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## 2. INTRODUCTION

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This Prospectus is dated 1 October 2003. A copy of this Prospectus has been registered by the SC and lodged with the ROC and neither the SC nor the ROC takes any responsibility for its contents.

**Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed the Shares as a Prescribed Security. In consequence thereof, the Issue Shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the aforesaid Act and the Rules of the MCD.**

On 19 September 2003, approval was obtained from the SC in respect of the listing of AAAN on the Main Board of KLSE and the Schemes. The approval of the SC shall not be taken to indicate that the SC recommends the Initial Public Offering, the listing of AAAN on the KLSE and/or the Schemes. The SC shall not be liable for any non-disclosure on the part of the Company and assumes no responsibility for the contents of this Prospectus, make no representation as to the accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. **Investors should rely on their own evaluation to assess the merits and risks of the investment in the Company. In considering the investment, investors who are in any doubt as to the action to be taken, should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

An application will be made to the KLSE within three Market Days from the date of this Prospectus for Admission and for dealing in and quotation for the entire issued and fully paid-up share capital of AAAN, including the Issue Shares which is the subject of this Prospectus, on the Main Board of KLSE failing which, any allotment made on an application to subscribe for the Issue Shares in pursuance of this Prospectus shall be void pursuant to Section 52(1) of the SCA.

Acceptance of the applications in the Initial Public Offering will be conditional upon permission being granted to deal in and quotation for all the issued shares of the Company, including the Issue Shares, within six weeks from the date of this Prospectus or such longer period as may be specified by the SC, provided that the Company is notified by or on behalf of the KLSE within six weeks or such longer period as may be specified by the SC.

Pursuant to Section 52(2) of the SCA, in the event the application for Admission has not been made within three Market Days or permission has not been granted to deal in and quotation for all the issued shares of the Company within six weeks or such longer period as may be specified by the SC, all monies paid in respect of any application accepted will be returned without interest and if such monies are not returned within 14 days after the Company becomes liable to do so, then the officers of the Company shall be jointly and severally liable to return such monies with interest at the rate of 10 per cent. per annum or such other rate as may be prescribed by the SC upon expiration of that period.

In the event that the Shares are not admitted to the Official List by 4 December 2003 the Company will withdraw its application for Admission and will, in accordance with applicable laws, return the monies paid in respect of any application for Shares to applicants without interest. Refer to Section 5.2.8 of this Prospectus for risks relating to delay or failure in trading of the Shares.

The Shares will be admitted to the Official List and official quotation of the Shares will commence upon receipt of confirmation from the MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to successful applicants.

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## 2. INTRODUCTION (*Cont'd*)

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The Company needs to comply with the public spread requirement as determined by the KLSE including a minimum of 1,000 public shareholders holding not less than 100 shares each upon completion of the Initial Public Offering and at the point of listing. The Company is expected to achieve this at the point of listing. In the event that the above requirement is not met, the Company may not be permitted to proceed with its listing on the Main Board of KLSE. In the event thereof, monies paid in respect of all applications will be returned without interest and if such monies are not returned within 14 days after the Company becomes liable to do so, then the officers of the Company shall be jointly and severally liable to return such monies with interest at the rate of 10 per cent. per annum or such other rate as may be prescribed by the SC upon expiration of that period. For further details, refer to Section 4.3 of this Prospectus.

The completion of the Retail Offering and the Institutional Offering are inter-conditional and subject to the occurrence of the following events:

- (a) all Issue Shares under the Retail Offering having been subscribed for; and
- (b) at least 250,000,000 Issue Shares under the Institutional Offering having been subscribed for.

If the Retail Offering and the Institutional Offering are not completed, monies paid in respect of any application for Shares will be returned to applicants without interest and if such monies are not returned within 14 days after the Company becomes liable to do so, then the officers of the Company shall be jointly and severally liable to return such monies with interest at the rate of 10 per cent. per annum or such other rate as may be prescribed by the SC upon expiration of that period. For further details, refer to Section 4.3 of this Prospectus.

For applications using Application Forms, which was lodged with the ROC who takes no responsibility for its contents, an applicant should state his CDS account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS account, he should state in the Application Form his preferred ADA Code. Where an applicant already has a CDS account, he should not complete the preferred ADA Code. For applications by way of Electronic Share Application, an applicant must have a CDS account and the applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying in his CDS account number if the instructions that appears on the ATM screen at which he enters his Electronic Share Application requires him to do so. A corporation or institution cannot apply for the Shares by way of Electronic Share Application. Refer to Section 26 of this Prospectus for further details on procedure for application.

No person is authorised to give any information or to make any representation not contained herein in relation to the Initial Public Offering and if given or made, such information or representation must not be relied upon as having been authorised by AAAN or the Promoter. Neither the delivery of this Prospectus nor any issue of security made in relation with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has not been any change in the affairs of the Company or ASTRO since the date hereof.

This Prospectus has been prepared in the context of a public offering of securities under the laws of Malaysia.

The distribution of this Prospectus and the Initial Public Offering are subject to Malaysian laws and the Company, the Promoter and the Company's Advisers take no responsibility for the distribution of this Prospectus and the sale of the Issue Shares outside Malaysia pursuant to this Prospectus.

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**2. INTRODUCTION (Cont'd)**

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This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any Issue Shares in any jurisdiction where such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restriction.

The KLSE shall not be liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of the invitation, Company or of its Shares.

Unless otherwise stated, all historical financial information of ASTRO in this Prospectus is presented on a proforma basis on the assumption that the structure of ASTRO has been in existence throughout the fiscal years/period under review.

