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MEASAT

GLOBAL BERHAD
(2866-T)

MEASAT-3a



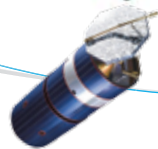
MEASAT-3



AFRICASAT-1



AFRICASAT-2



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MEASAT Global Berhad
annual report 2009

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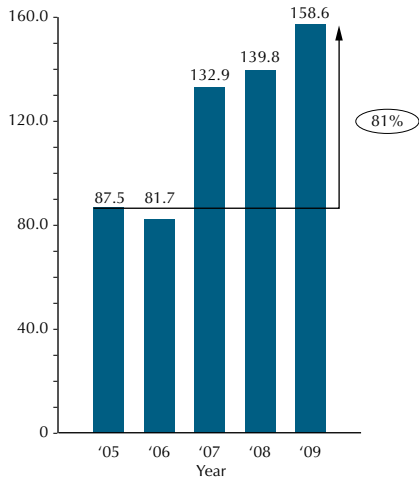


Five-Year Group Financial Highlights

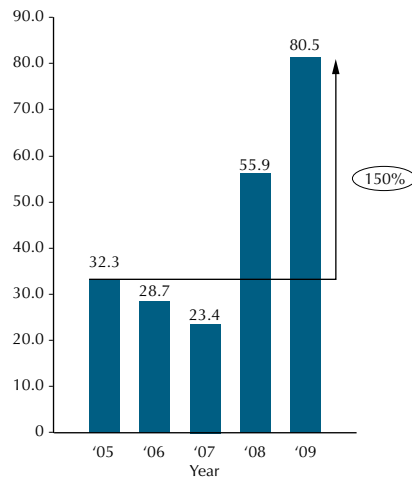
Actual Results

RM (million)

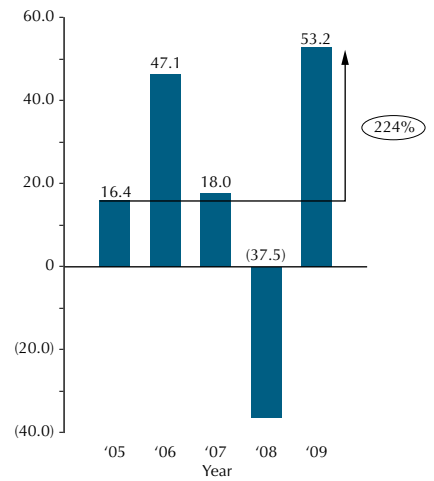
EBITDA



OPERATING PROFIT



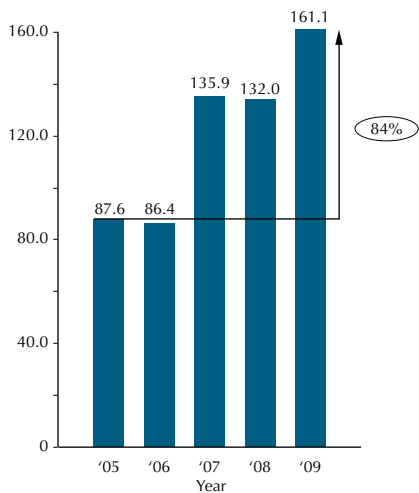
PROFIT BEFORE TAX



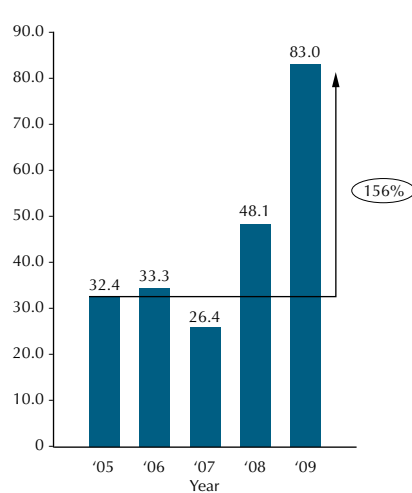
FOREX Adjusted Results ¹

RM (million)

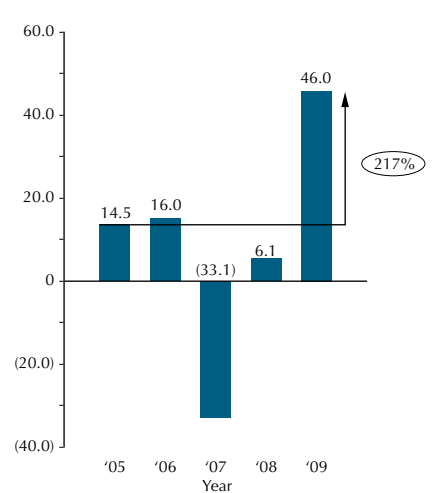
EBITDA



OPERATING PROFIT



PROFIT BEFORE TAX



Actual Results

RM (million)	2005 ²	2006 ²	2007 ²	2008	2009
Revenue	132.29	137.43	187.26	195.95	241.67
EBITDA ³	87.47	81.74	132.92	139.77	158.59
EBITDA margin (%)	66.12%	59.48%	70.99%	71.33%	65.62%
Operating profit	32.25	28.69	23.37	55.86	80.45
Finance charges	(17.92)	(17.33)	(59.42)	(42.01)	(36.93)
Foreign currency translations gain/(loss)	2.06	35.73	54.01	(51.30)	9.64
Profit/(loss) before taxation	16.39	47.09	17.96	(37.45)	53.16
Taxation	(0.85)	(0.27)	189.71	(0.69)	124.39
Net profit/(loss) for the year	15.54	46.82	207.67 ⁴	(38.14) ⁵	177.55

FOREX Adjusted Results ¹

RM (million)	2005 ²	2006 ²	2007 ²	2008	2009
EBITDA ³	87.60	86.37	135.93	131.98	161.11
Operating profit	32.37	33.32	26.37	48.08	82.96
Profit/(loss) before taxation	14.45	15.99	(33.05)	6.07	46.03
Net profit for the year	13.60	15.73	156.66	5.37	170.42

¹ Normalised (without foreign exchange ("FOREX") translation effects on USD denominated cash deposits/borrowings).

² Financial results have been restated to incorporate retrospective application of FRS 112 relating to Investment Tax Allowance.

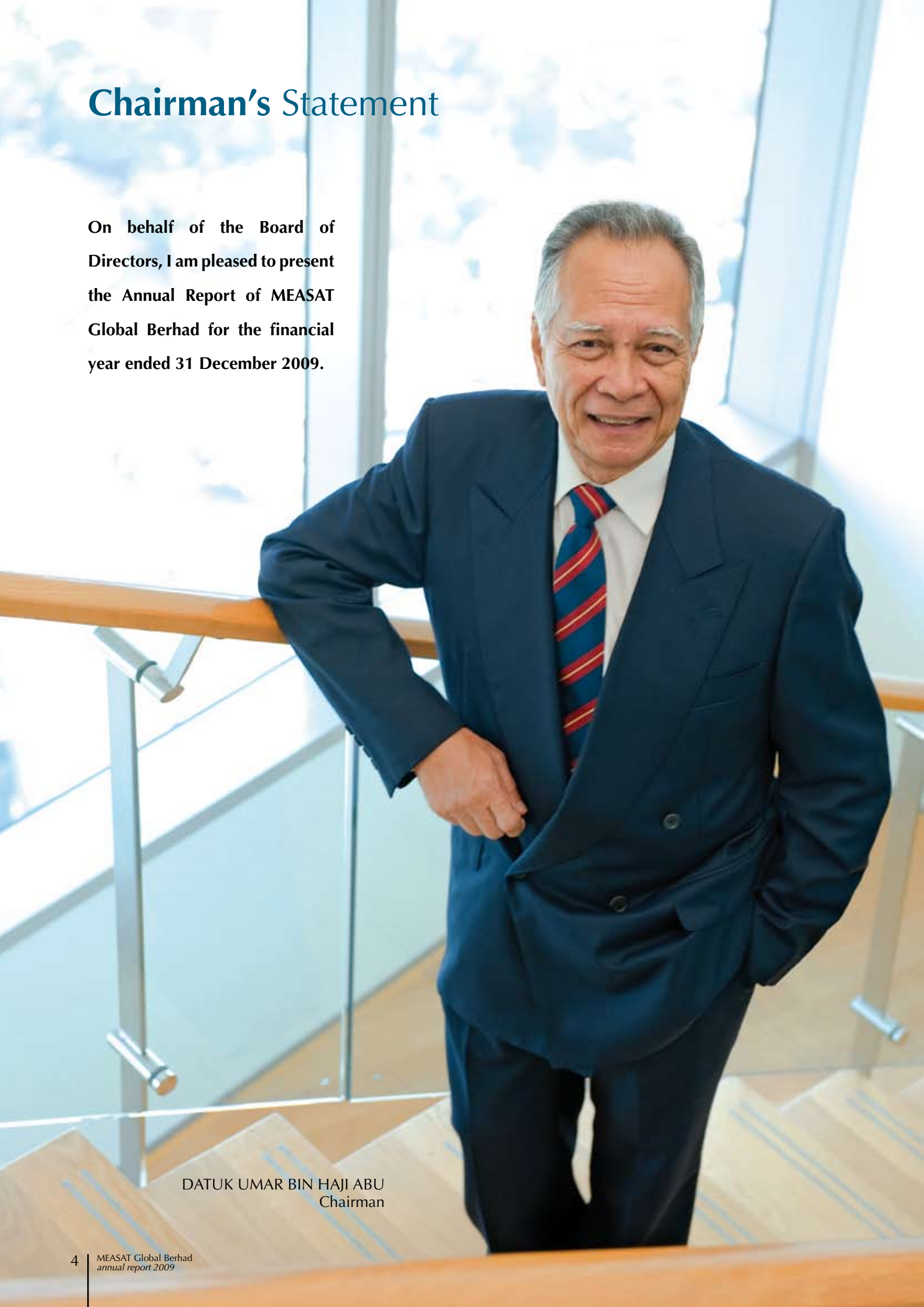
³ Revenue less cost of services, selling and administrative expenses (excluding depreciation).

⁴ Includes recognition of additional deferred tax assets of RM166 million from adoption of FRS 112 relating to Investment Tax Allowance.

⁵ Includes unrealised foreign currency translation losses of RM45.4 million on USD denominated borrowings.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of MEASAT Global Berhad for the financial year ended 31 December 2009.



DATUK UMAR BIN HAJI ABU
Chairman

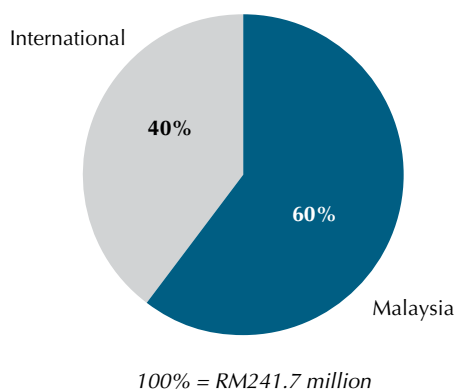
INTRODUCTION

2009 was an important year for the Group with the successful launch of the MEASAT-3a ("M3a") satellite. Increasing the Group's capacity at the 91.5°E orbital location by 50%, M3a provides a platform for the continued growth of the Group's core Direct-to-Home ("DTH") and Broadcast Distribution customer base.

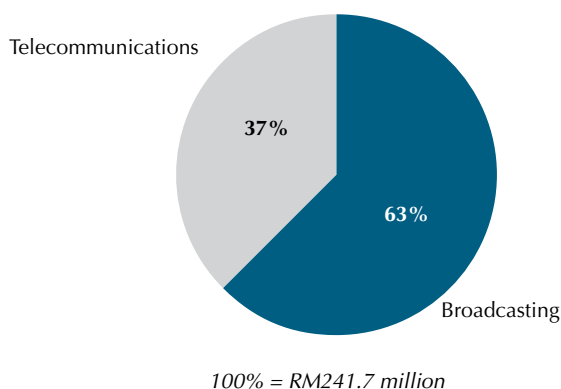
MEASAT Satellite Systems Sdn. Bhd. ("MEASAT"), the Group's principal operating entity, continued to build its market presence, increasing utilization across the fleet from 73% at the end of 2008 to 83% at the end of 2009. By the end of 2009, the newly launched M3a satellite was already operating at 66% utilization.

During the year, the proportion of the Group's revenue from the key international and broadcasting customer segments were 40% and 63% respectively.

REVENUE BY REGION
RM million, 2009



REVENUE BY SECTOR
RM million, 2009



FINANCIAL HIGHLIGHTS

The Group's Profit from Operations increased from RM55.9 million in 2008 to RM80.5 million in 2009. This increase was largely due to the net impact of:

- an increase in revenue of 23%, to RM241.7 million, from the ongoing contributions of the MEASAT-3 ("M3") and AFRICASAT-1 ("A1") satellites, and the initial contribution from M3a;
- a net reduction of satellite depreciation cost of RM7.5 million due to (i) no further depreciation of MEASAT-2 ("M2") which became fully depreciated in 2008; offset by, (ii) the partial year depreciation of M3a in 2009;
- an increase in costs of RM7.7 million from initial M3a operations and a one-off cost of RM4.6 million related to the launch of the satellite; and,
- an increase in professional fees of RM4.5 million incurred due to litigation and business development activities.



Satellite Operations Centre

Profit After Tax over the year reversed from a loss of RM38.1 million in 2008 to a profit of RM177.5 million in 2009. The improvement was due to the increase in Profit from Operations and the recognition of:

- a deferred tax asset of RM124.4 million related to the M3a satellite; and,
- a foreign exchange gain of RM9.6 million on the Group's US Dollar denominated debt, compared to an exchange loss of RM51.3 million in 2008.

While the Group's debt obligations and revenue contracts are substantially denominated in US Dollars, such that over the life of the satellites the Group operates with a natural hedge against movements in the US Dollar:Ringgit exchange rate, over any one period movements in the exchange rate result in foreign exchange gains or losses on the Group's US Dollar denominated assets and liabilities. After adjusting for these impacts over the period, the Group's Profit After Tax increased from RM5.4 million in 2008 to RM170.4 million in 2009.

