

## **STAR MEDIA GROUP BERHAD**

(Company No.: 10894-D)

("Star" or "the Company")

Summary record of the proceedings of the Forty-Fifth Annual General Meeting ("45th AGM") of the Company held at the Cybertorium, Level 2, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Monday, 22 May 2017 at 10.00 a.m.

- Present :
- Directors  
Dato' Fu Ah Kiow (Chairman)  
*(also proxy for shareholders as per the attendance list)*  
Tan Sri Dato' Sri IR Kuan Peng Soon (Deputy Chairman)  
Datuk Seri Wong Chun Wai (Group Managing Director & CEO)  
*("Group MD/CEO") – also a shareholder*  
Mr Lee Siang Chin (Senior Independent Director)  
Datin Linda Ngiam Pick Ngoh - *also a shareholder*  
Dato' Dr Mohd Aminuddin bin Mohd Rouse  
Mr Lew Weng Ho
  - : Shareholders (including corporate representative)  
As per attendance list  
(Total 161 representing 1,743,594 ordinary shares)
  - : Proxies  
As per attendance list  
(Total 53 representing 554,516,864 ordinary shares of which 92,404,100 ordinary shares were represented by the Chairman)
- In attendance :
- Mr Calvin Kan King Seong (Group Chief Operating Officer)
  - Mr Ragesh Rajendran (Group Chief Financial Officer) ("Group CFO")
  - Ms Ong Wei Lymn (Group Company Secretary)
  - Ms Kimberly Hoh (Assistant Company Secretary)
- By invitation : As per attendance list

### **1.0 WELCOMING SPEECH AND INTRODUCTION**

- 1.1** Dato' Fu Ah Kiow presided as Chairman of the Meeting and welcomed all shareholders, proxies and invitees present at the 45th AGM of the Company ("the Company" or "Star").

**1.2** The Chairman then introduced the members of the Board of Directors, the external auditors from Messrs BDO represented by Mr Tang Seng Choon and the Group Company Secretary who were in attendance.

## **2.0 QUORUM OF MEETING**

The Company Secretary confirmed that the required quorum to convene the Meeting in accordance with Article 75 of the Company's Articles of Association was present.

## **3.0 PROCEDURES OF MEETING**

**3.1** The Chairman briefed the shareholders on the procedures in tabling and approving resolutions at the Meeting. It was noted that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, effective 1 July 2016, all resolutions set out in the Notice of the AGM must be voted by poll.

**3.2** As at 15 May 2017, being the cut-off date for determining who shall be entitled to attend, speak, participate and vote at the Company's 45th AGM, the Company had 8,072 depositors, and the adjusted paid-up share capital stood at RM737,956,402.00 comprising 737,956,402 ordinary shares of RM1.00 each (excluding 607,200 ordinary shares held as treasury shares).

**3.3** The Company received in total 91 valid proxy forms from shareholders for a total of 554,602,864 ordinary shares representing 75.15% of the total share capital of the Company. Out of those, there were 34 shareholders who appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 92,404,100 (12.52%) of the share capital of the Company.

## **4.0 NOTICE OF MEETING**

With permission from the members present, the Notice of Meeting having been circulated to all shareholders within the prescribed period was taken as read.

## **5.0 PRESENTATION**

The Group MD/CEO briefed the Meeting on the performance of the Group for the financial year ended 31 December 2016 ("FYE 2016") with regard to the following:

- (i) Revenue and profit before taxation ("PBT") by segments with comparison for financial years 2015 and 2016;
- (ii) Group revenue and PBT trend from financial years 2012 to 2016;
- (iii) Print or online revenue and PBT trend from financial years 2012 to 2016; and
- (iv) Challenges in year 2017 and ahead

**6.0 AUDITED FINANCIAL STATEMENTS (“AFS”) FOR THE FYE 2016 TOGETHER WITH THE REPORT OF THE DIRECTORS AND THE AUDITORS (“REPORTS”) THEREON**

The Chairman tabled the AFS and Reports for FYE 2016. Before the resolution was put to the Meeting, the Chairman invited questions from the floor on the AFS.