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### 3. SUMMARY

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**THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION AND THE FINANCIAL INFORMATION APPEARING ELSEWHERE IN THIS PROSPECTUS. THE FOLLOWING IS ONLY A SUMMARY OF SALIENT INFORMATION ABOUT ASTRO AND OTHER INFORMATION APPEARING ELSEWHERE IN THIS PROSPECTUS. PROSPECTIVE INVESTORS SHOULD READ AND UNDERSTAND THE ENTIRE PROSPECTUS, INCLUDING THE RISK FACTORS DESCRIBED IN SECTION 5 OF THIS PROSPECTUS, BEFORE DECIDING WHETHER TO INVEST IN THE ISSUE SHARES OFFERED HEREBY**

#### 3.1 Information on AAAN

AAAN was incorporated under the laws of England and Wales on 22 July 2003 as a public limited company under the name Cardbrook plc. The Company changed its name to AAAN on 23 July 2003. AAAN was registered as a foreign company in Malaysia with the ROC pursuant to Division 2 Part XI of the Malaysian Companies Act, 1965 on 16 September 2003.

AAAN has two registered offices, one in the U.K. (as required under Section 287 of the U.K. Act) and the other in Malaysia (as required under Section 333 of the Malaysian Companies Act, 1965) the addresses of which are set out in Section I of this Prospectus. The statutory registers of AAAN must be kept at the registered office in U.K. as required under the U.K. Act, whilst certified or duplicate copies or extracts of such registers are maintained at the registered office in Malaysia.

Currently, ASTRO's principal place of business is in Malaysia.

For further information on AAAN, refer to Section 11.1 of this Prospectus and for information on the Company's Articles of Association, refer to Section 20.2 of this Prospectus.

#### 3.2 Overview

ASTRO is a leading, integrated cross-media company in Malaysia. ASTRO is principally engaged in: the provision of DTH satellite multi-channel subscription television services; radio broadcasting services; the production and distribution of film and television programming; the publication and distribution of magazines; and the provision of interactive and multi-media services.

ASTRO's strategy is to leverage its production, content, distribution and advertising sales platforms to offer innovative content and interactive services to the widest possible audience in Malaysia and, increasingly, to audiences in other regional markets. The scale and diversity of ASTRO's distribution platforms, and of its subscriber base and radio and print audiences, provide the opportunity to offer an increasing array of new services, including services utilising mobile telephony, SMS and interactive payment technologies. In pursuing these interactive opportunities, and building on the dominant position it has established in multi-channel subscription television services and radio broadcasting, ASTRO is seeking to continue to diversify and grow its revenues, including subscription revenues, advertising sales, licensing revenues and user transaction revenues.

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### 3. SUMMARY (*Cont'd*)

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ASTRO is the dominant multi-channel subscription television broadcaster in Malaysia and the country's sole provider of DTH satellite multi-channel subscription television services through its wholly owned subsidiary MBNS. As at 31 July 2003, ASTRO had 100 per cent. market share of multi-channel subscription television and a penetration rate of approximately 23.3 per cent. of Malaysian television households with 1,107,242 unique residential subscribers, and 40,226 multiple residential subscriptions and 58,171 non-residential subscriptions. At present, ASTRO offers a total of 46 channels comprising 39 subscription channels, four free-to-air channels, two pay-per-view premium movie channels and one premium sport and events channel as well as 16 themed music channels (including five FM stations). Through MEASAT, ASTRO is also Malaysia's leading national radio broadcaster with approximately 8.2 million weekly listeners to its five FM terrestrial stations and with approximately 67.7 per cent. of Malaysia's radio advertising market for the 12 months ended 31 July 2003 (refer to Section 7.6 of this Prospectus for further details on the radio operations of ASTRO), and operates proprietary websites that attracted over 817,000 registered online members over the 18 months ended 31 July 2003. ASTRO is a pioneer in Malaysia in the provision of cross-media interactive services such as television-based SMS, and the offering of mobile content and application services to a broad base of subscribers, including approximately 9.9 million mobile telephone customers in Malaysia (of which 3.9 million are mobile telephone subscribers of ASTRO's affiliate, Maxis).

ASTRO has successfully established and operates one of the largest all-digital broadcast and production complexes in the world at the All Asia Broadcast Centre in Kuala Lumpur, Malaysia. ASTRO has invested approximately RM800 million in the development of this 350,000 square foot facility. The All Asia Broadcast Centre is staffed by personnel with sophisticated knowledge of digital broadcasting technologies and multi-lingual capabilities. To cater to the interests of Malaysia's three main ethnic groups, ASTRO has developed original content creation, aggregation and distribution capabilities in three major Asian language categories: Malay, Chinese and Tamil. ASTRO is also a supplier of Asian language content to other regional television operators.

ASTRO has leveraged its production, distribution and content capabilities to expand its business outside of Malaysia through its wholly owned subsidiary AOL. Through ASTRO Overseas Limited and its associated companies, ASTRO provides multi-channel subscription television services in Brunei via its broadcasting facilities at the All Asia Broadcast Centre, FM radio consulting services in India and publishing services in Hong Kong.

As part of ASTRO's strategy to strengthen its capabilities in Asian language programming, and to complete the consolidation of all the media businesses of the UT Group and its affiliates, in August 2003 ASTRO acquired Celestial Pictures, a leading distributor of Chinese movies and television channel provider, and PANV Group, an animation service provider located in the Philippines, from the UT Group and its affiliates. ASTRO believes that Celestial Pictures has the largest Chinese film library in the world, with 760 Chinese language titles, and Celestial Pictures is now a major licensor and distributor of Chinese language films and programming. The PANV Group has produced a total of 404 half-hour animated programmes to date. PASI, a subsidiary of PANV, has been named one of the world's top animation studios.

MBNS was one of the first projects to be launched in the MSC. The MSC status entitles MBNS to numerous incentives, which include tax and foreign exchange exemptions as well as flexibility in foreign equity participation and international fund raising. Four other AAAN subsidiaries also have MSC status.