OPERATIONAL DEVELOPMENTS

During 2009, the Group was focused on initiatives aimed at building MEASAT into a leading emerging market satellite operator:

- **Expanding Customer Base:** The Group continued to direct its sales and marketing efforts in developing the Group's position as the satellite operator of choice for the Malaysian ICT industry; developing a strong Asian video and DTH neighborhood; and, developing the Group's initial position in the African market.

Chairman's Statement (Continued)

During the year, the Group:

- increased its support of the Astro TV platform in Malaysia with the lease of six additional transponders on M3a through a 15 year agreement;
 - extended its cooperation with Antrix, the commercial arm of the Indian Space Research Organization, with the lease of nine transponders into the Indian market; and,
 - continued to expand the M3 / M3a video distribution platform with contracts for three new Standard Definition ("SD") channels and eight new High Definition ("HD") channels bringing the total number of channels distributed regionally from the 91.5°E orbital slot to more than 50.
- **New Markets:** In January 2008 the MEASAT-1 ("M1") satellite, which had been decommissioned from commercial operations at the 91.5°E orbital location, was recommissioned at 46.0°E. At 46.0°E the satellite was renamed A1. Operating in inclined orbit as a fully depreciated asset, A1 continues to operate successfully providing C and Ku-Band capacity into the African market.

In 2009, M2 was decommissioned from operational service at 148.0°E. The satellite, which has now been renamed AFRICASAT-2 ("A2"), was brought into commercial service at 5.7°E in January 2010 to increase the capacity available in the African market and to protect MEASAT's rights to the 5.7°E orbital slot.

- **Fleet Expansion:** During the year, significant progress was made in the planning for replacement of the A1 and A2 satellites and to develop a new satellite for the Group's orbital location at 148.0°E. The Group expects to be able to announce progress on these projects in 2010.



YB Dato' Seri Utama Dr. Rais Yatim, Minister of Information, Communications and Culture, Malaysia with the MEASAT group at the Baikonur Cosmodrome, Kazakhstan.

Chairman's Statement (Continued)



MEASAT Teleport and Broadcast Centre, Cyberjaya

- **Regulatory and Legal Issues:** As noted in my statement last year, in 2007 the Group appealed against a notification by the Malaysian Communications and Multimedia Commission ("MCMC") to contribute RM31.5 million to the Universal Service Provision ("USP") Fund for calendar years 2003 to 2006.

In April 2009, the Group pursued its case by serving a Notice of Appeal to the MCMC pending the setting up of the Appeal Tribunal under the Communications and Multimedia Act 1998. The Group is still awaiting the setting up of the Tribunal to hear this case. On the basis of advice received from the Group's external legal counsel, the Board is confident of securing a positive outcome. Accordingly, no provision has been made.

In September 2008, PT Ayunda Prima Mitra ("PT APM") commenced a civil suit in Indonesia against MEASAT and twelve other parties ("Suit"). While on 17 September 2009 the South Jakarta District Court ("Court") dismissed the Suit on the grounds that PT APM has no legal standing to bring the action against MEASAT, PT APM has since filed a notice of appeal against the Court's decision. This notice was served on MEASAT on 21 April 2010.

- **Debt Restructuring:** During 2008 and 2009 the Group failed to meet certain covenants stipulated under the terms of its debt facility. The inability to meet the covenants was primarily due to (i) the delay in the launch of the M3a satellite; and, (ii) the impact of unrealised foreign exchange losses on the Group's earnings.

To address this issue, in 2009 the Group engaged with the lenders to restructure the terms of its borrowings. The restructuring was successfully completed on 21 December 2009.

DIVIDEND

Due to current working capital requirements, and restrictions placed on the Group by the various loan agreements, the Board is not in a position to recommend a dividend payment for financial year 2009. It is the intention of the Board to resume dividend payments when the situation allows.



Network Management Centre

FUTURE PROSPECTS

The Directors expect the Group results for the financial year ending 31 December 2010 to benefit from the continuing operations of M3 and A1; the first full year earnings from M3a; and, the contribution from A2 at its new orbital location.

The Group's financial results will, however, continue to be impacted by the effect of changes in the RM:US Dollar exchange rate on the valuation of the Group's US Dollar denominated assets and liabilities.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group's CSR program is focused on the development of future leaders for the Malaysian satellite industry. In support of this program, the Group continues to pursue the rollout of company-wide employee development initiatives to develop the next generation of MEASAT leadership.

During the year, the Group saw the return of its second scholarship recipient who had successfully completed a Master's Degree in Quality and Operations Management at the Chalmers University of Technology, Sweden. At the start of 2010, the Group launched its third annual MEASAT Space University Scholarship.

The Group continued with its educational outreach program, hosting student visits and engaging with local universities to provide guest lecturers, to educate students on the benefits of satellite communications. During 2009, this program included hosting a group of 14 students from Malaysia and four other countries on a once in a lifetime trip to Moscow and Baikonur to witness the M3a launch.

DIRECTORATE

I would like to extend my appreciation to Datuk Ramli bin Ibrahim, Encik Zam Ariffin bin Ismail, Encik Ralph Marshall and Encik Chan Chee Beng, my fellow Directors of the Company and to Tun Haji Mohammed Hanif bin Omar, Encik Khoo Teng Bin (Directors of MEASAT) and Mr. Simon Cathcart (Alternate Director to Encik Khoo Teng Bin) for their invaluable contributions to the Group over the last 12 months.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to thank the Ministry of Information, Communication and Culture (MOICC), the MCMC, Bursa Malaysia Securities Berhad and all other regulatory authorities for their support and guidance during the year.

Our sincere thanks are also extended to our partners, customers and shareholders for their highly valued support. Finally, I would like to thank our employees for their continued commitment to the Group. Their efforts have contributed to the success and the continued growth of the Group.

DATUK UMAR BIN HAJI ABU
Chairman

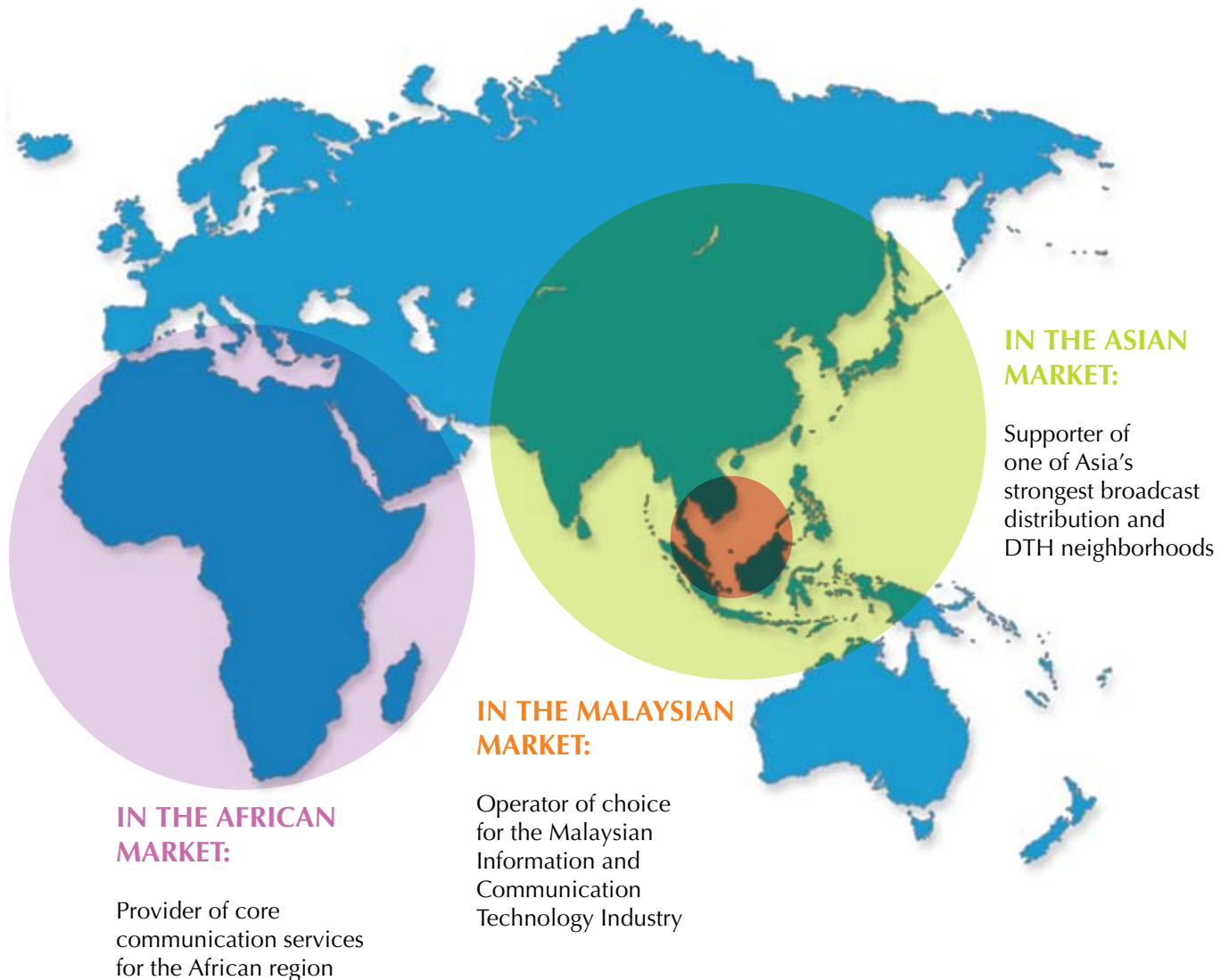


From left: YBhg Dato' Mohamed Sharil (COO, MCMC), Mr. Chris Richmond (Senior VP, Global Communication, Orbital), Dr. Ali Ebadi (Senior VP, Space Systems Development, MEASAT) and YBhg Datuk Umar (Chairman, MGB) at the M3a Commercial Launch

Vision Statement

To be the leading Emerging Market Satellite Operator:

- Provide innovative and “best-in-class” satellite solutions
- Align within a network of winning partnerships
- Create an inspiring environment for all employees to excel
- Exceed average industry growth and profitability



Company Profile



MEASAT Teleport and Broadcast Centre, Cyberjaya

MEASAT History

In 1992, in response to the Vision 2020 plan laid out by the then Prime Minister of Malaysia, YAB Tun Dr Mahathir Mohamad for the development of Malaysia's communications infrastructure for the new millennium, Binariang Sdn. Bhd. ("Binariang", now known as Maxis Communications Berhad) brought together a team of experienced and highly qualified experts to develop and launch Malaysia's first communications satellite system. In 1993, Binariang Satellite Systems Sdn. Bhd. ("BSS"), then a subsidiary of Binariang, was granted a licence to develop the Malaysia East Asia Satellite (MEASAT) system.

This effort culminated in the launch in 1996 of the MEASAT-1 ("M1") and MEASAT-2 ("M2") communications satellites from Europe's Spaceport in Kourou, French Guiana. The two high-powered Boeing 376HP communications satellites provided regional C-Band coverage and pioneered the use of Ku-Band in the high rain fall South East Asia region. Operated from a purposely built satellite control facility located 915m above sea level in Gunung Raya, Langkawi, the M1 and M2 satellites started providing satellite service across South East Asia.

The launch of M1 and M2 led to a rapid increase in Malaysian infrastructure development, both in the telecommunication and broadcasting industries, including the launch of Malaysia's first digital Direct-To-Home (DTH) Multi-Channel TV Service, under the Astro brand name.

BSS became a wholly-owned subsidiary of MEASAT Global Berhad (then known as Malaysian Tobacco Company Berhad) in 2002, following a reverse takeover exercise. In 2004, BSS was renamed MEASAT Satellite Systems Sdn. Bhd. ("MEASAT").

In 2006, MEASAT launched its third satellite, MEASAT-3 ("M3"), to occupy its key orbital slot at 91.5°E. The M3 satellite provides capacity to major customers of MEASAT.

In an effort to expand the business' reach, M1 was drifted to a new orbital location at 46°E, overlooking the African region, in 2007. The M1 satellite was then renamed AFRICASAT-1 ("A1"). In 2009, the M2 satellite was also drifted to support the African region at 5.7°E, and was renamed AFRICASAT-2 ("A2").

Today, the MEASAT fleet of four operating satellites is able to provide capacity to over 145 countries representing 80% of the world's population across Asia Pacific, Middle East, Africa, Europe and Australia. With the addition of MEASAT-3a ("M3a") satellite which was launched in 2009 co-located with M3 at the Group's key orbital slot at 91.5°E, the MEASAT fleet has a total of 100 transponders across four satellites.

Satellite Fleet

MEASAT-3a

Orbital position: 91.5°E (Year of launch: 2009)

Payload : C-Band, Ku-Band



MEASAT-3

Orbital position: 91.5°E (Year of launch: 2006)

Payload : C-Band, Ku-Band



AFRICASAT-1¹

Orbital position: 46.0°E (Year of launch: 1996)

Payload : C-Band, Ku-Band

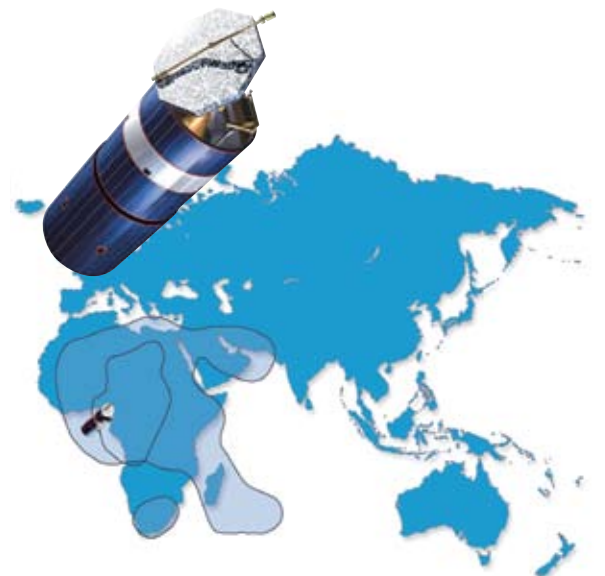


¹ Previously known as MEASAT-1

AFRICASAT-2²

Orbital position: 5.7°E (Year of launch: 1996)

Payload : C-Band, Ku-Band



² Previously known as MEASAT-2

Satellite Services and Applications

The MEASAT satellite fleet provides a range of services to the regions' multi-channel TV providers, broadcasting and telecommunication companies:

BROADCAST SERVICES

Direct-To-Home ("DTH") Television

The MEASAT fleet allows viewers to receive a wide selection of local and international TV programming via a small satellite dish mounted on the roof. Using high powered Ku-Band payloads, the technology also supports applications such as video on demand, interactive TV and high definition TV.

