn Bhd (Note (a)(ii))	Malaysia	Outdoor advertising	60	-
<u>Held by Alternate Records Sdn Bhd</u>				
Booty Studio Productions Sdn Bhd	Malaysia	Dormant	60	60
<u>Held by Primeworks Studios Sdn Bhd</u>				
Media Prima Digital Sdn Bhd	Malaysia	Digital media	100	100
<u>Held by UPD Sdn Bhd (“UPD”)</u>				
Utusan Sinar Media Sdn Bhd ^	Malaysia	Dormant	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

22 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity	
			2016 %	2015 %
<u>Held by The Right Channel Sdn Bhd</u> <u>("TRC")</u>				
MMC-AD Sdn Bhd	Malaysia	Dormant	100	100
Media Master Industries (M) Sdn Bhd	Malaysia	Dormant	100	100
<u>Held by Kurnia Outdoor Sdn Bhd</u>				
Kurnia Outdoor Productions Sdn Bhd	Malaysia	Production of advertising display	100	100
<u>Held by Lazim Juta Sdn Bhd</u>				
Strategic Media Asset Mgmt Co Ltd	Labuan	Dormant	100	100

^ As at the end of 31 December 2016, the companies are in the process of having their names being struck-off from the Registrar of Companies pursuant to Section 308 of the Companies Act, 1965.

(a) Incorporation of subsidiaries and subscription of shares in subsidiaries during the 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 of RM1.00 each, 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 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, for Package B (Exterior Station).

Big Tree Seni Jaya had been incorporated with an initial and paid-up share capital of RM2.00 comprising two ordinary shares of RM1.00 each. The definitive shareholders agreement is yet to be executed between the shareholders of Big Tree Seni Jaya Sdn Bhd.

(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 of RM1.00 each in BTO, a wholly-owned subsidiary of the Company, for RM0.5 million and RM1.6 million respectively.

(b) Acquisition of subsidiaries during the previous financial year:

(i) Acquisition of a subsidiary – Kool FM Radio Sdn Bhd

On 21 October 2015, Synchrosound Studio Sdn Bhd, a wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Kool FM Radio Sdn Bhd (“KoolFM”) (formerly known as Copyright Laureate Sdn Bhd), a company incorporated in Malaysia, for a total cash consideration of RM20.0 million.

22 SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries during the previous financial year: (continued)

(i) Acquisition of a subsidiary – Kool FM Radio Sdn Bhd (continued)

KoolFM is principally engaged in commercial radio broadcasting. The acquisition of KoolFM provides potential growth opportunities for the Group’s Radio Networks operating segment and is in line with the Group’s business strategy of procuring strategic media assets to add to its existing portfolio.

Details of the assets, liabilities and net cash outflow arising from the acquisition of KoolFM are as follows:

	RM'000
Purchase consideration:	
- Cash and cash equivalents	19,000
- Retention sum	1,000
Total consideration	20,000
Identifiable assets acquired and liabilities assumed:	
- Trade and other receivables	329
- Deposits, cash and bank balances	51
- Trade and other payables	(41)
Total identifiable net assets	339
Goodwill on acquisition (Note 25)	19,661
Total	20,000
Purchase consideration settled in cash and cash equivalents	(19,000)
Deposits, cash and bank balances acquired	51
Net cash outflow of the Group on acquisition	(18,949)

The goodwill of RM19.7 million comprises the value of expected potential synergistic benefits from collaborative sales and marketing strategies between Radio Networks and other operating segments within the Group. The acquisition of KoolFM would also enable the Group to further expand its radio offerings to a wider segment of listeners, media buyers and advertisers. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of trade receivables was RM182,938. The gross contractual amount for trade receivables amounted to RM416,869 of which RM233,931 was expected to be uncollectible.

Acquisition-related cost of RM341,884 was charged to profit or loss as “other operating costs”.

The following are the results of operations of KoolFM to the Group for the previous financial year from the date of its acquisition.

	2015 RM'000
Revenue	-
Loss for the financial year	231

Had KoolFM been consolidated from 1 January 2015, the Group statements of comprehensive income would show a pro-forma profit for the financial year of RM136.7 million.

(ii) Acquisition of additional interest in a subsidiary – One FM Radio Sdn Bhd

On 16 November 2015, Synchrosound Studio Sdn Bhd, a wholly-owned subsidiary of the Company, acquired an additional 19.6% equity interest in a subsidiary, One FM Radio Sdn Bhd (“OneFM”) for a total cash consideration of RM5.3 million. Subsequently, the effective equity interest in OneFM has increased to 99.6%.

Immediately prior to the additional acquisition, the carrying amount of the existing 20% non-controlling interest in OneFM was RM5.3 million. The Group recognised a decrease in non-controlling interest of RM5.2 million and a decrease in retained earnings of RM23,000. The effect on the retained earnings during the previous financial year is summarised as follows:

	2015 RM'000
Carrying amount of non-controlling interest	5,230
Consideration paid to non-controlling interest	5,253
Differences on acquisition recognised in retained earnings	(23)

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

22 SUBSIDIARIES (CONTINUED)

(c) Subsidiaries of the Company that have material non-controlling interests to the Group

Proportion of equity interest held by non-controlling interests:

	Interest in equity	
	2016 %	2015 %
MPCJ	49	-
NSTP group	1.83	1.83
OneFM	0.4	0.4
	2016 RM'000	2015 RM'000
Carrying amount of non-controlling interests:		
MPCJ	12,708	-
NSTP group	11,649	14,300
OneFM	215	165
Other subsidiaries with immaterial non-controlling interests	12	12
	24,584	14,477
(Loss)/profit attributable to non-controlling interests:		
MPCJ	(8,362)	-
NSTP group	(2,273)	515
OneFM	50	1,634
Other subsidiaries with immaterial non-controlling interests	-	(2,158)
	(10,585)	(9)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before intercompany elimination.

Summarised statement of comprehensive income for the financial year ended 31 December 2016 and 31 December 2015:

	MPCJ RM'000	NSTP group RM'000	OneFM RM'000
2016			
Revenue	61,413	415,490	18,828
Net (loss)/profit and total comprehensive (loss)/income for the financial year	(17,065)	(124,219)	12,401
2015			
Revenue	-	551,629	17,464
Net profit for the financial year	-	28,116	8,252
Total comprehensive income for the financial year	-	28,263	8,252



## 22 SUBSIDIARIES (CONTINUED)

### (c) Subsidiaries of the Company that have material non-controlling interests to the Group (continued)

Summarised statement of financial position as at 31 December 2016 and 31 December 2015:

	MPCJ RM'000	NSTP group RM'000	OneFM RM'000
<b>2016</b>			
Non-current assets	4,085	589,180	1,965
Current assets	51,218	169,120	27,539
Non-current liabilities	-	(717)	(78)
Current liabilities	(29,367)	(129,073)	(6,086)
Net assets	25,936	628,510	23,340
<b>2015</b>			
Non-current assets	-	685,932	2,128
Current assets	-	231,037	28,824
Non-current liabilities	-	(586)	(243)
Current liabilities	-	(143,017)	(4,770)
Net assets	-	773,366	25,939

Summarised cash flows information for the financial year ended 31 December 2016 and 31 December 2015:

	MPCJ RM'000	NSTP group RM'000	OneFM RM'000
<b>2016</b>			
Net cash flow from operating activities	9,315	19,483	11,545
Net cash flow (used in)/generated from investing activities	(4,095)	(15,024)	710
Net cash flow generated from/(used in) financing activities	43,000	(30,021)	(15,000)
Net increase/(decrease) in cash and cash equivalents	48,220	(25,562)	(2,745)
<b>2015</b>			
Net cash flow from operating activities	-	28,439	6,702
Net cash flow (used in)/generated from investing activities	-	(16,165)	637
Net cash flow used in financing activities	-	(24,585)	-
Net (decrease)/increase in cash and cash equivalents	-	(12,311)	7,339

### (d) Impairment assessment on investment in NSTP

During the financial year, the Company had undertaken an impairment assessment on its investment in NSTP as the subsidiary had reported a loss for the current financial year and had undergone a restructuring exercise of its RPPs which resulted in the closure and impairment of the affected assets.

