

23. REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED
BALANCE SHEETS AS AT 31 JULY 2003

PRICEWATERHOUSECOOPERS 

The Board of Directors
ASTRO ALL ASIA NETWORKS plc
3rd Floor, Administration Building
All Asia Broadcast Centre
Technology Park Malaysia
Lebuhraya Puchong-Sungai Besi
Bukit Jalil
57000 Kuala Lumpur
Malaysia

26 September 2003

ASTRO ALL ASIA NETWORKS plc
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 JULY 2003

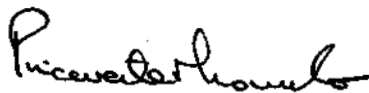
Dear Sirs,

We have reviewed the presentation of the proforma consolidated balance sheets of ASTRO ALL ASIA NETWORKS plc ("AAAN") and the subsidiary companies which were acquired subsequent to 31 July 2003 (collectively known as "ASTRO") as at 31 July 2003, together with the notes thereto, for which the Directors are solely responsible, as set out in Section 12.4 of the Prospectus. The proforma consolidated balance sheets have been prepared in connection with AAAN's proposed flotation on the Main Board of the Kuala Lumpur Stock Exchange and should not be relied upon for any other purpose.

Based on the results of our review, we confirm that the proforma consolidated balance sheets of ASTRO as at 31 July 2003, which have been prepared solely for illustrative purposes only, have been properly compiled on the bases set out in the notes to the proforma consolidated balance sheets as set out in Section 12.4 of the Prospectus.

Our letter on the Proforma Consolidated Balance Sheets of ASTRO as at 31 July 2003 is solely for the purpose of this Prospectus, in accordance with the Prospectus Guidelines issued by the Securities Commission and not for inclusion in the International Offering Circular.

Yours faithfully,



PRICEWATERHOUSECOOPERS
(No. AF:1146)
Chartered Accountants



UTHAYA KUMAR S/O K. VIVEKANANDA
(No. 1455/06/04(J))
Partner of the firm

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24. DIRECTORS' REPORT



Date : 26 SEP 2003

The Shareholders of ASTRO ALL ASIA NETWORKS plc

Dear Sir/Madam

On behalf of the Directors of ASTRO ALL ASIA NETWORKS plc ("AAAN"), I report after due enquiry that during the period from 31 July 2003 (being the date to which the last audited financial statements of AAAN, AAAN Bermuda Ltd and Celestial Pictures Limited have been made up) to 26 September 2003 (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) the business of the AAAN and its subsidiaries ("ASTRO") has, in the opinion of the Directors of the Company, been satisfactorily maintained;
- (b) in the opinion of the Directors of the Company, save for the acquisition of AAAN Bermuda Ltd, no circumstances have arisen which have adversely affected the trading or the value of the assets of ASTRO;
- (c) the current assets of ASTRO appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by AAAN or any of its subsidiaries;
- (e) there have been, since the last audited financial statements of AAAN, AAAN Bermuda Ltd and Celestial Pictures Limited, no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in respect of any borrowings; and
- (f) save as disclosed in this Prospectus, there have been no changes in the published reserves or any unusual factors affecting the profits of ASTRO.

Yours faithfully
For and on behalf of the Board
of ASTRO ALL ASIA NETWORKS plc


Augustus Ralph Marshall
Deputy Chairman/Group Chief Executive Officer

25. LEGAL OPINION BY KADIR, ANDRI AIDHAM & PARTNERS

**KADIR
ANDRI AIDHAM** PARTNER
PEGUAMBER HUKUM
ADVOCATES & SOLICITORS

Your Ref:

Our Ref:

29 September 2003

The Board of Directors
ASTRO All Asia Networks plc
All Asia Broadcast Centre
Technology Park Malaysia
Lebuhraya Puchong-Sungei Besi
Bukit Jalil
57000 Kuala Lumpur

Dear Sirs,

**RE: OPINION RELATING TO THE NATURE OF THE LEGAL INTEREST OF
MEASAT DIGICAST SDN BHD IN THE LAND ON WHICH THE ALL ASIA
BROADCAST CENTRE IS SITUATED**

We have been asked to give our views on the following:-

1. The nature of the legal interest of MEASAT Digicast Sdn Bhd ("Digicast") (a wholly-owned subsidiary of MEASAT Broadcast Network Systems Sdn Bhd) in the piece of land measuring approximately 1.2 million square feet on which the All Asia Broadcast Centre is situated ("AABC Land");
2. Execution of the Agreement to Sub-Lease (as defined below) and the Sub-Lease Agreement (as defined below); and
3. How can Digicast ensure that their interest in the AABC Land is protected.