Satellite News Gathering

The global C-Band beams of the MEASAT satellite allows broadcasters to connect remote news gathering TV crews directly back to their TV studios without the need for terrestrial networks. The MEASAT fleet is able to relay the latest news from over 145 countries to audiences locally and regionally within minutes.

Broadcast Distribution

With the MEASAT system's global and regional beams, broadcasters are able to distribute and syndicate TV channels to PayTV operators in 145 countries for transmission to their viewers.

Video Playback / Uplink

MEASAT provides a complete playout solution including advertisement insertion, subtitling, dubbing, encryption, uplinking and satellite distribution. From tape or electronically delivered content, and with the support of partners in Kuala Lumpur, Hong Kong and Singapore, TV channels can be originated and distributed via the MEASAT fleet to PayTV operators across the Asia Pacific region.

High Definition ("HD") Solutions

By working with a group of leading broadcasting service uplink providers, MEASAT provides a HD MPEG-4 video playout and DVB-S2 uplink solution to allow broadcasters to originate and distribute the latest HD channels across the region.

TELECOMMUNICATIONS SERVICES

Very Small Aperture Terminal ("VSAT") Services

MEASAT allows customers to link multiple locations with high speed, reliable and secure satellite VSAT communication networks. These networks enable corporations and governments to reduce cost and increase efficiency.

Cellular Trunking

MEASAT offers its customers GSM trunking services via satellite. Through these expanded GSM networks, customers and governments will be able to provide a wider range of telecommunications solutions to end users. These solutions include complete cellular backhaul services and also the link which helps meet governments in terms of Universal Service Provision in accessing remote areas.

Co-location

MEASAT provides a secure facility to locate and operate customers' VSAT hubs or data centres. MEASAT offers a 1,100 sqm co-location space, all fully supported by redundant power and AC supply.

IP over Satellite Transit ("iPOST")

MEASAT's iPOST service provides customers with flexible bandwidth for internet connectivity, by linking remote sites to a multi-homed internet backbone. Through iPOST, MEASAT is able to offer a scalable solution tailored to the customer's bandwidth requirements to meet current and future demand.

Corporate Information

BOARD OF DIRECTORS

Datuk Umar bin Haji Abu
(Chairman) Independent Director

Datuk Ramli bin Ibrahim
Independent Director

Augustus Ralph Marshall
Non-Executive Director

Zam Ariffin bin Ismail
Non-Executive Director

Chan Chee Beng
Non-Executive Director

MEMBERS OF THE AUDIT COMMITTEE

Datuk Ramli bin Ibrahim
(Chairman) Independent Director

Datuk Umar bin Haji Abu
Independent Director

Chan Chee Beng
Non-Executive Director

COMPANY SECRETARY

Chua Sok Mooi
(MAICSA No. 0777524)

CORPORATE HEADQUARTERS

MEASAT Teleport and Broadcast Centre
63000 Cyberjaya, Malaysia
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Fax No.: +60(3) 8213 2233
Website: www.measat.com

REGISTERED OFFICE

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Kuala Lumpur City Centre
50088 Kuala Lumpur
Tel. No.: +60(3) 2380 6688
Fax No.: +60(3) 2380 6500

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. No.: +60(3) 7841 8000
Fax No.: +60(3) 7841 8008

AUDITORS

PricewaterhouseCoopers
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur

SOLICITORS

Cheong Kee Fong & Co.
Suites 6-3A – 6-8
6th Floor, Heritage House
33 Jalan Yap Ah Shak
50300 Kuala Lumpur

PRINCIPAL BANKERS

RHB Bank Berhad
Level 1, Tower Two, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Standard Chartered Bank Malaysia Berhad
Level 13, Menara Standard Chartered
30 Jalan Sultan Ismail
50250 Kuala Lumpur

CIMB Bank Berhad
10th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur

STOCK EXCHANGE

Bursa Malaysia Securities Berhad
(Main Market)

Board of Directors



1. *Datuk Umar bin Haji Abu*
2. *Chan Chee Beng*
3. *Datuk Ramli bin Ibrahim*
4. *Zam Ariffin bin Ismail*
5. *Augustus Ralph Marshall*

Profile of the Board of Directors

DATUK UMAR BIN HAJI ABU (Chairman) Independent Director



Datuk Umar bin Haji Abu, a Malaysian aged 66, was appointed as a Director and the Chairman of MEASAT Global Berhad on 25 August 1998. He serves as the Chairman of the Nominating Committee and is a member of the Audit and Remuneration Committees of MEASAT Global Berhad. He had served as Chairman of the Audit Committee between September 1998 and 16 February 2007.

Datuk Umar holds a Bachelor of Arts (Honours) Degree from the University of Malaya and a Diploma in Development Administration from the University of Birmingham, UK.

He has had an illustrious career in the civil service, holding various senior positions, including being the first Mayor of the City of Ipoh, a position he held from 1988 until 1993. Prior to his retirement from government service in 1998, he was the Secretary General of the Ministry of Housing and Local Government, Malaysia.

He does not have any family relationship with any Director and/or major shareholder of MEASAT Global Berhad nor does he have any interest in any transaction that is in conflict with those of the Company or its subsidiaries. He has had no convictions for any offences within the past 10 years.

DATUK RAMLI BIN IBRAHIM Independent Director

Datuk Ramli bin Ibrahim, a Malaysian aged 69, was appointed to the Board of MEASAT Global Berhad on 28 June 2002. He was also simultaneously appointed to the Audit Committee and has been its Chairman since 16 February 2007. He is also the Chairman of the Remuneration Committee and a member of the Nominating Committee of MEASAT Global Berhad. Datuk Ramli is the Senior Independent Director of MEASAT Global Berhad.

Datuk Ramli studied accountancy, articulated in Australia and qualified as a Chartered Accountant. He is now a Fellow of the Institute of Chartered Accountants, Australia and a Chartered Accountant (Malaysia).

Upon qualifying, he joined Peat Marwick Mitchell & Co. (now known as KPMG) Malaysia as Audit Senior in 1965 and rose the ranks to Senior Partner, a position he held from 1989 until his retirement in 1995. Datuk Ramli was the Executive Chairman of the Kuala Lumpur Options and Financial Futures Exchange Berhad from 1995 to 2000.

Datuk Ramli was appointed to the board of Yayasan Tuanku Syed Sirajuddin on 18 March 2004, a company limited by guarantee.

Currently, he also serves on the boards of several public listed and non-public listed companies, namely AEON Co. (M) Berhad, AEON Credit Service (M) Berhad and Ranhill Berhad (being companies listed on the Bursa Malaysia Securities Berhad ("Bursa Securities")), BCT Technology Berhad (listed on ACE Market) and HSBC Bank Malaysia Berhad.

He does not have any family relationship with any Director and/or major shareholder of MEASAT Global Berhad nor does he have any interest in any transaction that is in conflict with those of the Company or its subsidiaries. He has had no convictions for any offences within the past 10 years.



AUGUSTUS RALPH MARSHALL Non-Executive Director



Ralph Marshall, a Malaysian aged 58, was appointed to the Board and Audit Committee of MEASAT Global Berhad on 8 May 2002. He served as a member of the Audit Committee until 22 December 2008.

He is an Associate of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Certified Public Accountants and has more than 30 years experience in financial and general management.

Ralph Marshall is an Executive Director of Usaha Tegas Sdn. Bhd. ("Usaha Tegas"), and serves on the boards of several other companies in which Usaha Tegas has significant interests, namely, ASTRO ALL ASIA NETWORKS plc (listed on the Bursa Securities) of which he is also the deputy chairman and group chief executive officer and Tanjong Public Limited Company ("Tanjong") (listed on the Bursa Securities and the London Stock Exchange plc) in which he serves as executive director. He also serves as non-executive director on the boards of several other companies in which Usaha Tegas has significant interests, namely, Maxis Berhad (listed on the Bursa Securities), Johnston Press plc (listed on the London Stock Exchange plc), Arnhold Holdings Limited (listed on The Stock Exchange of Hong Kong Limited) and Powertek Berhad (a wholly-owned subsidiary of Tanjong).

Ralph Marshall is also a director in an independent non-executive capacity and the chairman of the audit committee of KLCC Property Holdings Berhad (listed on the Bursa Securities).

He does not have any family relationship with any Director and/or major shareholder of MEASAT Global Berhad and there is no business arrangement with the Company or its subsidiaries in which he has a personal interest. He has had no convictions for any offences within the past 10 years.

ZAM ARIFFIN BIN ISMAIL Non-Executive Director

Zam Ariffin bin Ismail, a Malaysian aged 46, was appointed a Director of the Company on 27 June 2008. Prior to his appointment as Director, he had served as an Alternate Director to Khairussaleh bin Ramli, a previous Director of the Company between 24 November 2006 and 27 June 2008.

Zam Ariffin holds a Masters Degree in Professional Accounting from St. Louis University, St. Louis, Missouri, USA and a Bachelor of Science in Accounting from Emporia State University, Emporia, Kansas, USA.

He is currently the Vice President, Support Business, a line of business within Telekom Malaysia Berhad ("TM").

Zam Ariffin had held various senior management positions ranging from corporate finance, investor relations, contract management and financial management mainly in the telecommunication industry. He started his career in 1987 as a Bond Officer at Cagamas Berhad. In May 1989, he joined TM as Assistant Manager, Financing and Special Projects in the Corporate Finance Division. He was subsequently promoted to the position of Manager/Head of Forex, Financing and Special Projects, a post which he held from October 1992 to May 1996, before joining Telekom Cellular Sdn. Bhd. (TM Touch) as General Manager, Finance Division in June 1996.

From January 2000 to August 2006, Zam Ariffin served as Head and Senior Manager (Business & Financial Planning Department, Networks Engineering & Operation Division) in Maxis Communications Berhad and as Senior Manager (Contract Management Department, Finance & Administration Division), before returning to TM to assume the position of General Manager, TM Ventures in August 2006.

Zam Ariffin also sits on the boards of several subsidiaries within the TM Group of companies.

He does not have any family relationship with any Director and/or major shareholder of MEASAT Global Berhad and there is no business arrangement with the Company or its subsidiaries in which he has a personal interest. He has had no convictions for any offences within the past 10 years.



CHAN CHEE BENG Non-Executive Director



Chan Chee Beng, a Malaysian aged 54, was appointed to the Board and Audit Committee of MEASAT Global Berhad on 22 December 2008.

He holds a Degree in Economics and Accounting and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Chan Chee Beng has more than 30 years of experience in investment banking, financial management and accounting including stints with Ernst & Young and Morgan Grenfell & Co Ltd. He joined the Usaha Tegas Group in 1992 as head of corporate finance and is presently executive director of Usaha Tegas and serves on the boards of directors of several other companies in which Usaha Tegas has significant interests, namely, Maxis Berhad (listed on Bursa Securities) and Sri Lanka Telecom PLC (listed on the Colombo Stock Exchange).

He also serves on the boards of Bumi Armada Berhad Group and Maxis Communications Berhad (the holding company of Maxis Berhad).

He does not have any family relationship with any Director and/or major shareholder of MEASAT Global Berhad and there is no business arrangement with the Company or its subsidiaries in which he has a personal interest. He has had no convictions for any offences within the past 10 years.

Senior Management Team



Senior Management Team (Continued)

PAUL BROWN-KENYON

Chief Operating Officer

Paul Brown-Kenyon joined MEASAT in 2003 as Vice President of Sales and Marketing before taking over the role of Chief Operating Officer end 2004. Prior to joining MEASAT, Paul spent six years with McKinsey & Company in the firm's Singapore, Hong Kong and Stamford (US) offices.

Paul holds an MBA from the Yale School of Management, US, and an MA (Oxon) in Engineering Economics and Management from Hertford College, University of Oxford, UK.

Paul is a member of the Council of Governors of the Cable & Satellite Broadcasting Association of Asia (CASBAA).

DR. ALI R. EBADI

Senior Vice President (Space Systems Development)

Dr. Ali R. Ebadi joined MEASAT in 1991 and is currently the Senior Vice President, Space Systems Development. Prior to joining MEASAT, Ali was a full-time lecturer at UiTM (University Technology Mara, Malaysia), and a part-time lecturer at the University of Malaya.

Ali holds a PhD in Electrical Engineering, an MSc in Radio Engineering and Operations and a BSc in Electrical Engineering.

Ali is a member of the International Telecommunications Union's (ITU) Radio Regulations Board (RRB), a Chartered Professional Engineer with the Institution of Engineers of Australia (IE Aust), a Chartered Engineer with the Institution of Engineering & Technology (IET) UK, and a member of the Malaysian Institute of Engineer (IEM).

FARAH SUHANAH AHMAD SARJI

General Counsel

Farah Suhanah joined MEASAT as General Counsel in 2003. Prior to joining MEASAT, Farah practised law in the legal firm of Messrs. Zaid Ibrahim & Co. as a Partner in the Government and Special Projects Practice.

Farah holds a BA (Hons.) in Law from the University of Kent at Canterbury, UK and is a Barrister at Law of the Middle Temple of London. She has been called to the Malaysian Bar and holds a practising certificate as an Advocate and Solicitor of the High Court of Malaya.