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### 3. SUMMARY (Cont'd)

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ASTRO maintains a 52-week fiscal year ending on 31 January. ASTRO currently generates a substantial majority of its revenues as Malaysia's sole provider of DTH multi-channel subscription television services, and expects that a substantial majority of its revenues will continue to be derived from this source for the foreseeable future. Over the last five fiscal years, ASTRO has grown its residential subscriber base from 182,788 as at 31 January 1999 to 984,309 as at 31 January 2003, representing a compound annual growth rate of 52.3 per cent. AAAN Bermuda's consolidated revenues have grown from RM238.5 million in fiscal 1999 to RM1,129.4 million in fiscal 2003, representing a compound annual growth rate of 47.5 per cent. Celestial Pictures' consolidated revenues have increased from RM0.1 million in fiscal 2001 to RM8.3 million in fiscal 2003. For the six months ended 31 July 2003, AAAN Bermuda recorded a consolidated EBITDA of RM132.1 million and Celestial Pictures recorded a negative consolidated EBITDA of RM28.8 million. Over the same period, AAAN Bermuda recorded a net profit of RM0.5 million and Celestial Pictures recorded a net loss of RM31.3 million.

For further information on business overview and background on ASTRO, refer to Sections 7.1 and 7.2 respectively of this Prospectus.

#### 3.3 Competitive Strengths

ASTRO believes that it is uniquely positioned to derive significant positive benefits by growing its Malaysian and regional businesses as a result of the following competitive advantages:

- Leading integrated cross-media operations, with extensive reach over multiple delivery platforms
- Multi-lingual content creation, aggregation and distribution capabilities
- Extensive access to targeted high value consumers
- Multiple revenue streams
- Comprehensive suite of licences in a favourable regulatory environment
- Experienced management and track record of growth
- Modern and reliable network infrastructure
- Strong sponsorship from its principal shareholder

For further information on competitive strengths, refer to Section 7.3 of this Prospectus.

#### 3.4 Strategy and Future Plans

ASTRO's objectives are to grow revenues and maximise profitability by leveraging its extensive experience and capabilities in content creation, aggregation and distribution through its access to multiple distribution platforms in Malaysia and other attractive markets within the region.

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### 3. SUMMARY (Cont'd)

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In particular, ASTRO's objectives are to:

- Enhance profitability of multi-channel subscription television and radio businesses in Malaysia by:
  - Driving subscriber growth through targeted programming
  - Attracting new subscribers through aggressive packaging, marketing, sales and distribution
  - Retaining existing subscribers through advanced customer relationship management
  - Increasing ARPU through premium programming and value-added services
  - Focusing on cost management
  - Driving radio revenue through advertising unit rate growth and inventory management
- Utilise content creation, aggregation and distribution capabilities to broaden revenue base by:
  - Increasing licensing of content
  - Developing new Asian language channels
- Leverage cross-media platform interactivity to develop and expand revenue streams by:
  - Exploring opportunities for cross-media interactive content
  - Leveraging access to a broad base of subscribers to attract major advertisers at premium rates
- Enhance profitability through regional expansion of its content and distribution assets

For further information on strategy and future plans, refer to Section 7.4 of this Prospectus.

#### 3.5 Risk Factors

Prior to making an investment in the Shares, prospective investors should carefully consider the following risks, summarised from Section 5 of this Prospectus, in addition to the other information contained elsewhere in this Prospectus.

##### 3.5.1 Risks Relating to the Business and Operations of ASTRO

- ASTRO faces significant challenges that make evaluating its business difficult and may limit its ability to achieve its strategic objectives
- ASTRO has a history of losses and negative shareholders' equity
- The conditions of ASTRO's licence to provide direct broadcast satellite subscription television services in Malaysia could be varied, modified or revoked at any time
- ASTRO is heavily indebted
- ASTRO's operations and future investments may require significant capital investment
- ASTRO's rights to the land underlying the All Asia Broadcast Centre may be compromised
- ASTRO subsidises the cost of the set-top boxes for subscribers

### 3. SUMMARY (Cont'd)

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- ASTRO is dependent on a single satellite and may not be able to locate another satellite prior to the expiry of the design life of MEASAT-1
- The satellite television system is dependent upon a single uplink facility to a single satellite
- System failures could disrupt ASTRO's operations
- ASTRO's broadcast infrastructure is vulnerable to security breaches, piracy and hacking
- Complex technology used in ASTRO's business could fail or become obsolete
- ASTRO may be subjected to additional political, economic and regulatory risks as it expands its operations to other countries in Asia
- Competition from cable television and other developing technologies may erode ASTRO's market share
- ASTRO's ARPU and its profitability may decline as its subscriber base grows
- Control by principal shareholder
- There may be conflicts of interest between ASTRO and its related parties
- ASTRO's ability to compete effectively will depend on the availability of a skilled workforce
- ASTRO may be liable for information disseminated through ASTRO's network
- ASTRO has provided only limited interactive, multi-media and Internet-related services to subscribers and may be unsuccessful in expanding or providing more complex services
- ASTRO may be unable to adequately protect its intellectual property or may face intellectual property claims that may be costly to resolve or may limit its ability to exploit its intellectual property in the future
- ASTRO is exposed to foreign exchange risks

#### 3.5.2 Risks Relating to the Shares

- There has been no prior market for the Shares
- Like other companies in the media, broadcasting and telecommunications industries, AAAN's share price may be volatile
- AAAN may not be able to pay dividends to its shareholders
- Investors in the Initial Public Offering will suffer immediate dilution in NTA



### 3. SUMMARY (Cont'd)

- The sale or the possible sale of a substantial number of the Shares in the public market following this Initial Public Offering could adversely affect the price of the Shares
- Shareholders' rights under English law may differ from those in other jurisdictions
- Enforceability of judgements against AAAN in Malaysia
- There may be a delay or failure in the trading of the Shares

#### 3.5.3 Other Risks

- Developments in Asia may negatively impact ASTRO
- Political, economic and social developments in Malaysia may adversely affect ASTRO
- The Ringgit Malaysia may be subject to exchange rate fluctuations
- Forward-looking statements contained in this Prospectus may not be accurate
- ASTRO's actual results may vary significantly from the profit forecast set forth herein

For further information on risk factors, refer to Section 5 of this Prospectus.