Value-in-use ("VIU") for NSTP is determined by discounting the future cash flows to be generated from continuing use based on the key assumptions as disclosed in Note 25. The discount rate used to present value the future cash flow is 13.2%.

Based on management's assessment, no impairment charge is required on the investment in NSTP for the financial year ended 31 December 2016. Management believes that there are no reasonably possible changes in any key assumptions used that would cause the carrying amount of the Company's investment in NSTP to exceed its recoverable amounts.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

23 ASSOCIATES

	Group	
	2016 RM'000	2015 RM'000
Share of net assets	146,395	156,484
The amount recognised in the statement of comprehensive income is as follows:		
Share of results of an associate	(10,089)	(7,245)

(a) The Group's equity interests in the associates, their respective principal activities and countries of incorporation are as follows:

Name of company	Principal activities	Group effective interest in equity	
		2016	2015
		%	%
<u>Held by NSTP</u>			
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.

The associates are private companies and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in the associates.

(b) 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.

Summarised key financial information from the statement of comprehensive income for the financial year ended 31 December 2016 and 31 December 2015:

	2016 RM'000	2015 RM'000
Revenue	412,020	403,568
Net loss and total comprehensive loss for the financial year	(47,233)	(33,920)
Share of loss for the financial year	(10,089)	(7,245)

23 ASSOCIATES (CONTINUED)

(b) Summarised financial information of a material associate (continued)

Summarised statement of financial position as at 31 December 2016 and 2015:

	2016 RM'000	2015 RM'000
Non-current assets	644,798	710,622
Cash and cash equivalents	5,425	11,785
Other current assets (excluding cash and cash equivalents)	71,142	90,049
Current assets	76,567	101,834
Financial liabilities (excluding trade payables)	(129,846)	(141,077)
Other current liabilities (including trade payables)	(57,381)	(46,120)
Current liabilities	(187,227)	(187,197)
Non-current liabilities	(21,944)	(65,832)
Net assets attributable to:		
- ordinary shares	382,093	429,326
- redeemable preference shares	130,101	130,101

Reconciliation of the summarised financial information of the Group's associate presented to the carrying amount of its interest in associate:

	2016 RM'000	2015 RM'000
Opening net assets 1 January	429,326	463,246
Net loss and total comprehensive loss for the financial year	(47,233)	(33,920)
Closing net assets 31 December	382,093	429,326
Interest in associates (21.36%)	81,615	91,704
Redeemable preference shares (49.79%)	64,780	64,780
Carrying value	146,395	156,484

MNI supplies newsprint materials to the Group's print business segment.

(c) Impairment assessment on investment in an associate

The Group had undertaken an impairment test on its investment in MNI following an impairment indicator arising from MNI's operating losses and net cash outflows in the financial year.

VIU for MNI is determined by discounting the future cash flows to be generated from continuing use based on the following assumptions:

- (i) Cash flows are derived based on the approved management's budget for 2017 and projections for a period of four (4) years, based on management's plan. The projections reflect management's expectation of revenue growth, operating costs and contribution margins for the MNI based on current assessment of market share and expectations of market growth.
- (ii) The key assumptions used in the projections are as follows:

	2016 RM'000	2015 RM'000
- Discount rate	12.5	10.06
- Revenue growth rate	(3.0)	(0.3)
- Terminal growth rate	-	4.50

- (iii) The growth in overhead costs are determined based on past performance and expected inflationary factors and is consistent with previous years.
- (iv) Contribution margins are projected based on the paper industry trends, together with the trends observed within the print industry.

Based on management's assessment, no additional impairment charge is required on the carrying amount of MNI for the financial year ended 31 December 2016. The Group's review includes an impact assessment of changes in key assumptions. The effect of the movement in the key assumptions on the results of the Group is as follows:

	Impact on results of the Group RM'000
Decrease in revenue growth rate by 50 basis points	(3,600)
Increase in discount rate by 50 basis points	(700)

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 RM'000	2015 RM'000
Shares in corporations, quoted in Malaysia	2	2
Shares in corporations, unquoted in Malaysia	88	88
	90	90

25 INTANGIBLE ASSETS

Group	Programme rights (definite life) RM'000	Film rights (definite life) RM'000	Computer software and development costs (definite life) RM'000	Goodwill (indefinite life) RM'000	Acquired concession rights and outdoor advertising rights (definite life) RM'000	Acquired publising rights and outdoor concession rights (indefinite life) RM'000	Software under development (definite life) RM'000	Total RM'000
At 1 January 2016	47,492	12,063	4,247	147,831	9,081	200,458	-	421,172
Additions	181,853	22,765	9,632	-	-	-	451	214,701
	229,345	34,828	13,879	147,831	9,081	200,458	451	635,873
Amortisation during the financial year	(171,236)	(20,779)	(3,570)	-	(3,117)	-	-	(198,702)
Impairment during the financial year	(31)	-	-	-	-	-	-	(31)
At 31 December 2016	58,078	14,049	10,309	147,831	5,964	200,458	451	437,140
At 1 January 2015	32,393	14,730	-	128,170	12,253	200,458	-	388,004
Additions	191,477	3,748	5,666	-	-	-	-	200,891
Acquisition of a subsidiary (Note 22)	-	-	-	19,661	-	-	-	19,661
	223,870	18,478	5,666	147,831	12,253	200,458	-	608,556
Amortisation during the financial year	(176,332)	(6,415)	(1,419)	-	(3,172)	-	-	(187,338)
Impairment during the financial year	(46)	-	-	-	-	-	-	(46)
At 31 December 2015	47,492	12,063	4,247	147,831	9,081	200,458	-	421,172

Intangible assets with indefinite useful lives are tested for impairment on an annual basis. Included in intangible assets are acquired rights which have indefinite useful lives, totalling RM200.5 million (2015: RM200.5 million). 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. Based on the test performed as described below, the Directors concluded that the recoverable amount, calculated based on value-in-use, is higher than the carrying amount.

25 INTANGIBLE ASSETS (CONTINUED)

Impairment tests for intangible assets with indefinite useful life

The carrying amounts of intangible assets allocated to the Group’s cash-generating units (“CGUs”) are as follows:

Group	Radio Networks RM'000	NSTP Group RM'000	Outdoor Group RM'000	Total RM'000
At 31 December 2016				
Goodwill	34,747	-	113,084	147,831
Intangibles with indefinite life	-	161,012	39,446	200,458
	34,747	161,012	152,530	348,289
At 31 December 2015				
Goodwill	34,747	-	113,084	147,831
Intangibles with indefinite life	-	161,012	39,446	200,458
	34,747	161,012	152,530	348,289

No impairment charge was required for the carrying amounts of the intangible assets above assessed as at 31 December 2016 as their recoverable amounts were in excess of their carrying amounts.

The recoverable amounts of the CGUs are determined based on VIU calculations. The VIU calculations apply a discounted cash flow model using cash flow projections based on approved management budget for 2017 and covering:

- A subsequent four (4) year period for Radio Networks and Outdoor Group;
- A subsequent seven (7) year period for NSTP Group that reflects the remaining useful life of the CGUs plant and machinery.

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 value-in-use calculations are as follows:

	NSTP Group %	Outdoor Group %	Radio Networks %
2016			
Average revenue growth	(1.0)	3.0	4.0
Discount rate	10.3	18.1	14.3
Terminal growth rate	-	2.0	2.0
2015			
Average revenue growth	2.8	3.0	4.0
Discount rate	9.2	16.8	15.2
Terminal growth rate	1.0	2.0	3.0

- (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.
- (iii) NSTP’s terminal value comprises the estimated value of land and building amounting to RM356.8 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 eight (8) 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 amounts.

The Group’s review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in the base case assumptions would cause the carrying amounts of the CGUs to exceed their recoverable amounts.

26 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2016 RM'000	2015 RM'000
At 1 January	2,472	2,325
Revaluation gain recognised in other comprehensive income	-	147
At 31 December	2,472	2,472

Available-for-sale financial assets comprise of unquoted shares and are denominated in Ringgit Malaysia.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

27 INVENTORIES

	Group	
	2016	2015
	RM'000	RM'000
Raw materials	54,954	53,205
Goods held for resale	290	63
	55,244	53,268

Cost of inventories recognised as expenses during the financial year amounted to RM111.2 million (2015: RM136.8 million).