**1. THE NATURE OF THE LEGAL INTEREST OF DIGICAST IN THE AABC
LAND**

1.1 FACTS

- 1.1.1 The AABC Land forms part of a larger piece of land measuring approximately 776 acres, the title particulars of which are HS(D) 82283, PT 4784 Mukim Petaling, Wilayah Persekutuan ("the Master Land").
- 1.1.2 The registered owner of the Master Land is the Federal Lands Commissioner (the "FLC").
- 1.1.3 The Department of the Director General of Land and Minerals has confirmed that the Federal Government has agreed to allow:-
 - (i) FLC, as the registered owner of the Master Land to lease the land to TPM (the "Principal Lease"), and

Please quote our reference when replying

managing partner
KADIR KASSIM

partners (in alphabetical order)
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E. SREESANTHAN
JULIAN MAHMUD HASHIM
NAHENDRAN NAVARATNAM
S. SUHENDRAN
TAN KONG YAM

assistants (in alphabetical order)
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AMIR MOHD SALLEH
AZLEEN MOHAMMED SALEH
BRENDAN NAVIN SIVA
CHEW KHENG MENG
EDWIN LEE KWAN ONN
JACELYN KHOO JUNE LEE
JAYANTHI PILLAY
KALPANA SAMBASIVAMURTHY
KOH POI SAN
LEE JEUNHAN
LILY ASHEKIN IBRAHIM
MAK LIN KUM
NORINNE IRA DEWAL
ROHAIDA ABDUL SAMAD
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25. LEGAL OPINION BY KADIR, ANDRI AIDHAM & PARTNERS (Cont'd)



- (ii) TPM to sub-lease the land to its tenant company upon registration of the Principal Lease.

This is evidenced in the letter dated 20 March 1998 from the Department of the Director General of Land and Minerals.

- 1.1.4 TPM has agreed to sub-lease to Digicast, the AABC Land (the "Sub-Lease"), as evidenced by the following:-

1.1.4.1 Letter dated 28 July 1995 from TPM to Digicast giving its express consent for Digicast to begin the construction of the All Asia Broadcast Centre on the AABC Land and stating their intention to enter into a sub-lease agreement with Digicast for a tenure of 30 years with renewal for an additional 30 years for a fixed rate of RM35 per square foot.

1.1.4.2 A series of correspondence between TPM and Digicast dated between 1 November 1996 and 31 March 1997 referred to in 1.2.1 below.

- 1.1.5 To date the Principal Lease between FLC and TPM has not been executed as the Issue Document of Title ("IDT") for the AABC Land has not been issued to FLC. Further TPM and Digicast have finalised but have not yet executed an agreement to sub-lease ("Agreement to Sub-Lease") based on the terms and conditions of the Sub-Lease set out in 1.2.1 below and a sub-lease agreement ("Sub-Lease Agreement") which will be lodged with the land office upon registration of the Sub-Lease. It is only upon the issuance of the IDT to the FLC that the Principal Lease and Sub-Lease Agreement will be executed and duly registered in accordance with the provisions of the National Land Code 1965 ("NLC").

1.2 NATURE OF DIGICAST'S INTEREST IN THE AABC LAND.

- 1.2.1 We are of the view that there is an agreement to lease the AABC Land between TPM and Digicast. This agreement is evidenced by the correspondence set out below:-

1.2.1.1 Letter dated 1 November 1996 from Digicast to TPM stating their agreement to TPM's payment terms as follows:-

- (i) Payment of 20% of the rental sum upon signing of the lease agreement.
- (ii) Payment of 30 % of the rental sum payable within two years from 28th July 1995.
- (iii) Payment of 50% plus interest (BLR of MBB plus 2% - yearly rest) to be paid annually at the beginning of the year in 28 instalments, commencing two years from 28 July 1995.

1.2.1.2 Letter dated 18 November 1996 from TPM to Digicast, pursuant to which TPM agreed to the payment terms as stated by Digicast in the abovementioned letter. The letter also clarified that the total land area leased will be based on the actual land area as approved by the land office and incorporated in the Sub-Lease Agreement.