### 3.6 Ownership and Management

The tables below set forth the shareholdings of the persons and entities indicated immediately after giving effect to the issue of 508,400,000 Issue Shares (being the maximum number of Issue Shares that may be issued pursuant to the Initial Public Offering).

#### 3.6.1 Shareholdings of the Promoter and Substantial Shareholders

The direct and indirect shareholding interests of the Promoter and the substantial shareholders in AAAN after the completion of the Initial Public Offering will be as follows:

Substantial Shareholder	<----- After the Initial Public Offering ----->			
	No. of Shares over which interest subsists		No. of Shares over which interest subsists	
	Direct	%	Indirect	%
AAME	389,085,872	20.33	-	-
Khazanah	408,888,356	21.37	-	-
EABNS	162,016,400	8.47	-	-
UTES	90,534,101	4.73	389,085,872	20.33
Usaha Tegas	-	-	479,619,973	25.06

### 3. SUMMARY (Cont'd)

Substantial Shareholder	<----- After the Initial Public Offering ----->			
	No. of Shares over which interest subsists Direct	%	No. of Shares over which interest subsists Indirect	%
PSIL	-	-	479,619,973	25.06
Excorp	-	-	479,619,973	25.06
PanOcean	-	-	479,619,973	25.06
Ananda Krishnan Tatparanandam	-	-	819,082,908	42.80
EABSH	-	-	162,016,400	8.47
Tucson	-	-	162,016,400	8.47
Harapan Terus Sdn Bhd	-	-	177,446,535	9.27
Tun Haji Mohammed Hanif bin Omar	-	-	177,446,535	9.27
Dato' Haji Badri bin Haji Masri	500,000	0.03	177,446,535	9.27
Mohamad Shahrin bin Merican	-	-	177,446,535	9.27
Hj. Affendi bin Tun Hj Mohd Fuad Stephens	-	-	177,446,535	9.27

**Note:**

Please refer to Section 10.1.1 of this Prospectus for details of the shareholding interests of the substantial shareholders.

#### 3.6.2 Shareholdings of the Directors and Senior Management of ASTRO

The direct and indirect shareholding interests of the Directors and senior management of ASTRO after the completion of the Initial Public Offering (assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme pursuant to the Initial Public Offering but before exercise of the Options granted pursuant to the Schemes) will be as follows:

Directors	Designation(s)	<----- After the Initial Public Offering ----->			
		No. of Shares over which interest subsists Direct	%	No. of Shares over which interest subsists Indirect	%
Dato' Haji Badri bin Haji Masri ("DBM") <sup>(a)</sup>	Chairman/ Non-Executive Director	500,000	0.03	177,446,535	9.27
Augustus Ralph Marshall	Deputy Chairman/ Group Chief Executive Officer	1,000,000	0.05	-	-
Tan Poh Ching	Non-Executive Director	500,000	0.03	-	-
Dato' Mohamed Khadar bin Merican	Independent Non-Executive Director	250,000	0.01	-	-

### 3. SUMMARY (Cont'd)

	Designation(s)	----- After the Initial Public Offering ----->			
		No. of Shares over which interest subsists Direct	%	No. of Shares over which interest subsists Indirect	%
<b>Directors (Cont'd)</b>					
Kuok Khoon Ho	Independent Non-Executive Director	250,000	0.01	-	-
Bernard Anthony Cragg	Independent Non-Executive Director	250,000	0.01	-	-
<b>Senior Management</b>					
Rohana binti Rozhan	Chief Financial Officer/Company Secretary	450,000	0.02	-	-
David John Butorac	Chief Operating Officer	150,000	0.01	-	-
Jeffrey Jay Blatt	Special Counsel	150,000	0.01	-	-
Sze Yuet Sim	Head, Corporate Assurance	70,000	*	-	-
Tengku Anuar Mussaddad bin Tengku Mohammad	Director, Regulatory and Corporate Affairs	100,000	0.01	-	-
Lim Lay Fong	Company Secretary	50,000	*	-	-
Graham Charles Stephens	Chief Technology Officer, MBNS	140,000	0.01	-	-
Robert Anthony Alexander Lyons	Director of Programming and Content Strategy, MBNS	105,000	0.01	-	-
Kong Futt Fong	Director of Sales and Distribution, MBNS	75,000	*	-	-
Yeap Moon Kee	Director of Media Sales, MBNS	75,000	*	-	-
Yunus bin Tasim	Director of Subscriber Management, MBNS	100,000	0.01	-	-
Borhanuddin bin Osman	Executive Director, Radio	150,000	0.01	-	-
Dr. Diongu Badaturuge Nihalsingha	Executive Director, Feature Films	100,000	0.01	-	-
Chia Boon Lim	Executive Director, Marketing and Publications	100,000	0.01	-	-
William Theodore Pfeiffer	Chief Executive Officer, Celestial	125,000	0.01	-	-

**Notes:**

\* Less than 0.01 per cent.

(a) Please refer to Section 10.1.1 of this Prospectus for details of the indirect shareholding interests of DBM.

### 3. SUMMARY (Cont'd)

Other than as set forth above, there are no Directors or senior management of ASTRO who own any Shares and there are no shareholders who own five per cent. or more of AAAN's issued and outstanding ordinary shares or who are entitled to exercise or control the exercise of not less than 15 per cent. of the votes attached to the voting shares of the substantial shareholders of a company who directly hold shares therein.

ASTRO is managed on a day-to-day basis by the abovementioned senior management team headed by the Group Chief Executive Officer, Augustus Ralph Marshall. Further details on the ownership of AAAN and senior management of ASTRO are set out in Section 10 of this Prospectus.