28 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Trade receivables	341,378	329,130	-	-
Less: Provision for impairment	(72,376)	(66,453)	-	-
	269,002	262,677	-	-
Less: Advanced billings	(10,685)	(7,759)	-	-
	258,317	254,918	-	-
Deposits	24,040	11,340	178	307
Prepayments	25,610	40,736	3,013	480
Other receivables	180,649	231,464	313	383
	230,299	283,540	3,504	1,170
Less: Provision for impairment of other receivables	(169,744)	(169,743)	-	-
	60,555	113,797	3,504	1,170
	318,872	368,715	3,504	1,170

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 (2015: 60 days to 120 days).

The fair values of trade and other receivables approximates the carrying value.

As at 31 December 2016, trade receivables of RM155,539,000 (2015: RM148,305,000) were not past due and were fully performing for the Group.

As of 31 December 2016, 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	
	2016	2015
	RM'000	RM'000
Group		
Ageing 3 to 6 months	84,489	64,737
Ageing 7 to 12 months	23,491	32,618
Over 12 months	5,483	17,017
	113,463	114,372

As of 31 December 2016, trade receivables of RM72,376,000 (2015: RM66,453,000) and other receivables of RM169,744,000 (2015: RM169,743,000) 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	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Group				
Ageing 7 to 12 months	95	-	-	-
Over 12 months	72,281	66,453	169,744	169,743
	72,376	66,453	169,744	169,743

28 TRADE AND OTHER RECEIVABLES (CONTINUED)

The carrying amounts of the Group’s trade receivables are denominated in the following currencies:

Group	Group	
	2016 RM'000	2015 RM'000
RM	341,352	329,075
USD	20	20
SGD	6	35
	341,378	329,130

Movements on the Group’s provision for impairment of receivables are as follows:

	Group			
	2016 Trade receivables RM'000	2016 Other receivables RM'000	2015 Trade receivables RM'000	2015 Other receivables RM'000
At 1 January	66,453	169,743	77,095	170,181
Charge for the financial year	11,164	2	4,291	-
Reversal during the financial year	(1,038)	(1)	(637)	(100)
Written-off	(4,203)	-	(14,296)	(338)
At 31 December	72,376	169,744	66,453	169,743

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 amounting to RM46.2 million (2015: RM56.9 million) as collateral to reduce its credit risk.

29 AMOUNTS DUE FROM/TO SUBSIDIARIES

	Company	
	2016 RM'000	2015 RM'000
Amounts due from subsidiaries (Note a)	122,104	56,677
Less: Provision for impairment	(137)	(137)
	121,967	56,540
Intercompany loans (Note b)	112,000	117,000
	233,967	173,540
Amounts due to subsidiaries (Note c)	(45,724)	(24,896)

- (a) The amounts due from subsidiaries classified as current are denominated in Ringgit Malaysia, unsecured and interest free. These balances are expected to be realisable within the next financial year.
- (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.

Movements on the provision for impairment on amounts due from subsidiaries are as follows:

	2016 RM'000	2015 RM'000
At 1 January	137	20
Charge for the financial year	-	117
At 31 December	137	137

30 AMOUNT DUE TO AN ASSOCIATE

The amount due to an associate is denominated in Ringgit Malaysia, unsecured, interest free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

31 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	107,719	81,166	485	1,665
Deposits with licensed banks	267,179	339,491	126,357	136,289
Deposits, cash and bank balances	374,898	420,657	126,842	137,954

The deposits, cash and bank balances are denominated in Ringgit Malaysia.

During the financial year, the interest rates for the deposits ranged from 2.93% to 3.96% (2015: 3.25% to 4.00%) per annum for the Group and for the Company.

Bank balances are deposits held at call with banks and earn no interest.

32 CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deposits, cash and bank balances (Note 31)	374,898	420,657	126,842	137,954
Less:				
Restricted deposits:				
- Deposits with licensed banks	(3,925)	(4,973)	-	(1,157)
	370,973	415,684	126,842	136,797

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) Deposits with a licensed bank, amounting to RM Nil (2015: RM1,156,000), which have been placed with the licensed bank for bank guarantee facilities extended to the Company. These were restricted cash up to 2016.
- (b) Deposits with a licensed bank, amounting to RM3,925,000 (2015: RM3,817,000), which have been placed with the licensed bank for bank guarantee facilities extended to a subsidiary company. These are restricted cash up to 2017.

33 CASH FLOWS GENERATED FROM OPERATIONS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net (loss)/profit for the financial year	(69,783)	138,708	130,890	118,362
Adjustments for:				
Intangible assets				
- Amortisation	198,702	187,338	-	-
- Impairment	31	46	-	-
Prepaid transmission station rentals				
- Amortisation	283	283	-	-
Property, plant and equipment				
- Depreciation	100,130	98,236	28	28
- Gain on disposals	(473)	(929)	-	-
- Impairment	76,460	267	-	-
- Write offs	7	32	-	-
- Contra arrangement	(1,853)	(571)	-	-
Investment properties				
- Depreciation	1,398	1,524	-	-
- Reversal of impairment	-	(1,479)	-	-
Non-current assets held for sale				
- Gain on disposal	-	(646)	-	-
Interest expenses	13,325	15,300	13,176	15,097
Provision for inventory obsolescence	1,500	-	-	-
Provision for impairment of investment in subsidiaries	-	-	-	2,073
Share of results of an associate	10,089	7,245	-	-
Contra arrangement revenue	(908)	-	-	-
Unrealised foreign exchange loss, net	320	88	-	-
Dividend income	-	-	(161,329)	(157,112)
Interest income	(14,388)	(13,682)	(10,535)	(11,407)
Taxation	3,874	61,360	-	10,514
Net provision for impairment of receivables				
- Trade and other receivables	10,127	3,554	-	-
- Amounts due from subsidiaries	-	-	-	117
	328,841	496,674	(27,770)	(22,328)
Changes in working capital:				
Inventories	(3,476)	21,045	-	-
Receivables	39,716	(29,660)	(2,334)	(687)
Payables	(25,298)	(26,097)	415	(1,737)
Intangible assets – acquisition of programme and film rights	(204,618)	(195,225)	-	-
Amounts due from subsidiaries	-	-	10,660	(9,417)
Amount due to an associate	1,444	910	-	-
Cash flows generated from/(used in) operations	136,609	267,647	(19,029)	(34,169)

34 NON-CURRENT ASSETS HELD FOR SALE

The details of non-current assets held for sale are as follows:

	Group	
	2016 RM'000	2015 RM'000
Property, plant and equipment	-	1,263
Investment properties	16,541	12,893
	16,541	14,156

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

34 NON-CURRENT ASSETS HELD FOR SALE (CONTINUED)

The movements during the financial year relating to non-current assets held for sale are as follows:

	Group	
	2016 RM'000	2015 RM'000
At 1 January	14,156	2,699
Transfer (to)/from property, plant and equipment (Note 20)	(1,260)	1,263
Transfer to investment properties (Note 21)	(1,479)	-
Transfer from investment properties (Note 21)	5,124	12,893
Disposals	-	(2,699)
At 31 December	16,541	14,156

During the financial year, property, plant and equipment and investment properties valued at RM1.3 million and RM1.5 million respectively had been reclassified to property, plant and equipment and investment properties.

During the financial year, investment properties valued at RM5.1 million had been identified for disposal.

35 SIGNIFICANT NON-CASH TRANSACTIONS

The significant non-cash transactions during the financial year were as follows:

	Group	
	2016 RM'000	2015 RM'000
Property, plant and equipment obtained through:		
- contra arrangements with customers	1,853	571

36 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. Key management compensation was as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Key management:				
- Fees	783	934	464	457
- Basic salaries, bonus and other remunerations	8,645	9,094	2,688	3,421
- Allowances	1,419	1,618	670	734
- Defined contribution retirement plan	1,633	1,625	526	647
	12,480	13,271	4,348	5,259
Estimated monetary value of benefits-in-kind	99	269	30	79

Included in the key management compensation is Directors' remuneration as disclosed in Note 7 to the financial statements.