TERRY BLEAKLEY

Vice President (Commercial Operations)

Terry Bleakley joined MEASAT in 2007 and is currently the Vice President of Commercial Operations. Prior to joining MEASAT, Terry held senior sales positions at Intelsat and was the Managing Sales Director (Asia Pacific) before he left.

Terry holds a Bachelor of Science from Victoria University, New Zealand and a Post Graduate Diploma in Aviation and Business Studies. He has a Commercial Pilot's licence.

AZIH M. ZIN

Head of Satellite Engineering & Operations

Azih M. Zin joined MEASAT in 1995 and is currently the Head of Satellite Engineering & Operations. Prior to joining MEASAT, Azih was attached to Shell for ten years as an Electronics Engineer, and has lectured on electronics engineering for more than eight years at the University of Malaya.

Azih holds an MSc and a BSc in Electrical Engineering from the Syracuse University, US.

Statement on Corporate Governance

The Board of MEASAT Global Berhad has confirmed its commitment to maintaining the highest standard of governance and business integrity and subscribing to the principles and best practices as promulgated under the Malaysian Code of Corporate Governance (Revised 2007) (“the Code”) and the Main Market Listing Requirements (“LR”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

Towards that end, the Board has reviewed the several governance measures previously implemented pursuant to achieving compliance with the Code and the LR.

COMPLIANCE WITH THE CODE

This section of the Annual Report describes how the Company has applied the Principles as set out in Part 1 of the Code and the extent to which it has complied with the Best Practices in Corporate Governance as set out in Part 2 of the Code during the financial year ended 31 December 2009.

The Directors confirm that throughout the year, the Company has been in compliance with the Best Practices in Corporate Governance as set out in Part 2 of the Code to the extent that they are applicable to the Company subject to the following:

- a) Division of responsibilities between the Chairman and the chief executive officer; and
- b) Review and recommendation of executive directors’ remuneration.

The Board reaffirmed that in the absence of a chief executive officer, it is not necessary at this stage to formalise any division of responsibilities between the Chairman and the chief executive officer or to consider any matter relating to executive directors’ remuneration.

1. Board of Directors

The Directors recognise the key role they play in charting the strategic direction, development and control of the Group and have adopted the six primary responsibilities as prescribed in the Code to effectively lead the Group.

1.1 Board Balance

The Board comprises five Non-Executive Directors, two of whom are Independent thus satisfying the requirement that at least two Directors or one third of the Board is constituted of independent directors.

Amongst them the Directors have substantial years of experience in business, telecommunications, banking, corporate finance and general management disciplines. The Nominating Committee has in the course of the financial year, reviewed the composition and balance of the Board, its mix of qualifications, skills and competencies and maintained that the composition of the Board has the appropriate mix of skills and competencies to continue to meet the needs of the Group’s business and hence, no recommendation was made to the Board for any change after the review.

The Group’s core business is directed by its subsidiary’s board and managed by a management team both of whom are well versed with the business of the Group. The present size and composition of the Company’s Board meets the current needs of the Group.

The Independent Directors bring to bear objective and independent judgement on various issues dealt with at the Board and Board Committees levels. Datuk Ramli bin Ibrahim is the Senior Independent Director to whom concerns may be conveyed.

Through their participation in the Board, Audit, Remuneration and Nominating Committees, the Independent Directors play a strong and vital role in entrenching good governance practices in the affairs of the Group.

The Independent Directors together with the other Non-Executive Directors also contribute significantly in the areas of policy, performance monitoring, allocation of resources, review of areas exposed to risk and their mitigation, enhancement of controls and promotion of standards of conduct.

A brief profile of each Director is presented on pages 16 and 17 of this Annual Report.

1.2 Appointments to the Board

The Articles of Association of the Company provide for one third of the existing Directors (except for Directors appointed subsequent to the previous Annual General Meeting (“AGM”)) to submit themselves for re-election on a rotation basis each year. In addition, all Directors submit themselves for re-election at least once every three years to provide an opportunity to shareholders to consider renewing their mandates. Re-election of each Director is voted on separately. To assist shareholders in their decision, information on all the Directors including those standing for re-election at the AGM, is set out in the Annual Report under the section on Profile of the Board of Directors.

Subject to Directors who were re-elected at the last AGM, no new appointments were made to the Board in the course of the year.

1.3 Board Meetings and Procedures

Due notice is given of scheduled meetings and of matters to be dealt with thereat. Additional meetings are convened when urgent and important decisions need to be taken in between scheduled meetings. Proper records of all meetings of the Board and Board Committees and decisions made thereat are maintained by the Secretary and communicated promptly for Management’s action as deemed necessary. During the financial year, five Board meetings were held. Details of the Directors’ attendance at the Board meetings held during the financial year are disclosed hereunder:

Directors	Attendance
Datuk Umar bin Haji Abu	5/5*
Datuk Ramli bin Ibrahim	5/5*
Augustus Ralph Marshall	5/5*
Zam Ariffin bin Ismail	5/5*
Chan Chee Beng	3/5*

Note:

* Number of meetings held during the financial year.

The Board has in place a Manual defining the Limits of Authority of Management on operational and administrative matters and incorporating a Schedule of Matters Reserved for the Board to ensure that direction and control of the Group are firmly in the hands of the Board, where appropriate. The Manual and the Schedule are from time to time reviewed and updated as deemed necessary. Key matters that are presently reserved for the Board include approving the strategic plan, annual operating budget, quarterly and annual financial statements, marketing strategies and competitiveness, material acquisitions and disposals and key policies affecting the Group and the monitoring of financial and operating performance.

1.4 Supply of Information

The Directors are supplied with all relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of Board papers tabled at Board meetings or upon specific requests, for informed decision making and meaningful discharge of their duties.

Procedures and deadlines have been established for timely dissemination of such information and reports for Board or Board Committees meetings, to give effect to Board decisions and to deal with matters arising from such meetings. If there are late developments, the Board members will be briefed by relevant Management at the Board meetings. Directors may obtain independent professional advice at the Company's expense in furtherance of their duties in accordance with an established procedure. While all Directors have access to information pertaining to the Company, a procedure has been formalised by the Board for the Directors to obtain any information pertaining to the Company.

The Directors have access to the advice and services of the Company Secretary.

1.5 Directors' Training

Directors recognise that fundamental to the effective discharge of their responsibilities and obligations are awareness and knowledge of the same. A Directors' Orientation and Education Programme for the induction, orientation and continuing education of Directors which was previously formalised, entails both internal and external forums to inform Directors and enhance their knowledge as Directors through creating such awareness. All Directors have completed the Mandatory Accreditation Programme conducted by Bursa Securities.

Directors are also advised of developments or changes to relevant laws and regulatory requirements and suitable training and education programmes are identified, in this regard for their participation from time to time.

Directors are kept abreast of the satellite industry and technical and marketing related issues affecting the business nationally, regionally and globally by Management by way of monthly reports and briefings during Board meetings aimed at ensuring that Directors are well versed with the knowledge of the Group's business and affairs in enabling them to make meaningful decisions.

During the financial year, the Directors attended and participated in various training programmes/forums both off-site and internal which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors. The programmes attended by them covered the following areas:

- Business leadership and transformation;
- Corporate Governance updates;
- Directors' forum;
- Financial reporting insights and updates/MASB conference;
- Board responsibilities/ internal controls and risk management;
- New framework for listing and equity fund raising; and
- Banking insights.

2. Audit Committee

The Audit Committee comprises three Directors, two of whom are independent with Datuk Ramli bin Ibrahim as the Chairman.

The composition of the Audit Committee is set out in the Audit Committee Report on pages 26 to 29 of this Annual Report appended hereto.

The primary functions of the Audit Committee include:

- (i) review of the audit plan, scope of engagement and remuneration of the External Auditors and discussion of audit, accounting and compliance issues and recommendations contained in their reports;
- (ii) review of quarterly results and annual audited financial statements;
- (iii) review the adequacy of the scope, functions, independence, competency and resources of the Internal Audit function, approve the Internal Audit Charter, and review and discuss findings and recommendations in the Internal Audit Reports; and
- (iv) review and monitoring of related party transactions.

As provided for in its remit, the Audit Committee meets with the Company's External Auditors without the presence of Management at least twice a year. The role of the Audit Committee in relation to the External Auditors is described under the Audit Committee Report of this Annual Report.

The Head of Internal Audit function reports to the Audit Committee.

There is in place, a formal procedure for the Audit Committee members to obtain independent professional advice, in furtherance of their duties.

The composition and terms of reference which conform with the LR of the Bursa Securities and the Code, the attendance of the Directors and a summary of the activities of the Audit Committee during the financial year are set out under the Audit Committee Report of this Annual Report. The terms of reference of the Audit Committee are also available on the Company's website at www.measat.com.

3. Nominating Committee

The Nominating Committee was established on 19 August 2002 with specific terms of reference. It presently comprises the two Independent Directors with Datuk Umar bin Haji Abu as Chairman and Datuk Ramli bin Ibrahim as a member.

The Nominating Committee is responsible for making recommendations to the Board on the optimum size of the Board, formalising a transparent procedure for proposing new nominees to the Board and Board Committees and ensuring that the investments of the minority shareholders are fairly reflected on the Board. The Nominating Committee also assists the Board in reviewing on an annual basis the required mix of skills and experience of the Directors and making recommendations thereon.

The Nominating Committee has put in place a process for assessing the effectiveness of the Board, Board Committees and each individual Director ("Process for Annual Assessment of the Board") which was approved by the Board in 2004. In accordance with the established process, the assessments of the Board, Board Committees and each individual Director for each financial year were conducted in January in the following year.

During the year, the Nominating Committee met to review matters under its purview which included the following and made the appropriate recommendations to the Board:

- review of the mix of qualifications, skills and competencies and composition of the Board and the Board members;
- review of the Process for Annual Assessment of the Board including the assessment templates; and
- schedule the timetable for the annual assessment of the Board, Board Committee and individual Directors.

Following the review, the Nominating Committee confirmed that the mix of skills and composition of the Board is still appropriate to effectively serve the Company and as such, a recommendation was made for the Board that no change in the size, or mix of skills or competencies to the Board was necessary in the meantime.

In addition, while the Nominating Committee concluded that the Process for Annual Assessment of the Board as previously approved was still appropriate, an enhanced assessment template was adopted during 2009. The enhanced template was used for the assessment of the individual directors, Board Committees and the Board as a whole for the financial year ended 2009. The findings of the annual assessment of the Board, Board Committee and individual Directors for financial year ended 2009, conducted in January this year, were reported to the Board by the Chairman as satisfactory.

4. Remuneration Committee

The Board established a Remuneration Committee on 19 August 2002. The composition of the Remuneration Committee is identical to that of the Nominating Committee, with Datuk Ramli bin Ibrahim as its Chairman.

The Remuneration Committee is responsible for recommending the policy and framework for Directors' remuneration as well as the remuneration and terms of service of executive

directors and where appropriate it will draw on the advice of external consultants. In the absence of executive directors on the Board, the Committee has not found it necessary to meet to discuss executive director's remuneration.

Non-Executive Directors' remuneration is for the Board as a whole to determine, with individual directors abstaining from discussions and decisions of their own remuneration. Non-Executive Directors' remuneration has regard to their experience, expertise and the level of responsibilities undertaken and the significant role played and time spent on Board and Board Committees matters.

The Articles of Association provide that any increase in Non-Executive Directors' remuneration should be approved at a general meeting. The Articles which were amended at the 2003 AGM provide that Directors' fee shall not exceed RM200,000 per annum for each Director. There was no change in the level of Non-Executive Directors' remuneration in the course of the year. For details of Directors' remuneration, please refer to pages 33 and 61 of the Annual Report.

5. Internal Control

The Board recognises the importance of sound internal control and risk management practices to good corporate governance and protecting shareholder investments and the Group's assets. The review of risk management processes and internal controls within the operating units of the Group is undertaken on an ongoing basis with the assistance of the Internal Audit function.

Please refer to pages 30 to 32 of this Annual Report for the Directors' Statement on Internal Control.

6. Succession Planning

It is also the responsibility of the Board to ensure Management is of a highest calibre to suit and meet the short and long term needs of the

Group and proper criteria and programmes have been put in place for the appointment, training and succession planning of key Management positions for the operating subsidiary, MEASAT Satellite Systems Sdn. Bhd. ("MEASAT"). Towards this end, the Group has set up a programme to train and develop Management and provide for the orderly succession of key positions for MEASAT.

7. Shareholders' Communication and Investor Relations Policy

The Board acknowledges the importance of good communications and effective interpretation of operations of the Group to shareholders and the professional investment community and to provide opportunities to encourage participation by them. To this end, a Shareholders' Communication and Investor Relations Policy ("Policy") was formalised by the Board.

The Policy sets out the mode and medium of communication and the extent of information to be furnished to the shareholders, the other stakeholders and the public in general, which allow them to make an informed decision. Annual reports, circulars to shareholders and announcements serve as the primary instruments of communication and dissemination of information while general meetings are recognised by the Board as an important forum to provide an opportunity for direct interaction with shareholders where questions and concerns raised by them on the operations, financial performance and major developments of the Group are addressed subject to the Company's Corporate Disclosure Policy. For further information, shareholders can access the website at www.measat.com.

Due notice of general meetings is given with sufficient information of the business to be dealt with thereat, and is also published in at least one nationally circulated Bahasa Malaysia or English daily newspaper to provide for wider dissemination of such notice to encourage the shareholders' participation. The form of proxy accompanying the notice contains sufficient

information on the mode of attendance and the manner of exercising of voting rights by members.

The Policy provides for all Directors and Senior Management to attend general meetings. Questions or concerns raised are to serve as feedback to be factored into the Company's business or corporate decisions.

The Policy also provides for meetings or dialogues with members of the Board or Management when requested by the institutional investors, fund managers and analysts to explain the Group's strategy and performance to foster mutual understanding of objectives.

The adoption of a Corporate Disclosure Policy predicated on the corporate disclosure requirements of the prevailing regulatory requirements and guidelines has due regard for the need by shareholders and the investing community for timely release of price sensitive information, publication of quarterly and annual results and other corporate proposals.