#### 3.7 The Initial Public Offering

The Initial Public Offering is subject to the terms and conditions of this Prospectus and upon acceptance, the Issue Shares will be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.8 of this Prospectus:

- *Retail Offering at the Final Retail Price of RM3.80 per Share, payable in full upon application and subject to refund in the event that the Final Retail Price is less than RM3.80 per Share.*
  - (i) 19,073,000 of the Issue Shares have been reserved for eligible Directors and employees of ASTRO;
  - (ii) 4,000,000 of the Issue Shares have been reserved for eligible directors and employees of UT Group and Khazanah; and
  - (iii) 60,327,000 of the Issue Shares will be made available for application by eligible subscribers, retailers, distributors and installers of ASTRO, and Malaysian citizens, companies, co-operatives, societies and institutions ("Investing Public"), of which 34,000,000 Issue Shares have been reserved for eligible subscribers, retailers, distributors and installers whilst 26,327,000 will be available for application by the Investing Public of which at least 30 per cent. is to be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions.

Any Shares not subscribed for under paragraphs (i), (ii) and by eligible subscribers, retailers, distributors and installers mentioned in (iii) above will be made available for application by the Investing Public of which at least 30 per cent. is to be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions.

Eligible Directors and employees of ASTRO, eligible directors and employees of UT Group and Khazanah, and eligible subscribers, retailers, distributors and installers of ASTRO may also apply for the 26,327,000 Issue Shares available for application by the Investing Public mentioned in (iii) above.

- *Institutional Offering at an Institutional Price payable in full upon allocation and determined by way of bookbuilding.*

Up to 425,000,000 of the Issue Shares are being offered (i) to Malaysian institutional and selected investors; (ii) to QIBs in the U.S. in reliance on Rule 144A; and (iii) in transactions outside the U.S. in reliance on Regulation S.

### 3. SUMMARY (Cont'd)

The completion of the Retail Offering and the Institutional Offering are inter-conditional and are subject to occurrence of both of the following events:

- (a) all Issue Shares under the Retail Offering having been subscribed for; and
- (b) at least 250,000,000 Issue Shares under the Institutional Offering having been subscribed for.

If the Retail Offering and the Institutional Offering are not completed, monies paid in respect of any application for Shares will be returned without interest and if such monies are not returned within 14 days after the Company becomes liable to do so, then the officers of the Company shall be jointly and severally liable to return such monies with interest at the rate of 10 per cent. per annum or such other rate as may prescribed by the SC upon expiration of that period.

For further details on the Initial Public Offering, refer to Section 4 of this Prospectus.

#### 3.8 Salient Terms of the Key Licences of ASTRO

The following licences have been issued to ASTRO:

Entity	Relevant Legislation	Date of Commencement of Licence	Licences	Expiry Date
MBNS	Broadcasting Act 1988 (repealed)  (Licence registered under CMA)	1 March 1997	Broadcast licence for the right to broadcast through satellite, cable, terrestrial and other means from Malaysia; the right to provide satellite television and radio services, cable television and radio, pay television services, interactive television services, cable television and radio services, closed circuit television, teletext services.	28 February 2022
	Telecommunications Act 1950 (repealed)  (Licence registered under CMA)	25 October 1996	Telecommunications licence to support and maintain the provision of:  (a) broadcasting satellite services direct to user  (b) broadcasting services, radio services, data transmission services, interactive services, any other type of service for direct reception by person subscribing to that service	25 October 2016

### 3. SUMMARY (Cont'd)

Entity	Relevant Legislation	Date of Commencement of Licence	Licences	Expiry Date
			(c) telecommunications services for the conveyance of audio, video and other data services	
MEASAT Radio	CMA	1 July 2000	Individual content applications service provider licence for the right to provide terrestrial radio broadcasting services	30 June 2010
Maestra Broadcast	CMA	1 July 2000	Individual content applications service provider licence for the right to provide terrestrial radio broadcasting services	30 June 2010

For further information concerning the licensing regime and ASTRO's licences, refer to Section 9 of this Prospectus.

#### 3.9 Intellectual Property

AAAN believes that it and its subsidiaries either own or are licensed in respect of the technology and intellectual property currently used in its business.

ASTRO relies on a combination of trademark, servicemark and domain name registrations, copyright protection and contractual restrictions to establish and protect its brand names and logos, marketing designs and internet domain names and its intellectual property in works eligible for copyright including broadcasts, films, sound recordings, musical works, literary works and artistic works.

For further information concerning intellectual property, refer to Section 7.15 of this Prospectus.

#### 3.10 Technology

ASTRO has invested approximately RM800 million in the All Asia Broadcast Centre, a complex of approximately 350,000 square foot located at Technology Park Malaysia, about 10 km south of Kuala Lumpur City centre. The All Asia Broadcast Centre houses seven television and 20 radio studios as well as facilities for post-production editing, graphics, dubbing, sub-titling and training. It is also equipped with an all-digital broadcast and transmission system that enables video, audio and other data signals to be received, played-out, encoded, processed, compressed, multiplexed, encrypted, modulated and transmitted to satellite. All ASTRO's digital transmissions conform fully to the standards set by the European Digital Video Broadcasting Group and the European Telecommunication Standards Institute for digital satellite broadcasting. The All Asia Broadcast Centre is equipped with full emergency backup power generating equipment and an uninterruptible power supply to allow operations to continue without disruption in the event of a short or long-term power failure. However, reliance on a single broadcasting facility may result in serious disruption or even prolonged suspension of services if the facility were damaged by a natural or other disaster.

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### 3. SUMMARY (Cont'd)

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ASTRO is in the process of establishing, through an agreement between ASTRO and BSS, certain back-up facilities. The first of these facilities at the BSS telemetry, tracking and control facility, on the island of Langkawi, became operational in July 2003. This facility permits the emergency restoration of limited services, including the broadcast of 10 television channels and five radio stations with an unencrypted signal. The Langkawi facility permits ASTRO to provide limited services during a disruption of services at the All Asia Broadcast Centre and acts as a full back-up facility. This back-up facility is owned and operated by ASTRO's affiliate, BSS.