36 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Key management compensation (continued)

Key management personnel of the Group and of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 12) as follows:

		Number of options over ordinary shares of RM1.00 each				
	Grant date	Expiry date	Exercise price RM/ share '000	At 1 January '000	Lapsed/ Expired '000	At 31 December '000
Financial year ended						
31 December 2015	31 May 2010	13 May 2015	1.80	350	(350)	-

# The ESOS was expired without being exercised on 13 May 2015.

(b) Transactions between Group entities

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
Ch-9 Media Sdn Bhd ("TV9")	A subsidiary of the Company
Big Tree Outdoor Sdn Bhd	A subsidiary of the Company
Perintis Layar 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
Big Events Sdn Bhd	A subsidiary of the Company
Primeworks Distribution Sdn Bhd	A subsidiary of the Company
Media Prima Digital Sdn Bhd	A subsidiary of the Company
Primeworks Studios Sdn Bhd	A subsidiary of the Company
Malaysian Newsprint Industries Sdn Bhd ("MNI")	An associate of the Group

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	
	2016 RM'000	2015 RM'000
(i) Purchase of newsprints by NSTP from:		
- MNI	(60,338)	(67,233)
(ii) Income from disposal of unsold newspapers by NSTP to:		
- MNI	6,450	8,931

	Company	
	2016 RM'000	2015 RM'000
(i) Management fees charged to:		
- NSTP	21,261	5,970
- STMB	29,891	4,277
- Primeworks Studios Sdn Bhd	9,721	2,011
(ii) Procurement fees charged to:		
- TV9	-	1,876
(iii) Production services for advertising and promotional events from:		
- Primeworks Studios Sdn Bhd	(250)	(250)

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

36 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Transactions between Group entities (continued)

Sales and purchase of goods and services (continued)

	Company	
	2016	2015
	RM'000	RM'000
(iv) Rental of premises:		
- NSTP	(4,709)	-
(v) Dividends received/receivable net of tax from:		
- STMB	60,040	69,000
- Big Tree Outdoor Sdn Bhd	55,000	30,000
- NSTP	20,259	49,112
- Synchrosound Studio Sdn Bhd	26,030	2,000
- Primeworks Studios Sdn Bhd	-	7,000
(vi) Intercompany loans		
- Disbursement to Synchrosound Studio Sdn Bhd	-	17,000
- Disbursement to NSTP	5,000	-
- Interest income from intercompany loans	5,109	4,712

(c) Significant related party balances

(i) Amounts due from/(to) subsidiaries

	Company	
	2016	2015
	RM'000	RM'000
ntv7	9,061	3,883
STMB	(44,915)	(23,819)
Primeworks Distribution Sdn Bhd	(403)	(148)
NSTP	45,546	32,609
Media Prima Digital Sdn Bhd	18,877	16,667
TV9	2,875	775
Big Tree Outdoor Sdn Bhd	25,217	(367)
8TV	768	803
Synchrosound Studio Sdn Bhd	3,772	69
Primeworks Studios Sdn Bhd	12,785	1,179
One FM	1,248	(88)

(ii) Intercompany loans

	Company	
	2016	2015
	RM'000	RM'000
STMB	100,000	100,000
NSTP	5,000	-
Synchrosound Studio Sdn Bhd	7,000	17,000

(iii) Amount due to an associate

	Group	
	2016	2015
	RM'000	RM'000
MNI	3,170	1,726

37 COMMITMENTS

(a) Capital commitments

	Group	
	2016 RM'000	2015 RM'000
Capital commitments, approved but not contracted for		
- Property, plant and equipment	99,545	109,463
- Intangible assets	176,288	201,614
	275,833	311,077
Capital commitments, approved and contracted for		
- Property, plant and equipment	12,626	48,551
	288,459	359,628
Share of an associate's capital commitments	119	449

(b) Operating lease commitments – as lessee

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
- Not later than one year	14,512	13,451	16,948	-
- Later than one year and not later than five years	55,867	55,357	72,974	-
- Later than five years	47,699	61,066	51,379	-
	118,078	129,874	141,301	-

The Group leases premises for the use of offices and studios 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 RM17,461,000 (2015: RM12,439,000) and RM16,377,000 (2015: Nil) as expenses respectively in the financial year.

38 CONTINGENT LIABILITIES

The Group is a defendant in 20 (2015: 27) legal suits with contingent liabilities amounting to approximately RM4.0 million (2015: RM4.7 million) as at 31 December 2016. Of the 20 (2015: 27) legal suits, all (2015: 27) of the suits are for alleged defamation.

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.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's activities expose it to a variety of financial risks, including: (continued)

(c) Liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments

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% and 20% 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	Foreign currency denominated financial instruments		Currency translation rate RM	Impact of changes in exchange rate to profit and loss (net of tax)	
	Trade receivables (Note 28) RM'000	Trade payables (Note 18) RM'000		RM weaken by -10% RM'000	RM strengthen by 10% RM'000
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
As at 31 December 2015					
1USD	20	(2,667)	4.2935	(199)	199
1AUD	-	(144)	3.1407	(11)	11
1SGD	35	(213)	3.0395	(13)	13
	55	(3,024)		(223)	223

\* No sensitivity analysis is performed for Company level as it has no balance denominated in foreign currency.

(ii) 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.

(iii) 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 Group has no borrowings and debt instruments which exposes the Group to interest rate risk as at the end of the financial year.

**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 2016, 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 2016 amounts to RM363.4 million (2015: RM391.3 million).

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.

Group	Less than 3 months RM'000	Between 3 months and 1 year RM'000	Between 1 – 2 years RM'000	Total RM'000
<b>At 31 December 2016</b>				
Trade and other payables	238,611	20,239	-	258,850
Amount due to an associate	3,170	-	-	3,170
CPMTN*	-	313,140	-	313,140
	<b>241,781</b>	<b>333,379</b>	<b>-</b>	<b>575,160</b>
<b>At 31 December 2015</b>				
Trade and other payables	253,723	23,527	-	277,250
Amount due to an associate	1,726	-	-	1,726
CPMTN*	-	13,140	313,140	326,280
	255,449	36,667	313,140	605,256

\* These also apply to the Company level liquidity profile. All other non-derivative financial liabilities of the Company are less than 3 months.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2016

39 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Capital risk management

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

Consistent with others in the industry, the Group monitors 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 strategy was to maintain the gearing ratio within the limits allowed by covenants and an AA1 (CP) credit rating.

The Group and Company have complied with the capital requirement imposed by their borrowings.

The AA1 (CP) credit rating rated by RAM Ratings has been maintained throughout 2014 until 2016. The gearing ratios as at 31 December 2016 and 2015 were as follows:

	2016 RM’000	2015 RM’000
Total debt	300,108	300,108
Total equity	1,486,213	1,635,132
Gearing ratio	0.20	0.18

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:

Group	2016		2015	
	Carrying amount RM’000	Fair value RM’000	Carrying amount RM’000	Fair value RM’000
Investment in quoted shares ^	2	2	2	2
Investment in unquoted shares **	2,560	2,560	2,560	2,560
Investment properties^^	32,711	87,679	37,704	93,305
CPMTN**	300,108	300,108	300,108	298,913

\* 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 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.

# These also apply to the Company level financial liabilities.

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

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2016				
Financial assets				
Investment in quoted shares	2	-	-	2
Investment in unquoted shares	-	2,560	-	2,560
	2	2,560	-	2,562
2015				
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

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2016				
Assets				
Investment properties	-	87,679	-	87,679
2015				
Assets				
Investment properties	-	93,305	-	93,305
Financial liabilities				
CPMTN (non-current)*	-	298,913	-	298,913

\* These also apply to the Company level liabilities measured at fair value.

# SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits/(accumulated losses) at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	2016 RM'000	2015 RM'000
Retained profit of MPB (realised)	145,247	114,185
Total accumulated losses of subsidiaries		
- Realised	(487,404)	(270,643)
- Unrealised	40,081	13,998
	(447,323)	(256,645)
Total share of retained profits from associated companies		
- Realised	(11,518)	1,995
- Unrealised	5,662	2,054
	(5,856)	4,049
Total Group's accumulated losses (before consolidation adjustments)	(307,932)	(138,411)
Add: Consolidation adjustments	243,071	232,076
Total Group's (accumulated losses)/retained earnings as per consolidated accounts	(64,861)	93,665

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

# STATEMENT BY DIRECTORS

PERSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Datuk Seri Fateh Iskandar bin Tan Sri Dato’ Mohamed Mansor and Dato’ Sri Amrin bin Awaluddin, 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 136 to 195 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2016 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and comply with the provisions of the Companies Act, 1965.