During 2009, the Company continued its participation in the Capital Market Development Fund – Bursa Research Scheme ("CBRS") initiated by the Bursa Securities, which has the aim of ensuring wider research coverage of listed companies to enable investors to make better informed decisions and facilitating greater investor understanding of the listed companies and their stock. The existing arrangement with CBRS ended in April 2010.

8. Financial Reporting

A statement by the Directors of their responsibilities for preparing the financial statements is set out under the Statement of Directors' Responsibility on page 35 of this Annual Report.

In presenting the annual financial statements and quarterly announcements, Directors aim to present a balanced and understandable assessment of the Group's position and prospects to its shareholders and regulators.

Audit Committee Report

COMPOSITION

The Audit Committee (“Committee”) comprised the following Directors during the financial year:

NAME	DIRECTORSHIP
Datuk Ramli bin Ibrahim (Chairman)	Independent Director
Datuk Umar bin Haji Abu	Independent Director
Chan Chee Beng	Non-Executive Director

MEETINGS

The Committee held five meetings during the financial year ended 31 December 2009 and the attendance of the members was as follows:

NAME	ATTENDANCE
Datuk Ramli bin Ibrahim (Chairman)	5/5*
Datuk Umar bin Haji Abu	5/5*
Chan Chee Beng	3/5*

* Number of meetings held during the financial year.

Representatives of Management, the Internal Auditors and the External Auditors attended all the quarterly meetings at the invitation of the Chairman. During the financial year, the Committee also met twice with the External Auditors to discuss matters relating to the audit without the presence of Management.

SUMMARY OF ACTIVITIES

The Committee carried out the following activities, amongst others, during the financial year in accordance with the terms of reference of the Committee (“Terms of Reference”):

- Reviewed the quarterly results, financial statements and corresponding announcements to be released to the Bursa Malaysia Securities Berhad (“Bursa Securities”) to ensure compliance with the relevant Main Market Listing Requirements (“LR”) of the Bursa Securities, the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

- Reviewed the results of the Enterprise Risk Management process for the Group.
- Reviewed the External Auditors’ scope of work, proposed audit fee, audit reports and audit plan for the year.
- Reviewed the Internal Audit plan for the year ending 31 December 2010, and discussed key audit findings arising from the Internal Audit reviews conducted during the year and the actions taken by Management to address those weaknesses or shortcomings.
- Reviewed related party transactions to satisfy itself that the said transactions were transacted in the best interest of the Group on normal commercial terms and were not detrimental to the interests of minority shareholders.
- Noted emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory and regulatory disclosure requirements.

During the financial year, the Committee members were briefed and updated on regulatory and technical changes at regular Audit Committee and Board Meetings and attended training sessions in-house as well as off-site courses and forums conducted by professionals in their areas of expertise. The off-site training sessions attended included courses/seminars/forums in the following areas:

- Corporate Governance updates;
- Financial reporting insights and updates/MASB conference;
- Board responsibilities/internal controls and risk management;

Audit Committee Report (Continued)

- New framework for listing and equity fund raising; and
- Banking insights.

The Committee members, being members of the Board, were also kept abreast of the satellite industry and technical and marketing related issues affecting the business by Management by way of monthly reports.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is carried out by UTSB Management Sdn. Bhd. ("UTSBM"), under the consultancy and management services agreement entered into between the Group and UTSBM. UTSBM is a company deemed related to the Group pursuant to the LR of the Bursa Securities. Its authority and responsibilities are governed by the Internal Audit Charter that has been approved by the Committee. The Head of the Internal Audit function reports directly to the Committee.

The Internal Audit function adopts a risk based approach in evaluating the financial, operational and compliance areas of the Group. Audit focus is placed on the key risk areas identified in the course of the Enterprise Risk Management process.

The Internal Audit function carried out the following activities, amongst others, during the financial year:

- Assessment of the adequacy and effectiveness of the system of internal control and recommending improvements where required.
- Ascertaining compliance with established policies and procedures as well as regulatory requirements.
- Identifying opportunities for improvement in business and operational processes.

TERMS OF REFERENCE

The Terms of Reference of the Committee summarised below are regularly reviewed to ensure compliance with the LR of the Bursa Securities and the Malaysian Code on Corporate Governance.

1. Membership

1.1 The Committee shall be appointed by the Board of Directors ("Board") from amongst their number and shall be composed of not fewer than three members, the majority of whom shall be independent directors. All members of the Committee should be non-executive directors.

1.2 Each member of the Committee must be able to read and understand fundamental financial statements including the Group's balance sheets, income statements and cash flow statements or must become able to do so within a reasonable period of time after appointment to the Committee.

1.3 At least one member of the Committee:

- (a) Must be a member of the Malaysian Institute of Accountants; or
- (b) If he is not a member of the Malaysian Institute of Accountants he must have at least three years working experience and:
 - (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - (iii) he has a degree/master/doctorate in accounting or finance and at least three years post qualification experience in accounting or finance; or
 - (iv) he has at least seven years experience being a chief financial officer of a corporation or having the function or being primarily responsible for the management of the financial affairs of a corporation; or
 - (v) he fulfils such other requirements as prescribed or approved by Bursa Securities.

Audit Committee Report (Continued)

1.4 The Board must ensure that no Alternate Director is appointed as a member of the Committee.

1.5 The members of the Committee shall elect a Chairman from amongst their number.

2. Authority and Rights

The Committee whenever necessary and reasonable for the performance of its duties shall in accordance with the procedure determined by the Board and at the cost of the Company:

- (a) have authority to investigate any matter within its Terms of Reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Group;
- (d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
- (e) be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- (f) be able to convene meetings with the External Auditors, the Internal Auditors or both excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

3. Functions and Duties

The Committee shall, amongst others, discharge the following functions:

3.1 Review the following and report the same to the Board of the Company:

(a) In relation to External Auditors,

- the audit plan, the scope of work and ascertain that it will meet the needs of the Board, the shareholders and regulatory authorities;
- their evaluation of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Group's operations and efforts and processes taken to reduce the Group's operations risks;
- their audit report;
- the assistance given by employees of the Group to the External Auditors;
- any letter of resignation from the External Auditors of the Company;
- whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for reappointment; and
- any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the External Auditors.

(b) In relation to Internal Audit function,

- the adequacy of the scope, functions, independence, competency and resources of the Internal Audit function and that it has the necessary authority to carry out its work;
- the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the Internal Audit function;

Audit Committee Report (Continued)

- the assistance given by employees of the Group to the Internal Auditors; and
 - any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the Internal Auditors.
- (c) the quarterly results and annual financial statements prior to the approval by the Board.
- (d) the reports received on the adequacy and effectiveness of the Group's system of internal control and risk management system.
- (e) any related party and inter company transactions and conflict of interest situations that may arise within the Company/Group and any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (f) the propriety of accounting policies, principles and practices adopted by the management and accepted by the External Auditors, where alternatives are also acceptable.
- 3.2 Recommend the nomination of a person or persons as External Auditors, the external audit fee and the fees in respect of non-audit services that may be performed by the External Auditors, ensuring that the provision of such services does not impair the independence and objectivity of the External Auditors.
- 3.3 Review and monitor the independence and objectivity of the External Auditors and the effectiveness of the audit process annually.
- 3.4 Approve the appointment of senior member of the Internal Audit function and query any resignation of senior members as well as to provide the resigning staff an opportunity to submit his/her reason for resigning.
- 3.5 Monitor and review the effectiveness of the Internal Audit function from time to time.
- 3.6 Promptly report to the Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Bursa Securities LR.
- 3.7 Submit to the Board on a periodic basis a report on the summary of activities of the Committee in the discharge of its functions and duties in respect of each financial quarter and the financial year.
- 3.8 Prepare, with the assistance of management, an audit committee report which shall include a summary of the activities of internal audit function or activity for inclusion in the annual report as required under the LR.
- 3.9 Review the arrangements by which members of the staff within the Group may in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other business or commercial related matters.

4. Meetings and Minutes

- 4.1 To form a quorum in respect of a meeting of the Committee, the majority of members present must be Independent Directors.
- 4.2 A minimum of four meetings per year are to be planned, although additional meetings may be called at any time at the Committee Chairman's discretion.
- 4.3 At least twice a year, the Committee shall meet with the External Auditors without any Executive Directors present.
- 4.4 The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Secretary at the Registered Office of the Company.

Statement on Internal Control

INTRODUCTION

The Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“LR”) require the directors of a public listed company to include in its annual report a statement on the state of its internal control as a group. In accordance with the relevant provisions of the Malaysian Code on Corporate Governance (Revised 2007) (“Code”), the Board of Directors (“Board”) should maintain a sound system of internal control to safeguard shareholders’ investment and the Group’s assets. The Bursa Securities’ Statement on Internal Control: Guidance for Directors of Public Listed Companies (“Guidance”) provides guidance on compliance with these requirements. The Statement on Internal Control set out below has been prepared in accordance with the Guidance.

The External Auditors have reviewed this Statement as required by paragraph 15.23 of the LR. Their review was performed in accordance with Recommended Practice Guide 5 (“RPG 5”) issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the internal control of the Group.

The External Auditors did not consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group’s risk and control procedures. RPG 5 does not require them to do so.

RESPONSIBILITY

The Board acknowledges its responsibility to establish a sound system of internal control and risk management and for reviewing the effectiveness of the system in order for the Group to safeguard shareholders’ investment and the Group’s assets pursuant to the Code and in accordance with the Guidance. However, given the inherent limitations in any system of internal control, such a system is designed to manage and control the risk of failure to achieve business objectives rather than eliminate it. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatements or loss.

INTERNAL CONTROL ELEMENTS

The Board has applied the following framework and processes in reviewing the adequacy and integrity of the internal control system.

1. Risk Management

The Board confirms that the process for identifying, evaluating and managing the significant risks faced by the Group are in place and this process has been reviewed by the Board through its Audit Committee. The risk management process is coordinated by Group Internal Audit in conjunction with all Heads of Department within the Group. This process has been in place throughout the financial year ended 31 December 2009 and has continued up to the date on which this Annual Report was approved. The key features of this process include:

- Establishment of a Risk Management Committee (“RMC”), which is chaired by the Chief Operating Officer and comprises members of the Senior Management Team, to oversee the risk management activities. The members of the RMC review the quarterly report on risk management activities prior to submission to the Audit Committee.

Statement on **Internal Control** (Continued)

- Establishment of a structured process for identifying, measuring, monitoring and managing business risks faced by the Group. The results of these activities are documented on risk inventories, detailed risk maps for each business area and consolidated on to an overall risk map for the Group.
- Identification by the Heads of Department as the risk owners who are accountable for ensuring that the respective risks are continuously updated, monitored and managed. The status of risk mitigation action plans are also being tracked to ensure effective and timely implementation.
- Reporting of the results of that monitoring process (including any significant changes to the Group's risk profile) to the Audit Committee and the Board on a quarterly basis.
- Formalization and distribution of the Enterprise Risk Management Policy and Procedures to ensure that the above processes are continually adhered to and are an integral part of the Group's operations.
- Ongoing assessments of the quality of risk management and controls by Group Internal Audit.

2. **Control Environment**

The Board is committed to maintaining a strong control environment for the Group's operations. The Group's control environment comprises the following components:

(a) Independence of the Audit Committee

The Audit Committee comprises a majority of independent directors who have unimpeded access to both internal and external auditors. The activities of the Audit Committee in reviewing the results of the internal and external auditors' work and findings assist them in their evaluation of the control environment.

(b) Organizational structure with defined roles and responsibilities

The Board has established a properly defined organizational structure with clear reporting lines and formalized roles and responsibilities. The Group's Limits of Authority assigns authority to appropriate levels of staff to exercise control over the Group's commitment of both capital and operational expenditure. The Limits of Authority is approved by the Board and regularly reviewed and updated as and when necessary.

(c) Documented policies and procedures

Documented policies and procedures for operational, financial and human resource areas are in place and regularly updated to reflect changing risks and ensure proper identification of accountabilities and compliance with internal controls.

(d) Human resource development

A succession plan has been developed to ensure continuity in key management positions. Ongoing internal and external training programmes are undertaken to enhance employees' skills and competencies.

(e) Group Internal Audit

The Group has an internal audit function that adopts a risk based approach in evaluating the financial, operational and compliance areas of the Group. Audit focus is placed on the key risk areas identified in the course of the risk management process.

(f) Business Continuity Plan

A Business Continuity Plan has been developed to ensure that it effectively addresses the satellite operations and corporate functions of the Group in the event of a business disruption or systems failure. The recovery plans, documentation, additional infrastructure, redundancies and alternative sites have been identified and formulated as part of the plan.

3. Control Procedures

Control procedures for day to day financial and operational activities are in place. Key control elements include the following:

- A budgeting process has been established where detailed budgets are prepared annually and discussed before being submitted for Board approval;
- Monthly review of financial and operational performance;
- Segregation of duties over verification, authorization and reconciliation processes;
- Controls over physical assets and information systems;
- Establishment and regular updates of operational manuals and contingency plans to effectively manage the satellite control facilities; and
- Legal and regulatory compliance activities.

4. Information and Communication

Effective and comprehensive systems and processes are in place to capture and generate relevant information. A clear reporting structure ensures that financial and operational reports are periodically prepared and presented to Management and the Board for discussion and review.

5. Monitoring and Review

Monitoring and review processes are in place and provide reasonable assurance that the structure of controls and risks are at an acceptable level and these include:

- Key performance indicators and budget variances are monitored and explained on a monthly basis;
- The financial results are reviewed by the Board on a quarterly basis with Management to enable it to gauge the Group's achievement of its annual targets and to review any key financial and operational issues;
- Scheduled and ad-hoc meetings are held at operational and management levels to discuss and resolve operational and business issues; and
- Independent reviews carried out by Group Internal Audit are communicated to the Audit Committee and the Board to enable an evaluation of the adequacy and integrity of the Group's system of internal control.