ASTRO is considering a proposal to retain BSS to develop a new facility in Cyberjaya located in the MSC, approximately 23 km from the All Asia Broadcast Centre. This facility will be supplied to ASTRO who will use it as both a full disaster recovery facility and a hot-switch diverse uplink site. The Cyberjaya facility is expected to become operational by early 2005 and will make the Langkawi facility unnecessary. The Cyberjaya facility will be linked by fibre optic cable to the All Asia Broadcast Centre and will provide alternate uplink that will permit ASTRO the capacity to immediately switch all uplinking in the event that heavy rain disrupts the uplink signal at the All Asia Broadcast Centre. To date, ASTRO has never experienced a significant failure of its network. ASTRO has a full business continuity plan in place should such a network failure ever occur.

For further information concerning technology, refer to Section 7.16 of this Prospectus.

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### 3. SUMMARY (Cont'd)

#### 3.11 Unaudited Proforma Financial Results of ASTRO

The following summary of the unaudited proforma consolidated income statements of ASTRO for the five fiscal years ended 31 January 2003 and the six months ended 31 July 2003 has been prepared on the assumption that the structure of ASTRO had been in existence throughout the fiscal years and period under review. The unaudited proforma consolidated income statements are qualified in their entirety by reference to and should be read in conjunction with (i) the notes and the bases for the preparation of ASTRO's unaudited proforma consolidated income statements as included in the Accountants' Report set out in Section 22 of this Prospectus; (ii) AAAN's audited financial statements and the related notes thereto for the nine days ended 31 July 2003; (iii) AAAN Bermuda's audited consolidated financial statements and related notes thereto for the three years ended 31 January 2003 and the six months ended 31 July 2003; (iv) MEASAT's audited consolidated financial statements and related notes thereto for the two years ended 31 January 2000; and (v) Celestial Pictures' audited consolidated financial statements and related notes thereto for the three years ended 31 January 2003 and the six months ended 31 July 2003.

	←-----For year ended 31 January----->					For six months ended 31 July 2003 RM 000
	1999 RM 000	2000 RM 000	2001 RM 000	2002 RM 000	2003 RM 000	
Revenue	253,590	399,825	616,209	879,983	1,148,489	651,162
Cost of sales	(440,352)	(604,509)	(762,683)	(867,314)	(1,084,128)	(483,333)
Gross (loss)/profit	(186,762)	(204,684)	(146,474)	12,669	64,361	167,829
Other operating income	34,478	106,162	3,869	104,513	53,447	25,832
Marketing and distribution costs	(50,179)	(71,013)	(93,822)	(77,340)	(97,529)	(60,878)
Administrative expenses	(139,066)	(158,612)	(193,557)	(173,470)	(176,345)	(81,458)
(Loss)/profit from operations	(341,529)	(328,147)	(429,984)	(133,628)	(156,066)	51,325
Finance income/(costs) (net)	114,138	(57,311)	(121,018)	(155,617)	(157,782)	(75,371)
Losses from investments in associates	(7,323)	(3,322)	(80,278)	(6,973)	(5,889)	(919)
Loss from ordinary activities before taxation	(234,714)	(388,780)	(631,280)	(296,218)	(319,737)	(24,965)
Taxation	-	-	(216)	34	612,842	(5,801)
(Loss)/profit from ordinary activities after taxation	(234,714)	(388,780)	(631,496)	(296,184)	293,105	(30,766)
Minority interest	500	-	-	20	6	-
Net (loss)/profit	(234,214)	(388,780)	(631,496)	(296,164)	293,111	(30,766)
No. of Shares assumed in issue <sup>(1)</sup> (000)	1,185,549	1,185,549	1,185,549	1,185,549	1,185,549	1,185,549
Loss before taxation per Share <sup>(2)</sup> (RM)	(0.20)	(0.33)	(0.53)	(0.25)	(0.27)	(0.02)
Net (loss)/profit per Share <sup>(3)</sup> (RM)	(0.20)	(0.33)	(0.53)	(0.25)	0.25	(0.03)
Gross dividend rate <sup>(4)</sup> (%)	-	-	-	-	-	-

**Notes:**

- (1) Being the number of shares in issue after the Acquisition of AAAN Bermuda Ltd but prior to the Conversion of RCPS and Initial Public Offering.
- (2) Based on the loss from ordinary activities before taxation divided by the number of Shares assumed in issue. Loss before taxation per share is not an IFRS measurement of performance.
- (3) Based on the net (loss)/profit divided by the number of Shares assumed in issue.
- (4) Based on the dividend divided by the number of Shares assumed in issue. Gross dividend rate is not an IFRS measurement of performance.

There were no exceptional or extraordinary items during the fiscal years/period under review.



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### 3. SUMMARY (Cont'd)

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#### **Audit Opinions**

The audited financial statements of AAAN for the nine days ended 31 July 2003 were not subject to any audit qualification.

The audited consolidated financial statements of AAAN Bermuda were not subject to any audit qualification for the three years ended 31 January 2003 and for the six months ended 31 July 2003. Without qualifying the audit opinion, an emphasis of matter paragraph was included in the respective audit report on the audited consolidated financial statements of AAAN Bermuda for the three years ended 31 January 2003 and for the six months ended 31 July 2003, which referred to the basis of preparation of those financial statements. The basis of preparation described AAAN Bermuda's financial position as at 31 January 2001, 31 January 2002, 31 January 2003 and 31 July 2003 and the directors' plans to ensure that sufficient cash and other facilities are available to meet AAAN Bermuda's obligations as they fall due, and hence the basis of preparing those financial statements on a going concern basis.

The audited consolidated financial statements of MEASAT were not subject to any audit qualification for the two years ended 31 January 2000. Without qualifying the audit opinion, an emphasis of matter paragraph was included in the respective audit report on the audited consolidated financial statements of MEASAT for the two years ended 31 January 2000, which referred to the basis of preparation of those financial statements. The basis of preparation described MEASAT's financial position as at 31 January 1999 and 31 January 2000 and the directors' plans to ensure that sufficient cash and other facilities are available to meet MEASAT's obligations as they fall due, and hence the basis of preparing those financial statements on a going concern basis.