The supplementary information set out in page 196 to the financial statements have been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 9 March 2017.



DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO’ MOHAMED MANSOR  
GROUP CHAIRMAN

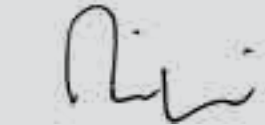


DATO’ SRI AMRIN BIN AWALUDDIN  
GROUP MANAGING DIRECTOR

# STATUTORY DECLARATION

PERSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Mohamad Ariff bin Ibrahim, 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 136 to 195 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.



MOHAMAD ARIFF BIN IBRAHIM  
GROUP CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the above named Mohamad Ariff bin Ibrahim, at Kuala Lumpur, Malaysia on 9 March 2017, before me.



# 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 2016, 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, 1965 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 2016 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 136 to 195.

### 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 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.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the Key Audit Matters
<p><u>Impairment assessment on goodwill and intangible assets with indefinite life</u></p> <p>The group has goodwill of RM147.8 million and intangible assets with indefinite life of RM200.5 million as at 31 December 2016.</p> <p>No impairment charge has been recorded by management against these balances in the current financial year because the recoverable amounts of the cash generating units (“CGUs”) prepared by management are higher than the carrying values.</p> <p>The recoverable amounts of the cash generating units were based on value-in-use calculations, which require judgement on the part of management in valuing the relevant CGUs.</p> <p>Refer to Note C, Note H, Note I, and Note AB (a) (i) in the summary of significant accounting policies and Note 25 to the financial statements.</p>	<p>We assessed management’s impairment assessments and our procedures included the following:</p> <ul style="list-style-type: none"><li>• We checked the key assumptions used by management in the value-in-use (“VIU”) calculations, in particular average revenue growth rate, growth in overhead cost, terminal growth rate and contribution margin by comparing with business plans, historical results and market data;</li><li>• We assessed the reliability of management’s forecast through the review of past trends of actual financial performances against previous forecasted results;</li><li>• 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</li><li>• We assessed the adequacy and reasonableness of the disclosures in the financial statements.</li></ul> <p>Based on our procedures, we noted no significant exceptions.</p>
<p><u>Impairment assessment on investment in an associate</u></p> <p>As at 31 December 2016, the carrying value of the Group’s investment in Malaysian Newsprint Industries (‘MNI’), an associate, was RM146.4 million.</p> <p>During the financial year, MNI incurred a net loss of RM47.2 million, which were mainly attributable to the adverse effects of the market trend, resulted by the decrease in newsprint price that triggered for an impairment review.</p> <p>The recoverable amount of the investment is determined based on the VIU method, which requires management’s judgment on the future financial performance of MNI.</p> <p>Refer to Note B (b), Note I, and Note AB (a) (i) in the summary of significant accounting policies and Note 23 to the financial statements.</p>	<p>We reviewed the assessment for the impairment of the Group’s investment in MNI by examining the discounted cash flow projections prepared by management. Our procedures included:</p> <ul style="list-style-type: none"><li>• We evaluated the key assumptions used by management in the VIU calculations, in particular revenue growth margin, by comparing with business plan, historical results and market data;</li><li>• We assessed the reliability of management’s forecast through the review of past trends of actual financial performances against previous forecasted results;</li><li>• We compared VIU calculations with the impairment assessment carried out by MNI for non-current asset, which were reviewed by the component auditor;</li><li>• Sensitivity analysis had been performed on revenue growth rate and discount rate to evaluate the impact on the impairment assessment; and</li><li>• We assessed the adequacy and reasonableness of the disclosures in the financial statements.</li></ul> <p>Based on our procedures, we noted no significant exceptions.</p>
<p><u>Deferred tax assets</u></p> <p>As at 31 December 2016, the Group had deferred tax assets amounted to RM110.5 million. The deferred tax assets arose from unused tax losses, unabsorbed capital allowances and deductible temporary differences.</p> <p>Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences, in particular, unused tax losses, unabsorbed capital allowances and deductible temporary differences can be utilised. This involves judgements regarding the future financial performance of the relevant subsidiaries in which the deferred tax asset has been recognised.</p> <p>Refer to Note O, and Note AB (a) (ii) in the summary of significant accounting policies and Note 19 to the financial statements.</p>	<p>We evaluated management’s assessment of the probability of utilisation of the deferred tax asset against future taxable profits, which have been used as the basis to recognise the deferred tax assets. Our procedures included the following:</p> <ul style="list-style-type: none"><li>• We checked the key assumptions used in the future taxable profit projections, in particular, revenue growth rate, growth in overhead costs and contribution margin by comparing with approved budget, business plan, historical results and market data;</li><li>• We assessed the reliability of management’s forecasted future taxable profits through the review of past trends of actual financial performances against previous forecasted results; and</li><li>• We evaluated information available, which include cost management plans and restructuring of operations to support the progress made by management in improving the profitability of the business and other expenditure reduction initiatives.</li></ul> <p>Based on our procedures, we noted no significant exceptions.</p>

# 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
<p><u>Impairment assessment on investment in a subsidiary</u></p> <p>As at 31 December 2016, the carrying value of Media Prima Berhad’s investment in The New Straits Times Press (Malaysia) Berhad (“NSTP”) group was RM663.4 million.</p> <p>NSTP group incurred a net loss of RM124.2 million during the financial year, which triggered for an impairment indicator. An impairment assessment was performed by management.</p> <p>The recoverable amount of the investment is determined based on discounted future cash flows.</p> <p>No impairment loss was required as the recoverable amount was in excess of its carrying amount.</p> <p>We focused on this area due to the recoverable amount of the investment is determined based on VIU method, which requires judgement on the part of management on the future financial performance of subsidiary.</p> <p>Refer to Note B, Note I, and Note AB (a) (i) in the summary of significant accounting policies and Note 22 to the financial statements.</p>	<p>Our procedures in relation to management’s impairment assessment included the following:</p> <ul style="list-style-type: none"><li>• We assessed the reliability of management’s forecast through the review of past trends of actual financial performances against previous forecasted results;</li><li>• We checked the key assumptions used by management in the VIU calculations on revenue growth rate and contribution margin, by comparing with business plans, historical results and market data;</li><li>• Sensitivity analysis had been performed on revenue growth rate and discount rate to evaluate the impact on the impairment assessment; and</li><li>• We assessed the adequacy and reasonableness of the disclosures in the financial statements.</li></ul> <p>Based on our procedures, we noted no significant exceptions.</p>

Information other than the financial statements and auditors’ report thereon

The Directors of the Company are responsible for the other information. The other information comprises Chairman’s Statement, Group Managing Director’s Statement, Statement on Risk Management and Internal Control, Group Financial Review, Sustainability Report, Statement on Corporate Governance, Audit Committee Report, Directors’ Report and other sections of the 2016 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors’ responsibilities for the audit of the financial statements (continued)

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.
- (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, 1965 in Malaysia, we also report the following:

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

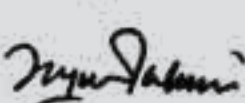
OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in page 196 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

  
**PRICEWATERHOUSECOOPERS**  
 (No. AF: 1146)  
 Chartered Accountants

  
**AZIZAN BIN ZAKARIA**  
 (No. 2930/05/18 (J))  
 Chartered Accountant

# ANALYSIS OF SHAREHOLDINGS

(As At 28 February 2017)

Total Number of Issued Shares : 1,109,199,286  
Class of Share : Ordinary Shares  
No. of Shareholders : 23,325  
Voting Rights : One (1) vote per Ordinary Share

Distribution of Shareholdings

As At 28 February 2017

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDINGS	NO. OF SHARES	% OF ISSUED SHARES
1 - 99	4,912	21.06	188,322	0.02
100 - 1,000	9,235	39.59	4,526,371	0.41
1,001 - 10,000	7,502	32.16	25,416,721	2.29
10,001 - 100,000	1,396	5.98	38,526,427	3.47
100,001 to less than 5 % of issued shares	277	1.19	685,082,366	61.76
5% and above of issued shares	3	0.01	355,459,079	32.05
Total	23,325	100	1,109,199,286	100.00