**6.1** The Meeting deliberated at length on this item. In summary, the key points raised by the shareholders/corporate representatives/proxies and the responses by the Board/Management are as follows:

- a) The Chairman informed that Minority Shareholder Watchdog Group (“MSWG”) had via their letter dated 15 May 2017 to the Company raised some questions pertaining to the Group’s strategic and financial matters. For the benefit of the shareholders, the Group MD/CEO read out the reply from the Company to the questions raised by MSWG, a copy of which is attached hereto. Slides on the questions and answers were also projected on the screen.
- b) In response to MSWG’s further query on the liability insurance for lawsuits which are inherent in the nature of the Company’s business and operations, the Group CFO informed that the insurance is in place. There are several libel suits, which involve claims against the Group and the Company of which the outcome and probable compensation, if any, are currently indeterminable. However, after consulting with the legal counsel for litigation cases for matters in the ordinary course of business, the Directors and Management do not expect the amounts of liabilities, if any, to be material to the financial statements of the Company. The contingent liabilities arising from litigations disclosed in the accounts for FYE 2016 was RM1.75 million.

**6.2** Several other shareholders/proxy holders, namely Mr Krishnamoorthy A/L A.K Muthaly, Mr Cheah Sin Cheong, Mr Choo Keng Cheong, Mr Subramaniam A/L Gopal, Mr John Lim and Mdm Chong Siew Yoon raised various comments and questions at the Meeting, which were duly answered by the Chairman and the Group MD/CEO. The salient comments among others included:

- a) In response to the queries from a shareholder, the Group MD/CEO informed that the market remains challenging with the shift in advertising expenditure (“Adex”) spend from print to other mediums and newspaper circulation continues to be under pressure. Based on Nielsen’s latest survey on media consumption, Ad spend and readership on The Star newspaper is still strong in the English segment. In the paid English newspaper segment, The Star continued to dominate with highest absolute copies sold. Total sales for both print and ePaper for the Daily Star and Sunday Star for the first half of 2016 was above 300,000 copies respectively based on Audit Bureau of Circulations figures.
- b) Pertaining to the query on the proposed disposal of Cityneon Holdings Limited (“Cityneon”), the GMD/CEO informed that Star will use the proceeds of

approximately RM360.0 million mainly for general working capital and future investments which include pursuing collaborations on other potential future investments to strengthen Star's existing businesses and investment opportunities of which, have yet to be identified at this juncture. The Company will convene an extraordinary general meeting to seek shareholders' approval on the proposed disposal and more information will be provided in the Circular to Shareholders to be sent in due course.

- c) In response to a shareholder's query on the recurrent related party transactions ("RRPT") of revenue or trading nature involving Datuk Seri Wong Chun Wai who is deemed interested in the proposed shareholders' mandate, the Chairman informed that the details of RRPT are disclosed in the Circular to shareholders dated 28 April 2017. The recurrent transactions covered in the mandate are conducted on terms not more favourable to the related party than those generally available to the public. Responding to another query, the Chairman informed that the increase in directors' remuneration for subsidiaries was mainly due to salaries paid to Mr Roy Tan, the CEO of Victory Hill Exhibitions Pte Ltd ("VHE").
- d) With regard to the query raised by a shareholder on the analysis of revenue by business segments as reflected in page 110 of the Annual Report, the Group CFO informed that advertising sales contributed to 80% of the print and digital revenue in 2016.
- e) In response to queries from a shareholder, the Group CFO informed that the Company adopted cost model for its investment properties. The Group MD/CEO also replied that the investment property under construction is referring to the 14-storey office building (Menara Star 2) located at Section 13, Petaling Jaya. The building is expected to be completed by end of 2017. Upon completion, some of the Group's subsidiaries, i.e. Dimsum and Star Radio will move to Menara Star 2 and the remaining office space will be leased out. Jones Lang Wotton has been appointed as leasing agent to assist Star to lease out the extra office space. To another query raised, the Group CFO informed that the Company is in the midst of applying the strata title for Menara Star at Phileo Damansara 2, which is expected to be ready quite soon.
- f) In respect of a shareholder's query on the non-audit fees of RM413,069 incurred by the Group during the FYE 2016, the Group CFO informed that it was mainly on due diligence cost incurred for acquisition of VHE.
- g) A shareholder commended the Company for its good performance over the years and the consistent dividend payouts. Chairman informed that the Board expects year 2017 to remain challenging due to the poor market sentiment. Nevertheless, the Company will continue to expand its existing media platform taking into account its digital transformation initiative and look for new investment opportunities in its digital transformation. He added that The Star will always

strive to provide a fair and balanced news reporting and will continue to be the people's paper.