The audited consolidated financial statements of Celestial Pictures were not subject to any audit qualification for the three years ended 31 January 2003 and for the six months ended 31 July 2003. Without qualifying the audit opinion, an emphasis of matter paragraph was included in the respective audit report on the audited consolidated financial statements of Celestial Pictures for the three years ended 31 January 2003 and for the six months ended 31 July 2003, which referred to the basis of preparation of those financial statements. The basis of preparation describe Celestial Pictures' financial position as at 31 January 2001, 31 January 2002, 31 January 2003 and 31 July 2003 and the directors' plans to ensure that sufficient cash and other facilities are available to meet Celestial Pictures' obligation as they fall due, and hence the basis of preparing those financial statements on a going concern basis.

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### 3. SUMMARY (Cont'd)

#### 3.12 Proforma Consolidated Balance Sheets of ASTRO

The Proforma Consolidated Balance Sheets (Maximum Subscription) of ASTRO as at 31 July 2003 and Proforma Consolidated Balance Sheets (Minimum Subscription) of ASTRO as at 31 July 2003 set out below have been prepared solely for illustrative purposes to show the effects on the audited balance sheet of AAAN as at 31 July 2003, on the assumption that certain events set forth in the notes below had been effected on that date based on the Maximum Subscription and the Minimum Subscription, respectively, upon Initial Public Offering and should be read in conjunction with the notes in Section 12.4.1 and Section 12.4.2. The Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets as at 31 July 2003 is set out in Section 23 of this Prospectus.

##### Maximum Subscription

	Audited as at 31 July 2003 RM 000	Proforma I After Acquisition of AAAN Bermuda Ltd RM 000	Proforma II After redemption of "A Series" RCPS in AAAN Bermuda Ltd and Proforma I RM 000	Proforma III After Conversion of RCPS and Proforma II RM 000	Proforma IV After completion of the Initial Public Offering and Proforma III RM 000	Proforma V After full exercise of the Options granted pursuant to the Schemes and Proforma IV RM 000
<b>Non-current assets</b>						
Property, plant and equipment	-	364,898	364,898	364,898	364,898	364,898
Investments in associates	-	24,084	24,084	24,084	43,084	43,084
Deferred tax assets	-	607,360	607,360	607,360	607,360	607,360
Film library and programme rights	-	297,452	297,452	297,452	297,452	297,452
Other intangible assets	-	7,305	7,305	7,305	7,305	7,305
<b>Total non-current assets</b>	-	1,301,099	1,301,099	1,301,099	1,320,099	1,320,099
<b>Current Assets</b>	*	1,147,083	797,306	797,306	1,410,754	2,137,948
<b>Total Assets</b>	-	2,448,182	2,098,405	2,098,405	2,730,853	3,458,047
<b>Shareholders' equity</b>						
Share capital	*	731,483	731,483	867,142	1,180,824	1,298,897
Share premium	-	-	-	508,200	2,199,093	2,808,214
RCPS (equity component)	-	17,230	7,230	-	-	-
Contributed surplus account and exchange reserves	-	461,784	461,784	461,784	461,784	461,784
Accumulated losses	-	(2,446,364)	(2,436,364)	(2,436,364)	(2,443,864)	(2,443,864)
<b>Total shareholders' equity</b>		(1,235,867)	(1,235,867)	(599,238)	1,397,837	2,125,031
<b>Non current liabilities</b>						
Corporate shareholder's advances	-	8,346	8,346	8,346	8,346	8,346
Borrowings	-	1,822,944	1,822,944	1,822,944	596,680	596,680
RCPS (liability component)	-	636,629	636,629	-	-	-
Payables	-	34,029	34,029	34,029	34,029	34,029
<b>Total non current liabilities</b>	-	2,501,948	2,501,948	1,865,319	639,055	639,055
<b>Current liabilities</b>	-	1,182,101	832,324	832,324	693,961	693,961
<b>Total Shareholders' Equity and Liabilities</b>	-	2,448,182	2,098,405	2,098,405	2,730,853	3,458,047
<b>NTA per ordinary share (RM)<sup>#</sup></b>	6.17	(1.32)	(1.32)	(0.67)	0.55	0.85

### 3. SUMMARY (Cont'd)

*Notes:*

- \* Represents cash of £2 (RM12.34) and 2 ordinary shares of £1 (RM6.17) each.
- # NTA represents net assets (equivalent to shareholders' equity) less other intangible assets, film library and programme rights and goodwill included in investments in associates.