1.2.1.3 Letter dated 31 March 1997 from Digicast to TPM, enclosing a cheque amounting to RM8,842,680.00 being the first payment of 20% of the total

25. LEGAL OPINION BY KADIR, ANDRI AIDHAM & PARTNERS (Cont'd)

KADIR & PARTNERS
ANDRI AIDHAM & PARTNERS

lease amount. The next payment of 30% will be paid after the signing of the Sub-Lease Agreement or 28 July 1997 whichever is the later.

The letter confirms an initial lease term of 30 years which is to be calculated from 28 July 1995 with an option given to Digicast to renew the lease for a further 30 year term. The letter reiterates that the terms of the Sub-Lease shall be guided by the letter from TPM dated 28 July 1995 (referred to in 1.1.4.1) and the payment terms shall be as set out in the letter dated 1 November 1996 (referred to in 1.2.1.1).

- 1.2.2 It is also relevant to note that TPM has given a written undertaking to Citibank Berhad ("Citibank") vide letter dated 14 April 2001 in relation to the Sub-Lease. In that undertaking, TPM confirms that they have initiated the process for the application for a separate IDT for the AABC Land. TPM also undertakes to enter into and accept the lease with the FLC over the AABC Land and to perfect the Sub-Lease with Digicast upon the issuance of the IDT. TPM further undertakes not to amend any of the terms and conditions of the Sub-Lease with Digicast and not to terminate or take action to terminate the Sub-Lease with Digicast without prior notice to Citibank.
- 1.2.3 We are of the view that even though there is no formal sub-lease agreement between the parties, the parties have by conduct and intention formed a binding agreement to sub-lease the AABC Land. By way of letter dated 28 July 1995 (referred to in 1.1.4.1 above), TPM had given express consent to allow the Digicast to begin construction of the All Asia Broadcast Centre and stated the lease terms as to tenure and payment. The series of letters referred to in 1.2.1 above further evidence the terms of the agreement between the parties as to payment pertaining to the sub-lease of the AABC Land and the passing of consideration between the parties. Furthermore, FLC has consented to TPM sub-leasing the land to Digicast by way of letter dated 20 March 1998 (referred to in 1.1.3 above) and the letter of undertaking (referred to in 1.2.2 above) further supports TPM's obligation to execute a Sub-Lease agreement with Digicast and not to modify the terms of the Sub-Lease.
- 1.2.4 Malaysian case law has held that a written agreement to lease the land between the parties, though void at law as a lease because of non-registration, is in equity, a good and enforceable agreement. In the case of *Wan Salimah Wan Jaffar v Mahmood Omar; Anim Abdul Aziz (Intervener) (1998) 1 CLJ 480* the High Court held that notwithstanding the non-registration of the lease, an agreement to lease that was created between the plaintiff and the defendant was in equity an enforceable agreement. In this case, Abdul Malik Ishak J gave effect to the contractual obligations of the parties under the written agreement and upheld the principle developed in *Walsh v Lonsdale (1882) 21 Ch D9* whereby an agreement to lease is said to be as good as a lease if it is capable of specific performance based on sufficient acts of part performance. Abdul Malik Ishak J also looked to the intention of the parties and that as the parties intended that there should be a lease, equity must therefore be invoked to carry that intention into effect effectively. The High Court also applied a liberal interpretation of section 206 (3) of the NLC which states that nothing in relation to subsection (1), which provides inter alia that no instrument shall operate to create or transfer any title to any alienated land or effect any interest unless it has been registered, shall affect the contractual operation of any transaction relating to alienated land or any interest therein.
- 1.2.5 In the case of *Ong Heng Hwa Realty Sdn Bhd v Teoh Chai Siok (1977) 1 MLJ 124*, Syed Agil Barakbah J referred to the principles laid down by Mohamed Azmi in *Lee Lum Soh v Loh Ngah (1973) 1 MLJ 97*, that a tenant relying on an agreement void as a lease for non-registration can only be protected in equity if he has equitable grounds. Furthermore, the legal principles of *Inwards v Baker (1965) 2 WLR 212*,

25. LEGAL OPINION BY KADIR, ANDRI AIDHAM & PARTNERS (Cont'd)

213 were upheld, in that, where a person has expended money on the land of another in expectation of being allowed to remain in occupation, induced and encouraged by the owner of the land, an equity was created such that the Courts will protect his occupation of the land, and the Courts have power to determine in what way the equity so arising could be satisfied.