The system of internal control was satisfactory and no major internal control weaknesses were identified during the year, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report.

Additional Disclosure of Information

pursuant to Appendix 9C of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

1. NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year by the auditors, or a firm or company affiliated to the auditors' firm are as follows:

PricewaterhouseCoopers: RM95,550.00

PricewaterhouseCoopers Taxation Services Sdn. Bhd.: RM57,000.00

2. DIRECTORS' REMUNERATION

Details of Directors' remuneration in respect of the financial year ended 31 December 2009 are as follows:

(a) Aggregate remuneration

Remuneration	Executive Director (RM)	Non-Executive Director (RM)	Amount (RM)
Directors' fees	–	275,000.00	275,000.00
Directors' allowance	–	127,500.00	127,500.00
Total	–	402,500.00	402,500.00

(b) Number of Directors in each successive band of RM50,000

Range of Remuneration (RM)	Executive	No. of Directors	Non-Executive
50,000 and below	–		1
50,001 to 100,000	–		3
100,001 to 150,000	–		1
Total	–		5

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts outside the ordinary course of business, entered into by MEASAT Global Berhad and its subsidiaries, involving Directors' and major shareholders' interest, either still subsisting as at the end of this financial year, 31 December 2009 or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2008.

Additional Disclosure of Information

pursuant to Appendix 9C of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (Continued)

4. LIST OF PROPERTIES AS AT 31 DECEMBER 2009

Property address	Existing use	Area	Tenure	Approximate age of building	Net book value as at 31 December 2009 RM'000	Date of acquisition
MEASAT Teleport and Broadcast Centre 63000 Cyberjaya Malaysia	Satellite control and corporate office	Built-up area 104,629 sq ft Land area 3.546 acres	Freehold	5 years	51,642	14 April 2005
MEASAT Satellite Control Centre Gunung Raya Mukim Ulu Melaka 07000 Kuah Langkawi Kedah Malaysia	Satellite control	Built-up area 47,280 sq ft Land area 4.95 acres	Leasehold (expiring on 5 February 2068)	2 years	21,667	6 February 2008

5. REVALUATION POLICY ON LANDED PROPERTIES

The Company has not adopted any revaluation policy or carried out any revaluation on the above land and holdings in respect of the financial year ended 31 December 2009.

Statement of Directors' Responsibility

for preparing financial statements

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for that year.

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2009 as set out on pages 38 to 80 of this Annual Report, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

The auditor's responsibilities are stated in their Report to the Members of the Company.

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Financial Statements

MEASAT Global Berhad
annual report 2009

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Directors' Report

The Directors hereby submit their report to the members together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the Group include the operation of a regional satellite network and investment holding. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit/(loss) for the year	177,554	(1,075)

DIVIDEND

No dividend has been paid or declared by the Company since the end of previous financial year. The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2009.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Datuk Umar bin Haji Abu
Datuk Ramli bin Ibrahim
Augustus Ralph Marshall
Zam Ariffin bin Ismail
Chan Chee Beng

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Group and the Company is a party, being arrangements with the object or objects of enabling Directors of the Group and the Company to acquire benefits by means of the acquisition of shares and options over shares in, or debentures of, the Group and the Company or any other body corporate.

DIRECTORS' BENEFITS (CONTINUED)

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit by reason of a contract made by the Group and the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 8 to the financial statements.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of Directors' shareholdings and interests, none of the Directors in office at the end of the financial year held any interest in shares, options over shares and debentures in the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets of the Group and the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or the Company to meet their obligations when they fall due except as disclosed in Note 30 to the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

The Directors regard MAI Holdings Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 26 April 2010.

DATUK UMAR BIN HAJI ABU
CHAIRMAN

DATUK RAMLI BIN IBRAHIM
DIRECTOR

Kuala Lumpur

Income Statements

for the financial year ended 31 December 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	6	241,670	195,946	0	0
Cost of services		(101,851)	(108,618)	0	0
Gross profit		139,819	87,328	0	0
Other operating income	7	3,423	4,637	30	76
Selling and administrative expenses		(62,792)	(36,101)	(1,105)	(961)
Profit/(loss) from operations	8	80,450	55,864	(1,075)	(885)
Finance costs	10	(27,288)	(93,309)	0	0
Profit/(loss) from ordinary activities before taxation		53,162	(37,445)	(1,075)	(885)
Taxation	11	124,392	(693)	0	0
Net profit/(loss) for the year		177,554	(38,138)	(1,075)	(885)
Earnings per share					
- Basic and diluted (sen)	12	45.53	(9.78)		

The notes on pages 46 to 80 form part of these financial statements.

Balance Sheets

as at 31 December 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	1,351,997	1,315,484	0	0
Prepaid lease	14	1,490	765	0	0
Goodwill	15	1,186,589	1,186,589	0	0
Investment in subsidiaries	16	0	0	1,463,395	1,463,395
Deferred tax assets	22	315,540	191,141	0	0
		2,855,616	2,693,979	1,463,395	1,463,395
CURRENT ASSETS					
Trade and other receivables	17	21,182	28,082	58	74
Amount due from subsidiary	18	0	0	10,376	11,157
Deposits with licensed banks	26	37,847	7,567	794	2,023
Cash and bank balances	26	101,226	121,853	380	54
		160,255	157,502	11,608	13,308
CURRENT LIABILITIES					
Other payables	19	133,483	116,384	165	244
Amounts due to related companies	20	419	446	0	546
Borrowings (secured and interest bearing)	21	160,598	803,136	0	0
Taxation		621	621	621	621
		295,121	920,587	786	1,411
NET CURRENT (LIABILITIES)/ASSETS		(134,866)	(763,085)	10,822	11,897
NON-CURRENT LIABILITIES					
Borrowings (secured and interest bearing)	21	635,279	0	0	0
Other payables	19	155,594	178,571	0	0
		790,873	178,571	0	0
		1,929,877	1,752,323	1,474,217	1,475,292
CAPITAL AND RESERVES					
Share capital		304,148	304,148	304,148	304,148
Merger reserve	24	554,802	554,802	554,802	554,802
General reserve		15,899	15,899	15,899	15,899
Retained earnings	25	1,055,028	877,474	599,368	600,443
		1,929,877	1,752,323	1,474,217	1,475,292

The notes on pages 46 to 80 form part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 December 2009

Group	Issued and fully paid ordinary shares of RM0.78 each		Non- distributable Merger reserve RM'000	Distributable		Total RM'000
	Number of shares '000	Nominal value RM'000		General reserve RM'000	Retained earnings RM'000	
As at 1 January 2008	389,933	304,148	554,802	15,899	915,612	1,790,461
Net loss for the year	0	0	0	0	(38,138)	(38,138)
As at 31 December 2008	389,933	304,148	554,802	15,899	877,474	1,752,323
As at 1 January 2009	389,933	304,148	554,802	15,899	877,474	1,752,323
Net profit for the year	0	0	0	0	177,554	177,554
As at 31 December 2009	389,933	304,148	554,802	15,899	1,055,028	1,929,877
Company						
As at 1 January 2008	389,933	304,148	554,802	15,899	601,328	1,476,177
Net loss for the year	0	0	0	0	(885)	(885)
As at 31 December 2008	389,933	304,148	554,802	15,899	600,443	1,475,292
As at 1 January 2009	389,933	304,148	554,802	15,899	600,443	1,475,292
Net loss for the year	0	0	0	0	(1,075)	(1,075)
As at 31 December 2009	389,933	304,148	554,802	15,899	599,368	1,474,217

The notes on pages 46 to 80 form part of these financial statements.

Cash Flow Statements

for the financial year ended 31 December 2009

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit/(loss) for the year	177,554	(38,138)	(1,075)	(885)
Adjustments for:				
Depreciation of property, plant and equipment	81,566	88,540	0	0
Finance costs	36,932	42,012	0	0
Unrealised foreign exchange (gain)/loss	(10,786)	37,006	0	0
Interest income	(935)	(2,034)	(30)	(76)
Taxation	(124,392)	693	0	0
Allowance for doubtful debts	4,238	0	0	0
Assets written-off	3	0	0	0
Loss from disposal of property, plant and equipment	72	0	0	0
Amortisation of prepaid lease	25	24	0	0
	164,277	128,103	(1,105)	(961)
Changes in working capital:				
Decrease/(increase) in trade and other receivables	2,682	(6,755)	16	24
Increase/(decrease) in other payables	24,789	51,539	(79)	70
(Decrease)/increase in amount due to related companies	(27)	24	0	0
Decrease in amount due from subsidiaries	0	0	235	0
Net cash generated from/(used in) operations	191,721	172,911	(933)	(867)
Interest income received	966	1,980	30	76
Taxation (paid)/refunded	(7)	789	0	50
Net cash flow from/(used in) operating activities	192,680	175,680	(903)	(741)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	0	12	0	0
Purchase of property, plant and equipment	(113,522)	(73,664)	0	0
Payment for prepaid lease	(750)	0	0	0
Net cash flow used in investing activities	(114,272)	(73,652)	0	0

Cash Flow Statements

for the financial year ended 31 December 2009 (Continued)

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease/(increase) in debt service reserve account		34,438	(35,536)	0	0
Proceeds from drawdown of borrowings, net of issue costs		121,361	103,757	0	0
Repayment of non-trade payables		(26,974)	(19,936)	0	0
Repayment of borrowings		(126,539)	(104,733)	0	0
Interest paid		(34,985)	(48,252)	0	0
Commitment and other fees paid on borrowings		(622)	(755)	0	0
Net cash flow used in financing activities		(33,321)	(105,455)	0	0
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		45,087	(3,427)	(903)	(741)
CURRENCY TRANSLATION DIFFERENCES		(996)	8,627	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		30,266	25,066	2,077	2,818
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	26	74,357	30,266	1,174	2,077

The notes on pages 46 to 80 form part of these financial statements.

Notes to the Financial Statements

- 31 December 2009

1 GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Group include the operation of a regional satellite network and investment holding.

The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year.

The immediate holding company is MEASAT Global Network Systems Sdn. Bhd., and the ultimate holding company is MAI Holdings Sdn. Bhd. Both of these companies are incorporated in Malaysia.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is at:

Level 39, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur

The principal place of business of the Company is at:

MEASAT Teleport and Broadcast Centre
63000 Cyberjaya
Malaysia

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that the Group effectively manages and minimises the financial risks arising from its business activities, namely currency risk, interest rate risk, credit risk and liquidity risk.

(a) Currency Risk

The foreign exchange risk of the Group arises primarily from foreign currency transactions conducted in US Dollars. The Group manages its exposure to foreign currency rate fluctuation through foreign exchange contracts and cross currency swap agreements.

(b) Interest Rate Risk

The Group is exposed to interest rate risk arising from assets and liabilities bearing variable interest rates. To mitigate interest rate fluctuation, the Group actively monitors the market and endeavour to manage its interest rate exposure through the use of derivative instruments such as interest rate swap.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit Risk

The Group is exposed to credit risk related losses in the event of non-performance by its customers. The Group controls its credit risks by the application of credit approvals and requires its customers to place security deposits as security for the performance of customers' obligations. Trade receivables are monitored on an on-going basis.

The Group seeks to invest cash assets safely and profitably. The Group has no significant concentration of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia.

(d) Liquidity Risk

The Group has cash and bank balances and deposits placed with creditworthy licensed banks and financial institutions. The Group manages its liquidity risks by placing such balances on varying maturities to meet capital requirements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRS"), MASB Approved Accounting Standard in Malaysia for Entities Other than Private Entities.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Standards, amendments to published standards and Interpretation Committee (“IC”) interpretations that are applicable and effective

There are no new accounting standards, amendments to published standards and interpretations that are applicable and effective for the financial year ended 31 December 2009.

(c) Standards, amendments to published standards and IC interpretations that are early adopted

There are no new accounting standards, amendments to published standards and interpretations that are early adopted for the financial year ended 31 December 2009.

(d) Standards, amendments to published standards and IC interpretations that are relevant for the Group’s and the Company’s operations and not yet effective

FRS 7 “Financial Instruments: Disclosures” (effective from 1 January 2010) provides information to users of financial statements about an entity’s exposure to risks and how the entity manages those risks. The improvement to FRS 7 clarifies that entities must not present total interest income and expense as a net amount within finance costs on the face of the income statement. The Group and the Company has applied the transitional provision in FRS 7 which exempts entities from disclosing the possible impact arising from the initial application of this standard on the financial statements of the Group and the Company.

FRS 101 “Presentation of Financial Statements” (effective from 1 January 2010) which replaces FRS 101₂₀₀₅ which sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. It prohibits the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity. ‘Non-owner changes in equity’ are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income).

Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period.

It is likely that both the income statement and statement of comprehensive income will be presented as performance statements.