Directors’ Direct and Deemed Interest in the Company

As At 28 February 2017

NO.	NAME OF DIRECTORS	TOTAL SHARES	%
1	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	-	-
2	Dato' Sri Amrin bin Awaluddin	-	-
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 Haji Ismail bin Haji Omar	-	-
8	Datuk Loo Took Gee	-	-

Substantial Shareholders

As At 28 February 2017

NO.	NAME OF SHAREHOLDERS	NO. OF ISSUED SHARES	% OF ISSUED SHARES
1	Employees Provident Fund Board Citigroup Nominees (Tempatan) Sdn Bhd <for Employees Provident Fund>	144,143,138	13.00
2	KAF Trustee Berhad KIFB for Gabungan Kesturi Sdn Bhd	123,024,270	11.09
3	Amanah Raya Berhad	*123,024,270	11.09
4	KAF Trustee Berhad KIFB for Altima, Inc	88,291,671	7.96
Total		355,459,079	32.05

\* Deemed interested by virtue of its 100% equity interest in Gabungan Kesturi Sdn Bhd

Top 30 Securities Account Holders

As At 28 February 2017

NO.	NAME OF SHAREHOLDERS	NO. OF ISSUED SHARES	% OF ISSUED SHARES
1	Employees Provident Fund Board Citigroup Nominees (Tempatan) Sdn Bhd <for Employees Provident Fund>	144,143,138	13.00
2	KAF Trustee Berhad KIFB for Gabungan Kesturi Sdn Bhd	123,024,270	11.09
3	KAF Trustee Berhad KIFB for Altima, Inc	88,291,671	7.96
4	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	55,000,000	4.96
5	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	39,616,720	3.57
6	HSBC Nominees (Asing) Sdn Bhd TNTC For Edgbaston Asian Equity Trust	39,219,100	3.54
7	HSBC Nominees (Asing) Sdn Bhd Morgan Stanley & Co. International PLC (Firm A/c)	31,759,100	2.86
8	Citigroup Nominees (Tempatan) Sdn Bhd GSCO For Blackwell Partners LLC (Series A)	25,668,000	2.31
9	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	25,562,180	2.30
10	Kumpulan Wang Persaraan (Diperbadankan)	23,053,200	2.08
11	Amanahraya Trustees Berhad Amanah Saham Malaysia	22,660,300	2.04
12	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	20,000,000	1.80
13	Valuecap Sdn Bhd	18,625,300	1.68
14	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund NJ3F For Discerene Fund LP	17,976,500	1.62
15	Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	16,507,200	1.49
16	HSBC Nominees (Asing) Sdn Bhd TNTC For Somerset Emerging Markets Small Cap Fund LLC	15,028,848	1.35
17	HSBC Nominees (Asing) Sdn Bhd Exempt An for J.P. Morgan Bank Luxembourg S.A. (2)	13,893,500	1.25
18	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.S.A)	13,786,500	1.24
19	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN For AIA Bhd.	13,603,800	1.23
20	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund NJ4P For Dinard Fund LP	11,449,100	1.03
21	AmanahRaya Trustees Berhad AS 1Malaysia	11,228,500	1.01
22	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund	11,088,400	1.00
23	HSBC Nominees (Asing) Sdn Bhd TNTC For The EdgeBaston Asian Equity (Jersey) Trust	9,519,900	0.86
24	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for AMB Value Trust Fund (4249)	8,700,000	0.78
25	AmanahRaya Trustees Berhad Public Dividend Select Fund	7,929,500	0.71
26	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	7,500,000	0.68
27	Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small Cap Series	7,408,203	0.67
28	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 12)	6,922,000	0.62
29	CIMB Commerce Trustee Berhad Public Focus Select Fund	6,790,600	0.61
30	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	6,300,000	0.57
Total		842,255,530	75.93



# TOP TEN PROPERTIES HELD BY THE GROUP

No.	Properties	Type	Tenure	Date of acquisition	Age of building (years)	Built-up area (Sq ft)	Land area (Sq ft)	Description	Net Book Value (RM'000)
1	16, Jalan U8/88 Bukit Jelutong Industrial Park, 40000 Shah Alam, Selangor	Freehold	-	1995	15	335,000	655,000	Regional Printing Plant	99,412
2	31, Jalan Riong, Off Jalan Bangsar, 59100 Kuala Lumpur	Freehold	-	1972	43	407,387	81,174	Head Office	46,847
	9, Jalan Liku, 59100 Kuala Lumpur	Freehold	-	1986	24		70,586		
3	Lot PLO T2 & T3, Kawasan Perindustrian Senai, 81400 Senai, Johor	Leasehold	-	1978	36	187,866	174,240	Former Regional Printing Plant	20,335
	Lot PL02, Kawasan Perindustrian Bebas, 81400 Senai, Johor	Leasehold	60 years Expiry: 2040	1997	18		183,709		
4	Lot 322 & 323, Prai Industrial Estate, 13600 Seberang Prai, Pulau Pinang	Leasehold	60 years Expiry: 2039	1978	37	110,076	157,128	Regional Printing Plant	15,738
	Mukim 1, Kawasan Perusahaan Prai, 13600 Seberang Prai, Pulau Pinang	Leasehold	60 years Expiry: 2035	1998	15		87,044		
5	Lot 33, Lebuhr Sultan Mohamad 1, Jalan Lebuhr 1, Kawasan Perindustrian Bandar Sultan Sulaiman, Pelabuhan Klang Utara, 42000 Klang, Selangor	Leasehold	99 years Expiry: 2091	1991	24	138,000	251,000	Warehouse	12,219
6	Lot 7/9, Jalan Jurubina U1/18, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	Freehold	-	1996	20	93,948	80,033	Broadcasting Studio	11,465
	Lot 159 & 160, Jalan Jurubina U1/18, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	Freehold	-	1996					
7	Lot 323, 324 & 325, Bangsar Utama, Jalan Bangsar Utama 1, 59000 Kuala Lumpur	Leasehold	99 years Expiry: 2085	1994	29	25,000	5,423	Shop Office	9,559
8	33, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang	Freehold	-	1992	23	12,951	13,771	Office Block	6,288
9	Lot 1024, KM13, Mukim Sri Rusa, Batu 8 3/4, Jalan Pantai Teluk Kemang, Port Dickson, Negeri Sembilan	Freehold	-	1990	24	35,122	64,304	Condominium	4,247
10	Lot 6337, Kawasan Perindustrian Ajil, 21800 Hulu Terengganu, Terengganu	Leasehold	60 years Expiry: 2061	1998	15	88,459	610,404	Former Regional Printing Plant	3,565

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Datuk Seri Fateh Iskandar  
bin Tan Sri Dato' Mohamed Mansor\***  
*Group Chairman*

**Dato' Sri Amrin bin Awaluddin**  
*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**  
Advocates & Solicitors  
Level 21, The Gardens South Tower  
Lingkarán Syed Putra  
59200 Kuala Lumpur  
Tel : 03 2298 7888  
Fax : 03 2282 2669

**M/s Raja Riza & Associates**  
Advocates & Solicitors  
Suite 11-3A, Level 11  
Wisma UOA II  
No. 21, Jalan Pinang  
50450 Kuala Lumpur  
Tel : 03 2711 8118  
Fax : 03 2163 3464

**M/s Suflan TH Liew & Partners**  
Advocates & Solicitors  
Level 3, Block B, Plaza Damansara  
No. 45, Medan Setia 1  
Bukit Damansara  
50490 Kuala Lumpur  
Tel : 03 2089 5000  
Fax : 03 2089 5001

**M/s Bustaman**  
Advocates & Solicitors  
Lot C9-3, Jalan Selaman 1  
Dataran Palma  
68000 Ampang  
Selangor  
Tel : 03 4270 1819  
Fax : 03 4270 1821