#### Minimum Subscription

	Proforma I	Proforma II	Proforma III	Proforma IV	Proforma V
	After Acquisition of AAAN Bermuda Ltd	After redemption of "A Series" RCPS in AAAN Bermuda Ltd and Proforma I	After Conversion of RCPS and Proforma II	After completion of the Initial Public Offering and Proforma III	After full exercise of the Options granted pursuant to the Schemes and Proforma IV
Audited as at 31 July 2003	RM 000	RM 000	RM 000	RM 000	RM 000
<b>Non-current assets</b>					
Property, plant and equipment	-	364,898	364,898	364,898	364,898
Investments in associates	-	24,084	24,084	43,084	43,084
Deferred tax assets	-	607,360	607,360	607,360	607,360
Film library and programme rights	-	297,452	297,452	297,452	297,452
Other intangible assets	-	7,305	7,305	7,305	7,305
<b>Total non-current assets</b>	-	1,301,099	1,301,099	1,320,099	1,320,099
<b>Current Assets</b>	*	1,147,083	797,306	958,078	1,614,920
<b>Total Assets</b>	-	2,448,182	2,098,405	2,278,177	2,935,019
<b>Shareholders' equity</b>					
Share capital	*	731,483	731,483	1,066,506	1,173,156
Share premium	-	-	-	1,601,988	2,152,180
RCPS (equity component)	-	17,230	7,230	-	-
Contributed surplus account and exchange reserves	-	461,784	461,784	461,784	461,784
Accumulated losses	-	(2,446,364)	(2,436,364)	(2,443,864)	(2,443,864)
<b>Total shareholders' equity</b>	-	(1,235,867)	(1,235,867)	686,414	1,343,256
<b>Non-current liabilities</b>					
Corporate shareholder's advances	-	8,346	8,346	8,346	8,346
Borrowings	-	1,822,944	1,822,944	1,822,944	1,822,944
RCPS (liability component)	-	636,629	636,629	-	-
Payables	-	34,029	34,029	34,029	34,029
<b>Total non-current liabilities</b>	-	2,501,948	2,501,948	1,865,319	1,865,319
<b>Current liabilities</b>	-	1,182,101	832,324	832,324	832,324
<b>Total Shareholders' Equity and Liabilities</b>	-	2,448,182	2,098,405	2,278,177	2,935,019
<b>NTA per ordinary share (RM)#</b>	6.17	(1.32)	(1.32)	0.20	0.29

*Notes:*

- \* Represents cash of £2 (RM12.34) and 2 ordinary shares of £1 (RM6.17) each.
- # NTA represents net assets (equivalent to shareholders' equity) less other intangible assets, film library and programme rights and goodwill included in investments in associates.

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### 3. SUMMARY (Cont'd)

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For further details on the Proforma Consolidated Balance Sheets, see Section 12.4 and Section 23 of this Prospectus.

#### 3.13 Legal Proceedings

At the date of this Prospectus, neither the Company nor its subsidiaries are engaged in any material litigation, whether as plaintiff or defendant, and the Directors of the Company do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of ASTRO.

#### 3.14 Working Capital

The Board believes that, after taking into consideration the expected proceeds from the Initial Public Offering and banking facilities currently available to it, ASTRO has adequate liquidity and capital resources for its present requirements and the requirements for 12 months following the date hereof.

For further information on working capital, refer to Section 13 of this Prospectus.

#### 3.15 Commitments

As at 31 July 2003, AAAN Bermuda had known commitments as set forth below:

	<b>RM 000</b>
Property, plant and equipment	6,138
Investment in an associate, TVBPH	9,482
Film library and programme rights	53,558
	<u>69,178</u>

As at 31 July 2003, Celestial Pictures had known commitments as set forth below:

	<b>RM 000</b>
Film library	
- Remastering costs	48,123
- Other film library costs	18,331
Non-cancellable operating leases	68
	<u>66,522</u>

For further information on capital commitments, refer to Section 13 of this Prospectus.

### 3. SUMMARY (Cont'd)

#### 3.16 Contingent Liabilities

As at 31 July 2003, AAAN Bermuda has the following bank guarantees and letters of credit for which the liabilities have not been provided for in the financial statements:

	<b>RM 000</b>
Set-top boxes	68,202
Utilities	810
Custom duties, stamp duties and import duties	956
Programme rights	13,747
	<u>83,715</u>

Celestial Pictures did not have any material contingent liabilities as at 31 July 2003.

For further information on contingent liabilities, refer to Section 13 of this Prospectus.

#### 3.17 Use of Proceeds

The Company expects to use the gross proceeds it receives from the Initial Public Offering as follows:

	<b>Maximum Subscription RM 000</b>	<b>Minimum Subscription RM 000</b>
Repayment of a private debt securities facility	661,820	403,072
Repayment of a foreign export credit agency structured trade facility	77,100	77,100
Repayment of bearer promissory notes	74,400	74,400
Part repayment of a syndicated term loan facility	551,000	551,000
Payment for equity in TVBPH	19,000	19,000
Listing expenses	113,344	86,268
Working capital/general corporate purposes	613,756	161,080
	<u>2,110,420</u>	<u>1,371,920</u>

For further information on the use of proceeds from the Initial Public Offering, refer to Section 4.11 of this Prospectus.

### 3. SUMMARY (Cont'd)

#### 3.18 Consolidated Profit Forecast for the Year Ending 31 January 2004

The Directors forecast that the consolidated profit after taxation of ASTRO pursuant to the Maximum Subscription and Minimum Subscription, respectively, upon Listing, for the year ending 31 January 2004, which includes the financial results for the six months ended 31 July 2003, will be as follows:

	<b>Year ending 31 January 2004</b>	
	<b>Maximum Subscription RM 000</b>	<b>Minimum Subscription RM 000</b>
Revenue	1,409.9	1,409.9
Consolidated profit before taxation but after minority interest	33.6	28.6
Less: Taxation <sup>(1)</sup>	(23.4)	(23.4)
Consolidated profit after taxation and minority interest	10.2	5.2
Basic EPS (sen) <sup>(2)</sup>	0.75	0.39
Prospective price-earnings multiple on weighted average basis		
- based on Retail Price of RM3.80 (times)	506.7	974.4
- based on indicative Institutional Price of RM4.22 (times)	562.7	1,082.1

*Notes:*

- (1) *Included in taxation is a deferred tax charge of RM23.0 million arising in a subsidiary due to realisation of deferred tax assets.*
- (2) *Based on the weighted average number of Shares assumed in issue of 1,367.6 million (Maximum Subscription) and 1,321.3 million (Minimum Subscription). There is no diluted EPS as there are no potential dilutive ordinary shares and the assumed exercise price of the Options is the same as the Retail Price.*

Further details of the consolidated profit forecast and the Reporting Accountants' letter thereon are set out in Sections 15.1 and 15.5 of this Prospectus, respectively.

#### 3.19 Dividend Forecast

The Board of Directors has not forecast any dividends to be declared for the financial year ending 31 January 2004.

For further details on the Company's dividend policy and forecast, refer to Section 15.2 of this Prospectus.