FRS 123 “Borrowing Costs” (effective for accounting period from 1 January 2010) which replaces FRS 123₂₀₀₄ requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets (one that takes a substantial period of time to get ready for use or able) as part of the cost of the asset. The option of immediately expensing those borrowing costs is removed. The improvement to FRS 123 clarifies that the definition of borrowing costs includes interest expense calculated using the effective interest method defined in FRS 139. On initial application of the amendment, it is not expected to have a material impact on the Group’s and the Company’s financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Standards, amendments to published standards and IC interpretations that are relevant for the Group's and the Company's operations and not yet effective (continued)

FRS 134	"Interim Financial Reporting" (effective from 1 January 2010) clarifies that basic and diluted earnings per share ("EPS") must be presented in an interim report only in the case when the entity is required to disclose EPS in its annual report. On initial application of the amendment, it is not expected to have a material impact on the Group's and the Company's financial statements.
FRS 136	"Impairment of Assets" (effective from 1 January 2010) clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment before the aggregation of segments with similar economics characteristics. The improvement also clarifies that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value in use should be made. On initial application of the amendment, it is not expected to have a material impact on the Group's and the Company's financial statements.
FRS 139	"Financial Instruments: Recognition and Measurement" (effective from 1 January 2010). This revised standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group and the Company have applied the transitional provision in FRS 139 which exempts entities from disclosing the possible impact arising from the initial application of this standard on the financial statements of the Group and the Company.
IC Interpretation 17	"Distributions of Non-cash Assets to Owners" (effective from 1 July 2010). This interpretation provides guidance on how an entity should account for distribution of non-cash assets. On initial application of the amendment, it is not expected to have a material impact on the Group's and the Company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) The standards, amendments to published standards and IC interpretations that are not relevant or material for the Group's and the Company's operations and not yet effective are as follows:

FRS 1	"First-time Adoption of Financial Reporting Standards"
FRS 2	"Share-based Payment"
FRS 3	"Business Combinations"
FRS 4	"Insurance Contracts"
FRS 5	"Non-current Assets Held for Sale and Discontinued Operations"
FRS 8	"Operating Segments"
FRS 107	"Statement of Cash Flows"
FRS 108	"Accounting Policies, Changes in Accounting Estimates and Errors"
FRS 110	"Events after the Balance Sheet Date"
FRS 116	"Property, Plant and Equipment"
FRS 117	"Leases"
FRS 118	"Revenue"
FRS 119	"Employee Benefits"
FRS 120	"Accounting for Government Grants and Disclosure of Government Assistance"
FRS 127	"Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate"
FRS 128	"Investment in Associates"
FRS 129	"Financial Reporting in Hyperinflationary Economies"
FRS 131	"Interests in Joint Ventures"
FRS 132	"Financial Instruments: Presentation"
FRS 138	"Intangible Assets"
FRS 139	"Financial Instruments: Recognition and Measurement"
FRS 140	"Investment Property"
IC Interpretation 9	"Reassessment of Embedded Derivatives"
IC Interpretation 10	"Interim Financial Reporting and Impairment"
IC Interpretation 11	"FRS 2 – Group and Treasury Share Transactions"
IC Interpretation 12	"Service Concession Arrangements"
IC Interpretation 13	"Customer Loyalty Programmes"
IC Interpretation 14	"FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
IC Interpretation 15	"Agreements for the Construction of Real Estate"
IC Interpretation 16	"Hedges of a Net Investment in a Foreign Operation"

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the purchase method of accounting. Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are excluded from consolidation from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statements. See accounting policy Note (r) on goodwill.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless they relate to impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the consolidated income statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated based on the straight-line basis to write off the cost of each asset to its residual values over its estimated useful life. Satellites, tracking facilities and other ground equipment are included as part of telecommunications equipment.

The property, plant and equipment were depreciated over their useful life as follows:

	Years
Buildings	50
Telecommunications equipment	10 - 15
Office equipment	6.67
Furniture, fittings and renovations	6.67
Computers	3 - 5
Motor vehicles	5

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date. If the residual value of an asset increases to an amount equal or greater than the asset's carrying amount, the asset's depreciation charge is nil unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note (s) on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Repairs and maintenance are charged to the income statement during the period in which they are incurred.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Taxation

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding tax.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at that time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(i) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Foreign entities

Assets and liabilities of foreign subsidiaries are translated at closing rates for purposes of consolidation. Income statement items are translated at average rates during the financial year and resulting exchange differences are dealt with in equity for the financial year.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Investment in subsidiaries

Investment in subsidiaries is shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note (s) on impairment of assets.

External costs directly attributable to acquisition of subsidiaries, other than costs of issuing shares and other capital instruments, are included as part of the cost of acquisition.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

(k) Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand and bank, deposits held at call with licensed banks that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

(l) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the performance of services in the ordinary course of the Group's activities. Deferred revenue includes invoices billed in advance of the performance period which is recorded as advance billings in the balance sheet.

Other operating income earned by the Group is recognised on the following basis:

- (i) Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the prevailing interest rates; and
- (ii) Rental income is recognised on accrual basis in accordance with the substance of the relevant agreements.

(m) Receivables

Trade and other receivables are carried at invoiced amount less an estimate made for doubtful debts based on a review of outstanding amounts at the financial year end. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivable. Bad debts are written off when they are identified.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial instruments

(i) Financial instruments recognised on the balance sheet

Financial instruments carried in the balance sheet include cash and bank balances, receivables, payables and borrowings. The particular recognition methods adopted for financial instruments are disclosed in the individual policy statements associated with each item.

(ii) Financial instruments not recognised on the balance sheet

The Group is a party to financial instruments that comprise interest rate and cross currency interest rate swap contracts. These financial instruments are not recognised in the financial statements on inception.

Interest rate and cross currency interest rate swap contracts

Interest rate and cross currency interest rate swap contracts are designed to manage the Group's exposure and to protect the Group from movements in interest rates and currency exchange rates. The notional principal of these contracts are off balance sheet. Any differential to be paid or received on these contracts in relation to borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of property, plant and equipment. All other gains or losses are recognised as component of interest income or expense over the period of the contract. Gains and losses on early termination of these contracts or on repayment of the borrowings are taken to the income statement.

Fair value estimation for disclosure purposes

In assessing the fair value of financial instruments, the Group makes certain assumptions and apply the discounted value of future cash flow method to determine the fair value of financial instruments. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rates available to the Group for similar financial instruments.

The face values for financial assets and liabilities with a maturity period of less than one year are assumed to approximate their fair values.

(o) Payables

Trade and other payables, including accruals represent liabilities for goods and services provided to the Group and the Company prior to the end of the financial year and which are unpaid.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Borrowings

(i) Classification

Borrowings are initially recognised based on the proceeds received, net of deferred issue costs incurred. Borrowings are stated at amortised cost using the effective yield method.

Deferred issue cost represents debt establishment costs incurred on securing the Group's borrowing facilities. It is stated at cost and allocated to borrowings upon drawdown, for which the benefits extend to periods beyond the accounting period in which they are incurred. The allocated amounts to borrowings are subsequently amortised to the income statement.

Interest is accrued over the period it becomes due, classified as part of other accruals.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(ii) Capitalisation of borrowing costs

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the property, plant and equipment during the period of time that is required to complete and prepare the property, plant and equipment for its intended use. All other borrowing costs are charged to the income statement.

(q) Share capital

(i) Classification

Ordinary shares with discretionary dividends are classified as equity.

(ii) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities in the period in which they are declared.

(r) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's share of the identifiable net assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. The Group allocates goodwill to its satellite operations. See accounting policy Note (s) on impairment of assets.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Impairment of assets

Assets that have an indefinite useful life are not subjected to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units).

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(t) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefit

Defined contribution plan

The Group contributes to the Employees Provident Fund. The Group's contributions to defined contribution plan are charged to income statement in the period to which they relate. Once the contributions have been paid, the Group has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(u) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risk and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risk and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight-line basis over the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

(w) Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 3(s). The recoverable amount of the cash-generating unit was determined based on the value-in-use calculation. The calculation requires the use of estimates as set out in Note 15.

Certain assumptions relating to judgemental parameters such as future economic growth, future growth in satellite provision services, future inflationary rates, appropriate discount rates are required in order to project the future cash flows of the business operations. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Taxation

The Company is subject to income tax under the Malaysian Income Tax Act, 1967 (the "Act") as well as tax laws under foreign countries' jurisdictions in which certain subsidiaries operate in. In arriving to the Group's provision for income tax, judgement is involved in determining the computation amongst others in the quantifying of allowable deductible expenses under the Act namely capital allowances and uncollectible revenue or bad debts. Ultimate tax determination is subject to the Inland Revenue Board's final assessment. The Group recognises liabilities for expected tax issues based on estimates and judgement of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgements regarding the future financial performance of the entity in which the deferred tax asset has been recognised. In addition, the recognition of deferred tax assets arising from Capital Allowances, Investment Allowances and Investment Tax Allowances are subject to judgement on the ability of the satellites to remain operational given its finite useful life which is highly dependant on its fuel capacity.

(c) Estimated useful lives and residual values of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the property, plant and equipment balance.

The residual values of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date based on factors such as readily available market information. A reduction in the estimated residual values of property, plant and equipment would increase the recorded depreciation and decrease the property, plant and equipment balance.

(d) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts internal and external to the Group for matters in the ordinary course of business. This is disclosed in Note 30 to the financial statements.

5 SEGMENT REPORTING

(a) Primary reporting format - business segment

The business segment of the Group consists of the provision of satellite network operation. Consequently, the segment reporting for business segment is the same as the financial statements reported for the Group.

(b) Secondary reporting format – geographical segment

The Group's business segment operates in 2 main geographical areas as shown below:

Group	Revenue	Total	Capital
	RM'000	assets	expenditure
Year ended 31.12.2009		RM'000	RM'000
Malaysia	148,957	227,362	1,316
Other countries	92,713	10,006	0
Unallocated assets*	0	2,778,503	117,800
	241,670	3,015,871	119,116
Year ended 31.12.2008			
Malaysia	144,140	228,108	1,642
Other countries	51,806	7,925	0
Unallocated assets*	0	2,615,448	85,916
	195,946	2,851,481	87,558

* Included in unallocated assets are the net book value of the satellites (including work-in-progress) of RM1,276,374,000 (2008: RM1,237,718,000), the deferred tax assets of RM315,540,000 (2008: RM191,141,000) and goodwill of RM1,186,589,000 (2008: RM1,186,589,000). These satellites are used, or are intended for use, for transmission to multiple geographical areas and therefore cannot be allocated between geographical segments.

In determining the geographical segments of the Group, revenue is based on the country in which the customer is located. There is no inter-segment revenue. Total assets and capital expenditure are based on where the assets are located.

6 REVENUE

	Group	
	2009	2008
	RM'000	RM'000
Transponder lease rental and related fees	241,670	195,946

Notes to the Financial Statements

- 31 December 2009 (Continued)

7 OTHER OPERATING INCOME

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Rental income – related companies	2,488	2,487	0	0
Interest income	935	2,034	30	76
Others	0	116	0	0
	3,423	4,637	30	76

8 PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit/(loss) from operations is stated after charging/(crediting):				
Auditors' remuneration				
- statutory audit	115	96	38	23
- others	96	45	92	41
Depreciation of property, plant and equipment	81,566	88,540	0	0
Loss on disposal of property, plant and equipment	72	0	0	0
Directors' remuneration				
- fees	395	335	275	245
- other emoluments	162	110	127	80
Rental of building	278	92	0	0
Allowance for doubtful debts	4,238	0	0	0
Foreign exchange losses/(gain)				
- realised	1,917	577	0	0
- unrealised	596	(8,361)	0	0
Staff cost (Note 9)	20,875	18,223	0	0
Amortisation of prepaid lease	25	24	0	0
Assets written-off	3	0	0	0

9 STAFF COST

	Group	
	2009 RM'000	2008 RM'000
Salaries, wages and bonus	12,559	11,219
Employees Provident Fund	1,667	1,320
Other employee benefits	6,649	5,684
	20,875	18,223

Staff cost excludes directors' remuneration disclosed in Note 8 to the financial statements.

Notes to the Financial Statements

- 31 December 2009 (Continued)

10 FINANCE COSTS

	Group	
	2009 RM'000	2008 RM'000
Amortisation of deferred issue cost	(6,267)	(6,287)
Commitment fees and other fees	(618)	(672)
Interest expense charged by licensed banks	(30,047)	(35,053)
Foreign exchange (loss)/gain		
- realised	(1,738)	(5,930)
- unrealised	11,382	(45,367)
	<u>(27,288)</u>	<u>(93,309)</u>

11 TAXATION

	Group	
	2009 RM'000	2008 RM'000
In respect of current year:		
Malaysian income tax		
- Current	(7)	(7)
Deferred tax (Note 22)		
- Origination and reversal of temporary differences	124,399	(686)
	<u>124,392</u>	<u>(693)</u>

The current taxation for the Group is in respect of tax charge on rental income. There is no taxation charge in respect of business income due to the utilisation of capital allowances and investment allowances of a subsidiary.

The Company has no taxation as there is no taxable income.

The tax savings arising from the utilisation of capital allowances and investment allowances for the Group amounted to RM34,215,000 (2008: RM24,222,000) and RM3,580,000 (2008: RM4,148,000) respectively.