## BANKER

**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**  
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

**Datuk Seri Fateh Iskandar bin Tan  
Sri Dato' Mohamed Mansor**  
Group Chairman, MPB

**Dato' Sri Amrin bin Awaluddin**  
Group Managing Director, MPB

**Mohamad Ariff bin Ibrahim**  
Group Chief Financial Officer, MPB

**Shareen Ooi Bee Hong**  
Group Chief Marketing Officer,  
Integrated Marketing, MPB

**Zuraidah binti Atan**  
Group Chief Technology Officer,  
Group IT, MPB

**Sere Mohammad bin Mohd Kasim**  
Group General Manager,  
Group Corporate Governance, MPB

**Mohd Hisham bin Md Shazli**  
Group General Manager,  
Group Risk Management, MPB

**Tuan Hj Zulkifli bin Hj Mohd Salleh**  
Group General Manager, Group Stakeholder  
Management & Regulatory Affairs, MPB  
Group General Manager,  
Group Corporate Planning, MPB

**Nor Arzlin binti Redzwan**  
Group General Manager,  
Group Human Resources, MPB

**Azlan bin Abdul Aziz**  
Group General Manager,  
Group Corporate Communications, MPB

**Abd Wahab bin Mohamad**  
Group General Manager,  
Group Management Services, MPB

**Mohd Najmuddin bin Abdul Razak**  
General Manager, Group Chairman's Office, MPB

**Farnida Ngah**  
Group General Manager, Group Finance &  
Secretarial, MPB

**Jessica Tan Say Choon**  
Group Company Secretary, MPB

**Rosli bin Sabarudin**  
General Manager, Group Finance  
Financial Reporting, Operations & System, MPB

**Abdul Hamid bin Abdullah**  
General Manager, Group Finance  
Treasury & Credit Control, MPB

**Tengku Iesta bin Tengku Alaudin**  
General Manager, Group Finance  
(Financial System & Asset Management), MPB

**Amal @ Nur Amal binti Abdul Manaf**  
General Manager, Group Legal, MPB

**Zuraidah binti Mohd Yatim**  
General Manager, Regulatory Affairs/Intellectual Property

**Sharifah Nur Adibah binti Syed Tahir**  
Manager, Corporate Finance & Investor Relations, MPB

**BIG TREE OUTDOOR SDN BHD**

**Jeff Cheah See Heong**  
Chief Executive Officer

**Mohamad Shukor bin Ariffin**  
General Manager, Operations

**Shirley Gan**  
General Manager,  
Procurement & Corporate Services

**Ling Siew Lan**  
General Manager,  
Sales (Big Drive)

**Gan Kai Wen**  
General Manager,  
Sales (Big Ride, Big Buy, Big Fly & Big Digital & Monorail)

**Nismanita binti Zulkifli**  
Head, Intergrated & Intelligence Marketing

**MEDIA PRIMA TELEVISION NETWORKS**

**Datuk Kamal bin Khalid**  
Chief Executive Officer

**Datuk Seri Mohd Ashraf bin Abdullah**  
Group Managing Editor,  
News & Current Affairs

**Dato’ Manja bin Ismail**  
Deputy Group Managing Editor,  
News & Current Affairs

**Ahmad Kamaludin bin Zaba’ai**  
Group General Manager,  
News & Current Affairs

**Sofwan bin Mahmood**  
Group General Manager,  
News Operations

**Sherina binti Mohamad Nordin**  
Director Brand, Content & Strategy

**Nur Airin binti Zainul**  
Director of tonton & Licensing & Merchandising

**Dr Ahmad Zaki bin Mohd Salleh**  
Director, Technical Operations

**Abdul Rashid Malik bin Khushi Muhammad**  
Group General Manager,  
Airtime Management Group

**Nini binti Yusof**  
Director, Sales & Strategy

**Siti Nurlisia binti Mohd Nadzri**  
General Manager, Brand Management & Programming

**Zurina binti Othman**  
General Manager, Brand Management & Programming

**Goh Ling Ling**  
General Manager, Brand Management & Programming

**Cheah Cheng Imm**  
General Manager, Acquisition & Content Management

**Emilya Suzana binti Ab. Rahim**  
General Manager, Operations  
ACM

**Marzina binti Ahmad**  
General Manager, Research

**Halim bin Mas’od**  
General Manager, Project Management

**Farah binti Shamsudin**  
General Manager,  
Creative Marketing

**Douglas Khoo Hong Seng**  
Creative Director,  
Creative Services

**Desmond Cheng Wang Tat**  
General Manager,  
Consumer Communications Group

**Shariman bin Zainal Abidin**  
General Manager,  
Content Control & VizRT

**Crystal Lee Choui Hoon**  
General Manager, Client Services

**Stephanie Wong Pui Tse**  
General Manager, Client Services

**Siti Khasiah Noor Khairuddin**  
General Manager, Client Services

**Ahmad Faisal Mohamad Khaliludin**  
General Manager, Client Services, Digital

**Loh Bern Jern**  
General Manager, tonton

**Kim Yang Hyun**  
Chief Executive Officer  
MP CJ O Shopping Sdn Bhd

**Junisa Jaafar Sidek**  
Head, Corporate Management & Marketing  
MP CJ O Shopping Sdn Bhd

**MEDIA PRIMA DIGITAL**

**Rafiq bin Razali**  
Chief Executive Officer

**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 binti Mohd Tahrir**  
Group General Manager, Network Programming,  
Production & Engineering

**Elaine Lee Yee Lim**  
General Manager, Marketing

**Tan Leng Ean**  
General Manager,  
Brand, Promotion & Digital

**THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD**

**Datuk Abdul Jalil Hamid**  
Chief Executive Officer

**Datuk Mahfar Ali**  
Group Editor, Berita Harian

**Datuk Mustapa Omar**  
Group Editor, Harian Metro

**Yushaimi Maulud Yahya**  
Group Editor, NST

**Aszman Kasmani**  
General Manager, Production

**Jeannie Leong Lee Eu**  
General Manager, Advertisement

**Farah Ezrin Mohd Rashidi**  
General Manager, Marketing

**Sanusi Abdul Yusoh**  
General Manager, News Paper Sales & Distribution

**PRIMEWORKS STUDIOS SDN BHD**

**Datuk Ahmad Izham bin Omar**  
Chief Executive Officer

**Azhar bin Borhan**  
Group General Manager,  
Production & Operations

**Abdull Aziz bin Ismail**  
General Manager, Factual & Documentary

**Mas Ayu binti Ali**  
General Manager,  
Chinese Entertainment

**Hemanathan Paul**  
General Manager,  
Entertainment, Drama & Sports

**Nurin Marini binti Ramlan**  
General Manager,  
Innovation & Primeworks Distribution

**Nor Shahila binti Harun Shah**  
General Manager, Film Production

**Asturiyanti Zuhrufadila Ishak**  
General Manager, Corporate Affairs

**Datin Jacynta Au Yong Yim San**  
Manager, Artiste & Talent Management

**Siti Muni Ayu Mohd Amir Rol**  
Head, Content Development

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Sixteenth (16<sup>th</sup>) Annual General Meeting of MEDIA PRIMA BERHAD (“the Company”) will be held at Ballroom 2, 1<sup>st</sup> Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 27 April 2017 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 2016 and the Reports of the Directors and Auditors thereon.  | <b>Please refer to Explanatory Note 1</b>  |
| 2. | To approve the payment of a final single-tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2016.   | <b>Resolution 1</b>                        |
| 3. | To re-elect Datuk Shahril Ridza bin Ridzuan who retires in accordance with Article 100 of the Company’s Articles of Association.  | <b>Resolution 2</b>                        |
| 4. | To re-elect the following Directors who retire in accordance with Article 105 of the Company’s Articles of Association:-<br><br>i. Tan Sri Dato’ Seri Utama Haji Ismail bin Haji Omar<br>ii. Datuk Loo Took Gee | <b>Resolution 3</b><br><b>Resolution 4</b> |
| 5. | To approve the payment of Directors’ fees of RM464,345.00 for the financial year ended 31 December 2016.  | <b>Resolution 5</b>                        |
| 6. | To approve the payment of Directors’ remuneration and benefits (excluding Directors’ fees) up to an amount of RM1,290,000.00 for the period from 1 January 2017 until the next AGM of the Company.              | <b>Resolution 6</b>                        |
| 7. | To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Board of Directors to determine their remuneration.   | <b>Resolution 7</b>                        |