- h) Responding to the shareholder's query, the Group MD/CEO informed that with the cost-saving initiatives by the government, the upcoming major events such as Sea Games are not expected to contribute significantly to the Company's revenue. He also informed the shareholders that Star is organising 3 main events in preparation for the National Day celebration, i.e. Raise The Flag campaign, Ride for Malaysia event with Sunsuria Berhad aimed at promoting unity via cycling and Anak Anak Malaysia walk which is jointly organised with Ecoworld.
- i) A shareholder expressed her disappointment for not receiving response from the Editor-in-chief to her email. The GMD/CEO noted the shareholder's comments and informed that the Company would look into the matter.

The AFS for the FYE 2016 together with the Reports of the Directors and Auditors thereon were received.

#### **7.0 RE-ELECTION OF DATO' FU AH KIW** **(Ordinary Resolution 1)**

- 7.1 The Chairman informed that since he is an interested party for Ordinary Resolution 1, Tan Sri Kuan Peng Soon would preside over the proceeding for this resolution.
- 7.2 Ordinary Resolution 1 was duly proposed by Mr Choo Keng Cheong and seconded by Mr Krishnamoorthy A/L A.K Muthaly.
- 7.3 The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

#### **8.0 RE-ELECTION OF MR LEW WENG HO**

- 8.1 The Chairman informed that Mr Lew Weng Ho did not wish to seek re-election as Director and shall accordingly retire at the conclusion of the Company's 45th AGM.
- 8.2 The Chairman expressed appreciation on behalf of the Board, for Mr Lew Weng Ho's contribution and services to the Board.

#### **9.0 RE-APPOINTMENT OF TAN SRI DATO' SRI IR KUAN PENG SOON** **(Ordinary Resolution 2)**

- 9.1 The Chairman informed that with the enforcement of the Companies Act, 2016 on 31 January 2017, there is no age limit for directors of public companies. At the 44th AGM of the Company held on 23 May 2016, both Tan Sri Dato' Sri IR Kuan Peng Soon and Dato' Dr Mohd Aminuddin bin Mohd Rouse who are above the age of 70, were re-appointed pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the

conclusion of the 45th AGM. Their term of office will end at the conclusion of the 45th AGM and they have offered themselves for re-appointment.

The proposed Ordinary Resolutions 2 and 3, if passed, will enable both Tan Sri Dato' Sri IR Kuan Peng Soon and Dato' Dr Mohd Aminuddin bin Mohd Rouse to continue to act as Directors of the Company and they shall subject to retirement by rotation at a later date.

**9.2** Ordinary Resolution 2 was duly proposed by Mr Loo Phan Kooi and seconded by Mr Choo Kheng Cheong.

**9.3** The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

**10.0 RE-APPOINTMENT OF DATO' DR MOHD AMINUDDIN BIN MOHD ROUSE (Ordinary Resolution 3)**

**10.1** Ordinary Resolution 3 was duly proposed by Mr Lee Chee Yeow and seconded by Mr Seng Sheng Yeow.

**10.2** The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

**11.0 PAYMENT OF DIRECTORS' FEES OF UP TO RM660,000 TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY (Ordinary Resolution 4)**

**11.1** There was no increase in Directors' fees for the Non-Executive Directors of the Company compared to the last financial year.

**11.2** Ordinary Resolution 4 was duly proposed by Ms Soh Sze Jean and seconded by Mr Yeo Eng Siang.

**11.3** The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

**12.0 PAYMENT OF DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES) TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD FROM 31 JANUARY 2017 UNTIL THE NEXT AGM OF THE COMPANY (Ordinary Resolution 5)**

**12.1** The Chairman informed that the Directors' benefits payable to Non-Executive Directors of up to RM770,000 comprised of meeting allowances, board committee allowances and other emoluments. The details of the benefits payable were set out in the Note (4) of the Notice of AGM.