1.3 DIGICAST'S INTEREST HAS NOT BEEN REGISTERED

1.3.1 Although Digicast has a contractual interest in the AABC Land it does not have a registered interest in the land pursuant to the NLC. However, based on the case law above, the Courts are able to perfect an otherwise imperfect lease by way of non-registration and will give effect to Digicast's contractual arrangement with TPM. The application of equitable principles by the Courts would allow for the specific performance of the Sub-Lease notwithstanding the non-registration of the resulting lease under the NLC.

1.3.2 The present situation is as follows, TPM is awaiting the issuance of the IDT to the FLC before registering the Principal Lease to evidence TPM's interests in the AABC Land, whereupon TPM will then execute the Sub-Lease Agreement with Digicast in respect of the AABC Land. Only then will Digicast be able to register the Sub-Lease under the NLC and consequently have an indefeasible registered interest in the AABC Land. Presently Digicast's interest remains unprotected vis a vis third parties who may assert a competing claim on the AABC Land if such interest was obtained bona fide and without notice of the Digicast's prior interest.

2. EXECUTION OF THE AGREEMENT TO SUB-LEASE AND THE SUB-LEASE AGREEMENT

2.1.1 Presently both parties have finalised an Agreement to Sub-Lease. This agreement records and restates into one document the current terms of the agreement to sub-lease, which is captured in the series of correspondence referred to in 1.2.1 above. This series of correspondence sets out the terms of the agreement to sub-lease, evidences the passing of consideration for agreement to sub-lease, evinces a clear intention between the parties to create a legal relationship and amounts to a contractually binding agreement to sub-lease between TPM and Digicast. Further, based on the case law set out above, Digicast has a valid and enforceable contractual interest in the AABC Land and is able to rely on equitable principles to specifically enforce the Agreement to Sub-Lease.

2.1.2 The execution of this Agreement to Sub-Lease between TPM and Digicast will formalise the parties' previously agreed terms and conditions pertaining to the sub-lease. In our view, the execution of the Agreement to Sub-Lease between TPM and Digicast is not, as a matter of law, dependant upon the issuance of the IDT and the registration of the Principal Lease.

2.1.3 Appended to the above Agreement to Sub-Lease is a Sub-Lease Agreement. This Sub-Lease Agreement contains all the terms and conditions of the sub-lease when the sub-lease is registered. This Sub-Lease Agreement will be annexed to Form 15B upon lodgement of the Sub-Lease for registration under the NLC. It is the execution of this Sub-Lease Agreement that is conditional upon the issuance of the IDT and the registration of TPM's Principal Lease.

3. HOW CAN DIGICAST ENSURE THAT THEIR INTEREST IN THE LAND IS PROTECTED?

25. LEGAL OPINION BY KADIR, ANDRI AIDHAM & PARTNERS (*Cont'd*)

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115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 617, 619, 621, 623, 625, 627, 629, 631, 633, 635, 637, 639, 641, 643, 645, 647, 649, 651, 653, 655, 657, 659, 661, 663, 665, 667, 669, 671, 673, 675, 677, 679, 681, 683, 685, 687, 689, 691, 693, 695, 697, 699, 701, 703, 705, 707, 709, 711, 713, 715, 717, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999

- 3.1 Digicast can ensure the protection of their interest in the AABC Land by the entry of a private caveat pursuant to section 323 (1) of the NLC. The entry of a private caveat is recommended in instances where any person or body is claiming title to, or any registrable interest in, any alienated land or any right to such title or interests. The main function of caveating is that: -
- (a) it restrains the registered proprietor from dealing with the land;
 - (b) it protects the interest of the caveator for the time being until disposal of his claim against the proprietor;
 - (c) it serves as a notice to the world at large that the caveator has an interest in the land which he is protecting by means of the caveat; and
 - (d) it freezes the situation by maintaining the status quo of all parties concerned.
- 3.2 In the present situation, the title HS(D) 82283, PT 4784, Mukim Petaling, Wilayah Persekutuan is in respect of the Master Land. A part of this Master Land is the AABC Land. An individual IDT has not been issued to the FLC in respect of the AABC Land and TPM is not able to register the Principal Lease on that land. Consequently Digicast can only protect its interests in the AABC Land by way of lodgement of a private caveat in respect of the Master Land. This would restrain the registered owner, FLC, from any further dealings with the Master Land. As such, throughout the process of sub-division until the issuance of the IDT in favour of FLC, Digicast is unable to lodge a private caveat.
- 3.3 Apart from the equitable interest that Digicast has over the AABC Land, it does not appear possible for Digicast to protect its interest further without hindering the sub-division process by FLC.

Yours faithfully,

Kadir andri aidham & Partners