**SPECIAL BUSINESS**

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

- |    |   |                     |
|----|---|---------------------|
| 8. | <p><b>Proposed Renewal of Share Buy-Back Authority</b></p> <p>“THAT, subject always to the Companies Act 2016 (“Act”) and all other applicable laws, rules and regulations, approval be and is hereby given to the Company, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“Bursa Securities”) as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed ten percent (10%) of the existing total number of issued shares in the ordinary share capital of the Company and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, upon such terms and conditions as set out in the Statement to Shareholders dated 4 April 2017.</p> <p>THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and until the conclusion of the next Annual General Meeting (“AGM”) of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution in the general meeting of the Company but so as not to prejudice the completion of a purchase made before such expiry date, in any event, in accordance with the provisions of Bursa Securities Main Market Listing Requirements and any other relevant authorities.</p> <p>THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as Treasury Shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends and/or to deal with the treasury shares in such manners as may be permitted and prescribed by the provisions of the Bursa Securities Main Market Listing Requirements and any other relevant authorities.</p> <p>AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company</p> | <b>Resolution 8</b> |
| 9. | To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Articles of Association.   |                     |

# NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN** that a final single-tier dividend of 4.0 sen per ordinary share for the financial year ended 31 December 2016, if approved by the shareholders at the Sixteenth (16<sup>th</sup>) Annual General Meeting, will be paid on 30 June 2017 to Depositors whose names appear in the Record of Depositors at the close of business on 2 June 2017.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- a. shares transferred into the Depositor’s Securities Account before 4.00 p.m. on 2 June 2017 in respect of transfers;
- b. shares deposited into the Depositor’s Securities Account before 12.30 p.m. on 31 May 2017 in respect of shares exempted from mandatory deposit; and
- c. shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

## BY ORDER OF THE BOARD

**TAN SAY CHOON (MAICSA 7057849)**  
**FARNIDA BINTI NGAH (MIA 22495)**  
Group Company Secretaries

**Kuala Lumpur**  
Date : 4 April 2017

### Notes:-

### Proxy

- 1. Only members whose names appear in the Record of Depositors on 20 April 2017 (“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 PUJ 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 2016**  
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 5 : 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 2016 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 2016 will only be made if the proposed Resolution 5 has been approved at the 16<sup>th</sup> AGM of the Company.

- 3. **Resolution 6 : Directors’ Remuneration (excluding Directors’ Fees)**  
Resolution 6 relates to the payment of Directors’ remuneration (excluding Directors’ fees) in respect of the FY 2017 and until the next AGM of the Company.

The Directors’ Remuneration (excluding Directors’ Fees) comprises the allowances and other emoluments payable to the Group Chairman and Members of the Board and Board Committees as set out below:-

1	Monthly Fixed Allowance	Group Chairman	RM25,000 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.

In determining the estimated total amount of remuneration (excluding Directors’ fees) for the NEDs including the Non-Executive Group Chairman of the Board of Media Prima Berhad, the Board had considered 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 estimated amount of RM1,290,000.00 for the said period is derived from a total of RM967,500.00 for the FY 2017 and one-third (1/3) of the said amount equivalent to RM322,500.00 for the period from 1 January 2018 until the next AGM in 2018.

The payment of the remuneration (excluding Directors’ fees) to the NEDs will be made on a monthly basis and/or as and when incurred if the proposed Resolution No. 6 has been passed at the 16<sup>th</sup> 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 8 : Proposed Renewal of Share Buy-Back Authority**  
The proposed Resolution 8, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten percent (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 4 April 2017 in relation to the Proposed Renewal of Share Buy-Back Authority for further details.



# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors who are standing for re-election at the Sixteenth (16<sup>th</sup>) Annual General Meeting of Media Prima Berhad are:-

(i)	Datuk Shahril Ridza bin Ridzuan	(Resolution 2)
(ii)	Tan Sri Dato’ Seri Utama Haji Ismail bin Haji Omar	(Resolution 3)
(iii)	Datuk Loo Took Gee	(Resolution 4)

The details of the above Directors who are seeking re-election are set out in the “Board of Directors Profiles” which appear from pages 91-95 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 202 of the Annual Report.

# FINANCIAL CALENDAR

ANNOUNCEMENT OF CONSOLIDATED RESULTS	DIVIDENDS	ANNUAL GENERAL MEETING
<div><b>12 May 2016</b> Announcement of the unaudited consolidated results for the 1<sup>st</sup> quarter ended 31 March 2016.</div> <div>.....</div> <div><b>11 August 2016</b> Announcement of the unaudited consolidated results for the 2<sup>nd</sup> quarter ended 30 June 2016.</div> <div>.....</div> <div><b>29 November 2016</b> Announcement of the unaudited consolidated results for the 3<sup>rd</sup> quarter ended 30 September 2016.</div> <div>.....</div> <div><b>23 February 2017</b> Announcement of the unaudited consolidated results for the financial year ended 31 December 2016.</div>	<div><b>1<sup>st</sup> Interim Single-Tier Dividend of 2.0 sen</b>  Notice : 11 August 2016 Entitlement : 9 September 2016 Payment : 30 September 2016</div> <div>.....</div> <div><b>2<sup>nd</sup> Interim Single-Tier Dividend of 2.0 sen</b>  Notice : 29 November 2016 Entitlement : 16 December 2016 Payment : 30 December 2016</div>	<div><b>4 April 2017</b> Notice of 16<sup>th</sup> Annual General Meeting</div> <div>.....</div> <div><b>27 April 2017</b> 16<sup>th</sup> Annual General Meeting</div>



(Company No: 532975 A)

CDS Account No	
Number of Ordinary Share(s) held	

# 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 Sixteenth (16<sup>th</sup>) Annual General Meeting of the Company to be held at Ballroom 2, 1<sup>st</sup> Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 27 April 2017 at 10.00 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of 16<sup>th</sup> AGM. My/our proxy is to vote as indicated below:-

RESOLUTION NO	RESOLUTIONS	FOR	AGAINST
Resolution 1	To approve the payment of a final single-tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2016.		
Resolution 2	To re-elect Datuk Shahril Ridza bin Ridzuan as Director of the Company.		
Resolution 3	To re-elect Tan Sri Dato’ Seri Utama Haji Ismail bin Haji Omar as Director of the Company.		
Resolution 4	To re-elect Datuk Loo Took Gee as Director of the Company.		
Resolution 5	To approve the payment of Directors’ fees of RM464,345.00 for the financial year ended 31 December 2016.		
Resolution 6	To approve the payment of Directors’ remuneration and benefits (excluding Directors’ fees) up to an amount of RM1,290,000.00 for the period from 1 January 2017 until the next AGM of the Company.		
Resolution 7	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to determine their remuneration.		
Resolution 8	To approve the proposed Renewal of Share Buy-Back Authority		

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/she thinks fit, or at his/her discretion, abstain from voting.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017  
\_\_\_\_\_  
Signature of Member/Common Seal

- Notes:
- Only members whose names appear in the Record of Depositors on 20 April 2017 (“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.
  - 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.
  - 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.
  - Where a member of the company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.
  - 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.
  - 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

**SYNCHRO SOUND 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**

2nd Floor, Balai Berita, Anjung Riong  
31, Jalan Riong, Bangsar  
59100 Kuala Lumpur  
Tel : +603 – 7729 3889  
Fax : +603 – 7729 3999  
: +603 – 2282 1639  
Website : http://bigtreeoutdoor.com

**THE NEW STRAITS TIMES PRESS (M) BERHAD**

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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  
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Fax : +603 - 7727 1799  
Website : http://www.primeworks.com.my

**MEDIA PRIMA DIGITAL**

3rd Floor, North Wing, Sri Pentas  
No.3, Persiaran Bandar Utama  
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Fax : +603 – 7710 3876  
Website : http://www.mediaprimadigital.com.my



**[www.mediaprima.com.my](http://www.mediaprima.com.my)**

**MEDIA PRIMA BERHAD** (532975-A)

Balai Berita, Anjung Riong  
31, Jalan Riong, Bangsar  
59100 Kuala Lumpur, Malaysia

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