**12.2** Ordinary Resolution 5 was duly proposed by Mr Yeo Eng Siang and seconded by Mr Poey Yee Meng.

**12.3** The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

**13.0 RE-APPOINTMENT OF AUDITORS  
(Ordinary Resolution 6)**

**13.1** Messrs BDO has expressed their willingness to continue office as Auditors of the Company.

**13.2** Ordinary Resolution 6 was duly proposed by Ms Mah Seng Ling and seconded by Mr Poey Yee Meng.

**13.3** The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

**SPECIAL BUSINESS**

**14.0 AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016  
(Ordinary Resolution 7)**

**14.1** Ordinary Resolution 7 was duly proposed by Mr Lee Chee Yeow and seconded by Mr Poey Yee Meng.

**14.2** The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

**15.0 RENEWAL OF AUTHORITY FOR STAR TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF ITS TOTAL SHARE CAPITAL (“PROPOSED SHARE BUY-BACK”)  
(Ordinary Resolution 8)**

**15.1** The details and rationale for the proposed share buy-back are set out in the Statement to Shareholders dated 28 April 2017.

**15.2** Ordinary Resolution 8 was duly proposed by Ms Mah Seng Ling and seconded by Mr Loo Phan Kooi.

**15.3** The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

**16.0 RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")  
(Ordinary Resolution 9)**

- 16.1** The rationale for seeking the shareholders' approval for the Proposed Shareholders' Mandate is set out in the Circular dated 28 April 2017.
- 16.2** The Chairman informed the Meeting that Datuk Seri Wong Chun Wai who is deemed interested in the Proposed Shareholders' Mandate for RRPT has abstained and will continue to abstain from all deliberations and voting on the resolution approving the Resolution 9.
- 16.3** Ordinary Resolution 8 was duly proposed by Ms Soh Sze Jean and seconded by Mr Loo Phan Kooi.
- 16.4** The Chairman invited questions from the floor. With no questions from the floor, the Chairman proceeded to the next resolution.

**17.0 ELECTRONIC POLLING PROCEDURES**

- 17.1** With confirmation from the Company Secretary that no notice was received to transact any other business at the meeting, the Chairman proceeded to polling session. At the invitation of the Chairman, Puan Suzana Abdul Rahim from Tricor Investor Issuing House Services Sdn Bhd, the Poll Administrator briefed on the procedures for the conduct of electronic poll voting at the Meeting.
- 17.2** After the briefing from Pn. Suzana, the Chairman declared the closure of the registration of attendance for Meeting and adjourned the Meeting at 12.00 noon for the electronic polling process. All members were requested to return to the meeting hall by 12.15 p.m. for the declaration of poll results.

**18.0 ANNOUNCEMENT OF POLL RESULTS**

Having received the poll results from the scrutineers, the Meeting resumed at 12.15 p.m. for the declaration of results by the Chairman.

- 18.1** The poll results for Ordinary Resolution 1 are as follows:

**Ordinary Resolution 1 – Re-election of Dato' Fu Ah Kiow**

	<b>Number of shares</b>	<b>%</b>
<b>For</b>	436,372,160	99.9885
<b>Against</b>	50,100	0.0115
<b>Total</b>	436,422,260	100.0000



It was RESOLVED:

“THAT, Dato’ Fu Ah Kiow be and is hereby re-elected as Director of the Company.”

**18.2** The poll results for Ordinary Resolution 2 are as follows:

**Ordinary Resolution 2 – Re-appointment of Tan Sri Dato’ Sri Kuan Peng Soon**

	Number of shares	%
<b>For</b>	435,253,360	99.9707
<b>Against</b>	127,700	0.0293
<b>Total</b>	435,381,060	100.0000

It was RESOLVED:

“THAT, Tan Sri Dato’ Sri IR Kuan Peng Ching @ Kuan Peng Soon be and is hereby re-appointed as Director of the Company.”

**18.3** The poll results for Ordinary Resolution 3 are as follows:

**Ordinary Resolution 3 –Re-appointment of Dato’ Dr Mohd Aminuddin Bin Mohd Rouse**

	Number of shares	%
<b>For</b>	435,330,960	99.9885
<b>Against</b>	50,100	0.0115
<b>Total</b>	436,422,260	100.0000

It was RESOLVED:

“THAT, Dato’ Dr Mohd Aminuddin Bin Mohd Rouse be and is hereby re-appointed as Director of the Company.”

**18.4** The poll results for Ordinary Resolution 4 are as follows:

**Ordinary Resolution 4 –Payment of Directors’ fees**

	Number of shares	%
<b>For</b>	554,504,260	100.0000
<b>Against</b>	-	-
<b>Total</b>	554,504,260	100.0000

It was RESOLVED:

“THAT, the payment of Directors' fees of up to RM660,000 for the financial year ended 31 December 2016 be and is hereby approved.”

18.5 The poll results for Ordinary Resolution 5 are as follows:

**Ordinary Resolution 5 – Payment of Non-Executive Directors’ Benefits**

	Number of shares	%
<b>For</b>	554,504,260	100.0000
<b>Against</b>	-	-
<b>Total</b>	554,504,260	100.0000

It was RESOLVED:-

“THAT, the payment of Non-Executive Directors' benefits of up to RM700,000 from 31 January 2017 to the 46th Annual General Meeting of the Company, be and is hereby approved.”

18.6 The poll results for Ordinary Resolution 6 are as follows:

**Ordinary Resolution 6 – Re-appointment of Auditors**

	Number of shares	%
<b>For</b>	554,504,260	100.0000
<b>Against</b>	-	-
<b>Total</b>	554,504,260	100.0000

It was RESOLVED:

“THAT, Messrs BDO be and is hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors.”

18.7 The poll results for Ordinary Resolution 7 are as follows:

**Ordinary Resolution 7 – Authority to allot and issue shares**

	Number of shares	%
<b>For</b>	395,659,960	99.9994
<b>Against</b>	2,500	0.0006
<b>Total</b>	395,662,460	100.0000

It was RESOLVED:

“THAT, subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 75 of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of total

number of issued shares/total number of voting shares of the Company for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued.”

**18.8** The poll results for Ordinary Resolution 8 are as follows:

**Ordinary Resolution 8 – Proposed Renewal of Shareholders’ Mandate for Share Buy-Back**

	<b>Number of shares</b>	<b>%</b>
<b>For</b>	554,491,560	99.9995
<b>Against</b>	2,500	0.0005
<b>Total</b>	554,494,060	100.0000

It was RESOLVED:

“THAT, subject always to the Companies Act, 2016 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”) and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares in the Company’s total number of issued shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares or the total number of voting shares of the Company at any point in time of the said purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and
- (c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:
  - (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

THAT, upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (aa) cancel all the shares so purchased; and/or
- (bb) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (cc) retain part thereof as treasury shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT, the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of a depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company.”

**18.9** The poll results for Ordinary Resolution 9 are as follows:

**Ordinary Resolution 9 – Proposed Renewal of Shareholders’ Mandate and Additional Mandate for RRPT**

	<b>Number of shares</b>	<b>%</b>
<b>For</b>	554,434,560	99.9929
<b>Against</b>	39,500	0.0071
<b>Total</b>	554,474,060	100.0000

It was RESOLVED:

“THAT, pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company and its subsidiaries (“Star Media Group”) be and are hereby authorised to enter into any of the recurrent transactions of a revenue or trading nature as set out in Section 2.3 of Part B of the Circular to Shareholders dated 28 April 2017 with the related party mentioned therein which are

necessary for the Star Media Group's day-to-day operations, subject further to the following:-

- (i) the transactions are in the ordinary course of business on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure of the aggregate value of the transactions of the Proposed Shareholders' Mandate conducted during the financial year will be disclosed in the Annual Report for the said financial year,

THAT, such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the Meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340 (4) of the Act); or
- (iii) revoked or varied by the Company in a general meeting,

whichever is earlier;

AND THAT, the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

## **19.0 CONCLUSION OF MEETING**

There being no further business, the Meeting was declared closed by the Chairman at 12.25 p.m. with a vote of thanks to the Chairman and Board.

## **Minority Shareholder Watchdog Group's Questions**

- 1) In FY2016, Print & Digital revenue and profit before tax (PBT) declined significantly by RM97 million (15%) and RM81 million (47%) respectively compared to FY2015.

**(a) What were the major revenue items that contributed to the decline in revenue and PBT of the Segment?**

The decline was mainly due to lower print revenue. Overall Newspaper Adex fell by 13.1% in 2016 as compared 2015 due to poor consumer and business sentiments. We were also impacted by the weak market sentiments. Major advertisers from the property and automotive industries were badly affected too.

**(b) What was the contribution from Digital & "Over-the-top" (OTT) to the revenue and PBT of the Print & Digital Segment in FY2016 in percentage and to what extent the percentage is expected to increase in the next 3 years?**

Digital segment's revenue contribution was approximately 4% out of the Print and Digital segment in FY2016. The percentage of contribution is likely to increase significantly in the near future.

**(c) As reported in the Management Discussion and Analysis, the print and ePaper circulation number of The Star as at 30 June 2016 stands at 359,422 copies. What was the ratio of the print to ePaper circulation as at 30 June 2016 and what is the company's target for the ratio?**

Our print and ePaper circulation numbers as at 30 June 2016 were 248,559 and 110,883 respectively. As at 30 June 2016, ratio of print to ePaper circulation was 69:31. Target for 2017 is 65:35 as we will try to maintain print numbers.

**(d) What is the expected contribution from the newly launched video-on-demand, *dimsum*, in FY2017?**

Dimsum was only launched in November 2016 and hence, it is not expected to contribute significantly to the Group's revenue in FY2017.

**(e) As reported in the Chairman's Statement, the overall advertising market registered a lower rate card spending of RM7.06 billion in 2016 compared to RM7.59 billion a year ago. What was the Company's market share in total rate card spending of the industry?**

According to Nielsen Media Research's Newspaper Adex (Peninsular Malaysia), Star remains as the leading English newspaper with a market share of 65.2%.

- 2) Event, exhibition, interior and thematic Segment recorded a strong increase of 34% in revenue and 205% in PBT for FY2016 compared to last financial year. The revenue and PBT of the Segment account for 17% of the Group total revenue in FY2016 compared with 5% in FY2015.

**Moving forward, would the Segment expected to be the growth driver for the Group?**

This segment consists of Cityneon and Perfect Livin'. PBT contribution from Cityneon in FY2016, after taking into account Star's share in Cityneon, was actually less than 10%.

Star has recently announced the proposed disposal of its entire stake in Cityneon Holdings Limited which is subject to shareholders' approval. If the sale is approved and completed, this segment will no longer be the growth driver for the Group.

## **Minority Shareholder Watchdog Group's Questions**

However, the proposed disposal allows Star to unlock its investment in Cityneon and enables Star to concentrate on the expansion of its primary business activities, improve its cash reserves and look for new investment opportunities.

- 3) Broadcasting and Television Channel Segments continued to be in a loss position in FY2016. With the disposal of loss-making RedFM and CapitalFM, success of LiTV in securing more than 15 regional and global projects, would the Segments expected to turn-around in FY2017?**

With the sale of the two radio stations (RedFM and CapitalFM) which were loss making, this segment would be able to concentrate better and is expected to contribute positively to the Group and hopefully turn-around in the short term.

As for LiTV, we are still undergoing some restructuring and cost rationalisation. We hope to garner more revenue from both distribution and advertising revenue and with expected reduction in operating expenses, hope to turn the business around in the near future.

- 4) We noted that the impairment losses for equity loans provided to the subsidiaries had increased significantly by over 300% in FY2016.**

**As stated in Note 8 to the Financial Statements on Page 126 of the Annual Report, the settlement is neither planned nor likely to occur in the foreseeable future.**

**Could the Board elaborate on the financial performance and outlook of the subsidiaries involved?**

Impairment losses for equity loans recognised in FY2016 were mainly for Li TV.

Li TV is still undergoing some restructuring and cost rationalisation. We hope to garner more revenue from both distribution and advertising revenue and with expected reduction in operating expenses, hope to turn the business around in the near future.