Notes to the Financial Statements

- 31 December 2009 (Continued)

11 TAXATION (CONTINUED)

The explanation of the relationship between the tax expense and profit/(loss) from ordinary activities before taxation is as follows:

	Group		Company	
	2009	2008	2009	2008
	%	%	%	%
Numerical reconciliation between the average effective tax rate and the Malaysian tax rate:				
Malaysian tax rate	25	(26)	(25)	(26)
Tax effects of:				
- current year tax loss not recognised	0	0	25	26
- expenses not deductible for tax purposes	8	51	0	0
- recognition of previously unrecognised deferred tax assets arising from investment allowances	(19)	(10)	0	0
- recognition of current year investment tax allowance	(249)	0	0	0
- recognition of deferred tax assets arising from unutilised capital allowance	0	(14)	0	0
- effect from change in tax rate	0	(1)	0	0
- others	1	2	0	0
Average effective tax rate	(234)	2	0	0

12 EARNINGS PER SHARE

Basic and diluted earnings per share of the Group is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2009	2008
Net profit/(loss) for the year (RM'000)	177,554	(38,138)
Weighted average number of ordinary shares in issue ('000)	389,933	389,933
Basic and diluted earnings per share (sen)	45.53	(9.78)

Notes to the Financial Statements

- 31 December 2009 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT

Group	As at 1.1.2009 RM'000	Additions RM'000	Disposals RM'000	Write-off RM'000	Reclassi- fications RM'000	Depreciation charge for the year RM'000	As at 31.12.2009 RM'000
2009							
Net book value							
Freehold land	7,631	0	0	0	0	0	7,631
Buildings	65,717	0	0	0	0	(1,529)	64,188
Telecommunications equipment	785,639	4,587	0	0	565,291	(79,143)	1,276,374
Office equipment	1,127	22	0	0	0	(252)	897
Furniture, fittings and renovations	2,135	69	0	0	0	(327)	1,877
Computers	683	176	0	(3)	2	(278)	580
Motor vehicles	473	298	(284)	0	0	(37)	450
	<u>863,405</u>	<u>5,152</u>	<u>(284)</u>	<u>(3)</u>	<u>565,293</u>	<u>(81,566)</u>	<u>1,351,997</u>
Capital work-in- progress	<u>452,079</u>	<u>113,214</u>	<u>0</u>	<u>0</u>	<u>(565,293)</u>	<u>0</u>	<u>0</u>
	<u>1,315,484</u>	<u>118,366</u>	<u>(284)</u>	<u>(3)</u>	<u>0</u>	<u>(81,566)</u>	<u>1,351,997</u>

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 31 December 2009			
Freehold land	7,631	0	7,631
Buildings	76,505	(12,317)	64,188
Telecommunications equipment	2,133,096	(856,722)	1,276,374
Office equipment	5,021	(4,124)	897
Furniture, fittings and renovations	4,474	(2,597)	1,877
Computers	2,802	(2,222)	580
Motor vehicles	801	(351)	450
	<u>2,230,330</u>	<u>(878,333)</u>	<u>1,351,997</u>

Notes to the Financial Statements

- 31 December 2009 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	As at 1.1.2008 RM'000	Additions RM'000	Disposals RM'000	Reclassi- fications RM'000	Depreciation charge for the year RM'000	As at 31.12.2008 RM'000
2008						
Net book value						
Freehold land	7,631	0	0	0	0	7,631
Buildings	67,246	0	0	0	(1,529)	65,717
Telecommunications equipment	867,463	3,240	0	937	(86,001)	785,639
Office equipment	1,160	217	(2)	0	(248)	1,127
Furniture, fittings and renovations	1,256	1,170	(1)	0	(290)	2,135
Computers	742	255	(4)	0	(310)	683
Motor vehicles	640	0	(5)	0	(162)	473
	946,138	4,882	(12)	937	(88,540)	863,405
Capital work-in- progress	370,340	82,676	0	(937)	0	452,079
	1,316,478	87,558	(12)	0	(88,540)	1,315,484

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 31 December 2008			
Freehold land	7,631	0	7,631
Buildings	76,504	(10,787)	65,717
Telecommunications equipment	1,563,218	(777,579)	785,639
Office equipment	4,999	(3,872)	1,127
Furniture, fittings and renovations	4,409	(2,274)	2,135
Computers	2,630	(1,947)	683
Motor vehicles	1,058	(585)	473
	1,660,449	(797,044)	863,405
Capital work-in-progress	452,079	0	452,079
	2,112,528	(797,044)	1,315,484

Borrowing costs of RM3,534,000 arising from financing specifically entered into for the construction of MEASAT-3a ("M3a") (previously known as MEASAT-1R) were capitalised during the financial year as capital work-in-progress (2008: RM12,905,000 borrowing costs for the construction of MEASAT-3 ("M3") and M3a were capitalised as telecommunications equipment and work-in-progress respectively).

All property, plant and equipment have been pledged as security for the borrowings as disclosed in Note 21 to the financial statements.

14 PREPAID LEASE

	Group	
	2009	2008
	RM'000	RM'000
Cost		
As at 1 January	789	0
Addition during the year	750	0
Reclassified from receivables	0	789
	1,539	789
As at 31 December	1,539	789
Accumulated depreciation		
As at 1 January	24	0
Charge for the year	25	24
	49	24
As at 31 December	49	24
Net book value	1,490	765

Prepaid lease relates to a leasehold land for which a building of the Company's subsidiary is located in Langkawi. The prepaid lease payment covers a lease period of 60 years expiring in 2068.

15 GOODWILL

	Group	
	2009	2008
	RM'000	RM'000
Cost		
As at 1 January/31 December	1,186,589	1,186,589

The Group undertakes an annual test for impairment of its cash-generating unit ("CGU"). Based on the impairment test, no impairment loss was required for the carrying amount of goodwill as at 31 December 2009 as its recoverable amount was in excess of its carrying amount.

The recoverable amount of the satellite operations is determined based on the value-in-use calculation. This calculation uses pre-tax cash flow projections based on the most recent financial budget approved by the Board of Directors.

Cash flows beyond the approved financial budget period are extrapolated using the estimated growth rates stated below. The compounded revenue growth rate is estimated based on past historical track record and estimated future events under current circumstances determined for the next seven years to reach the optimal revenue level. Thereafter, revenue is estimated to remain at the same level until the end of the satellites' useful life. Subsequent to the life of the existing satellites, the cash flows are extrapolated using estimated terminal growth rates determined with regard to the market and industry in which the satellite operations operate in and do not exceed the long term average growth rate for the industry and market. This assumption was based on the premise that the satellite business will continue on a going concern basis beyond the existing satellites' useful lives as replacement satellites are assumed to be commissioned whenever any of the existing satellites have reached the end of its useful life.

Notes to the Financial Statements

- 31 December 2009 (Continued)

15 GOODWILL (CONTINUED)

Pre-tax discount rate applied to the cash flow projections are derived from the CGU's pre-tax weighted average cost of capital of the Group at the date of the assessment of the CGU.

The key assumptions used in the value-in-use calculation are as follows:

	Group	
	2009	2008
	%	%
Average Satellite Utilisation Rate	87	90
Pre-tax Discount Rate	5.5	5.5
Compounded Revenue Growth Rate	6	5
Terminal Growth Rate	1	1

The changes in the assumptions for the current year relating to the Average Satellite Utilisation Rate and the Compounded Revenue Growth Rate were attributable to existing and potential composition of contracts expected to be entered into with customers with the successful launch of M3a during the current financial year.

The Group's review includes an impact assessment of changes in key assumptions in particular the pre-tax discount rate. Based on the sensitivity analysis performed, management has concluded that no reasonable change in the base case key assumptions would cause the carrying amount of the goodwill to exceed its recoverable amount.

16 INVESTMENT IN SUBSIDIARIES

	Company	
	2009	2008
	RM'000	RM'000
Unquoted shares, at cost	1,463,395	1,463,395

Notes to the Financial Statements

- 31 December 2009 (Continued)

16 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Group's interest		Principal activities
		2009 %	2008 %	
Directly held by the Company				
MEASAT Satellite Systems Sdn. Bhd. ("MSS")	Malaysia	100	100	Satellite network operations and investment holding
MEASAT International (L) Limited	Labuan	100	-	Dormant
MEASAT Satellite Indonesia Sdn. Bhd.	Malaysia	100	-	Dormant
Indirectly held through its subsidiary, MSS				
MEASAT Networks Limited *	Bermuda	100	100	Dormant
MEASAT International (South Asia) Ltd **	Mauritius	100	100	Dormant
MEASAT International (L) Limited	Labuan	-	100	Dormant
MEASAT Satellite Indonesia Sdn. Bhd.	Malaysia	-	100	Dormant
Indirectly held through its subsidiary MEASAT International (South Asia) Ltd				
India Malaysia Satellite Company Private Limited *	India	100	100	Dormant

* Not audited by PricewaterhouseCoopers Malaysia.

** Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers Malaysia.

The investment in subsidiaries has been pledged as security for the facilities as disclosed in Note 21 to the financial statements.

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables				
- related companies	4,454	3,543	0	0
- others	13,124	10,366	0	0
	17,578	13,909	0	0
Allowance for doubtful debts	(4,933)	(799)	0	0
	12,645	13,110	0	0
Other receivables	2,347	4,638	58	74
Prepayments	5,511	9,669	0	0
Deposits	679	665	0	0
	21,182	28,082	58	74

The currency exposure profile of trade and other receivables are as follows:

- Ringgit Malaysia	10,718	20,835	58	74
- USD	10,464	7,247	0	0
	21,182	28,082	58	74

Credit terms of trade receivables range from payment in advance to 30 days (2008: payment in advance to 30 days).

18 AMOUNT DUE FROM SUBSIDIARY

Amount due from subsidiary represents a loan denominated in Ringgit Malaysia. The amount is interest free, unsecured and has no fixed terms of repayment.

Notes to the **Financial Statements**
- 31 December 2009 (Continued)

19 OTHER PAYABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current				
Non-trade payables	30,381	36,492	0	0
Accrued charges	13,457	12,860	165	244
Advance billings	13,336	8,954	0	0
Advance payments from customers	378	50,626	0	0
Deposits from customers	75,931	7,452	0	0
	133,483	116,384	165	244
Non-current				
Non-trade payable	155,594	178,571	0	0
	289,077	294,955	165	790
The currency exposure profile of other payables are as follows:				
- Ringgit Malaysia	7,210	10,489	165	790
- USD	281,867	284,466	0	0
	289,077	294,955	165	790

Credit terms from other payables varies from no credit to 30 days (2008: no credit to 30 days).

Included in non-trade payables are unsecured performance incentives ("PI") of USD41,500,000 (equivalent to RM142,200,000) and a deferred payment of USD12,000,000 (equivalent to RM41,100,000) for M3.

USD31,500,000 (equivalent to RM107,900,000) of the PI bears interest at 7% per annum which is payable in arrears commenced on 1 January 2007 and the principal is repayable in twenty four (24) equal instalments over a period of 6 years which commenced on 1 January 2008.

USD10,000,000 (equivalent to RM34,300,000) of the PI bears interest at 7% per annum which is payable in arrears commenced on 25 January 2007 and repayable in 60 equal instalments over a period of 15 years.

The deferred payment is interest free and is repayable in a single payment on 11 December 2011.

20 AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies are denominated in Ringgit Malaysia, interest free, unsecured and have no fixed terms of repayment.

21 BORROWINGS (SECURED AND INTEREST BEARING)

	Group	
	2009	2008
	RM'000	RM'000
Syndicated term loans	148,308	210,134
Export Credit Agency Loan	647,569	593,002
	795,877	803,136
The following is an analysis of the borrowings by:		
Current		
- not later than 1 year	160,598	803,136
Non-current		
- later than 1 year but not more than 2 years	124,323	0
- later than 2 years but not more than 5 years	485,685	0
- later than 5 years	25,271	0
	635,279	0
	795,877	803,136

The above borrowings are stated net of deferred issue cost of RM27,518,000 (2008: RM22,392,000).

The syndicated term loans denominated in Ringgit Malaysia and USD are originally repayable in 9 equal instalments over a period of 5 years which commenced on 31 December 2007.

The Export Credit Agency Loan consists of the following facilities:

Facility	Repayment terms
Export-Import Bank of the United States ("EXIM") backed financing for M3	Tranche 1 13 semi-annual instalments commenced 31 December 2007 Tranche 2 5 semi-annual instalments commencing 24 June 2012
EXIM backed financing for M3a	15 semi-annual instalments commenced 24 December 2009
M3a commercial facilities	One-ninth of amount outstanding commenced 31 December 2008

The terms of the borrowings require deposits to be placed in the debt service reserve account with a licensed bank as disclosed in Note 26 to the financial statements to meet debt servicing requirements and to maintain certain financial covenants.

Notes to the Financial Statements

- 31 December 2009 (Continued)

21 BORROWINGS (SECURED AND INTEREST BEARING) (CONTINUED)

The borrowings were classified as current in 2008 as the Company did not meet certain financial covenants stipulated under the terms of its borrowings.

On 21 December 2009, the Group has successfully renegotiated the borrowings and therefore the classification reflects the revised repayment schedule.

The borrowings are exposed to the following interest rates:

	2009	Group	2008
	%		%
- Syndicated term loans	1.98 – 5.80		2.21 – 5.46
- Export Credit Agency Loan	0.66 – 4.87		1.90 – 4.82

The weighted average interest rate of the borrowings as at the balance sheet date was 2.26% (2008: 4.97%) per annum.

The syndicated term loans and Export Credit Agency Loan are secured against certain assets of a subsidiary of the Company and a corporate guarantee from the Company. All property, plant and equipment and investment in subsidiaries have been pledged as security for the borrowings as disclosed in Note 13 and Note 16 to the financial statements.

The currency exposure profiles of borrowings are as follows:

	2009	Group	2008
	RM'000		RM'000
- Ringgit Malaysia	60,563		85,228
- USD	735,314		717,908
	795,877		803,136

22 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after the appropriate offsetting, are shown in the balance sheet:

	Group	
	2009	2008
	RM'000	RM'000
Deferred tax assets	315,540	191,141
As at 1 January	191,141	191,827
Credited/(charged) to income statement:		
- unabsorbed capital allowance	38,700	927
- unutilised investment allowance	6,940	24
- unutilised investment tax allowance	132,314	0
- property, plant and equipment	(56,288)	1,578
- others	2,733	(3,215)
	124,399	(686)
As at 31 December	315,540	191,141
Deferred tax assets:		
Unabsorbed capital allowance	105,536	66,836
Unutilised investment allowance	9,918	2,978
Unutilised investment tax allowance	326,477	194,163
Others	773	177
Before offsetting	442,704	264,154
Offsetting	(127,164)	(73,013)
After offsetting	315,540	191,141
Deferred tax liabilities:		
Property, plant and equipment	(127,064)	(70,776)
Others	(100)	(2,237)
Before offsetting	(127,164)	(73,013)
Offsetting	127,164	73,013
After offsetting	0	0

Notes to the Financial Statements

- 31 December 2009 (Continued)

22 DEFERRED TAXATION (CONTINUED)

As at 31 December 2009, the Investment Allowances available to the Group for which the related deferred tax assets have not been recognised in the financial statements, amounted to:

	Group	
	2009	2008
	RM'000	RM'000
Investment Allowances ("IA")	419,542	459,218

The amount of IA available to the Group is subject to agreement with the tax authorities and the benefits of these allowances will only be obtained if the Group derives future assessable income of an appropriate nature and amount sufficient for these allowances to be utilised whereby the IA available for the individual satellites are only available to be utilised against the future assessable income generated from the respective satellites from which the IA is granted for.

23 SHARE CAPITAL

	Company			
	2009		2008	
	'000	RM'000	'000	RM'000
Authorised ordinary shares of RM0.78 each:				
As at 1 January/31 December	402,500	313,950	402,500	313,950

24 MERGER RESERVE

	Group and Company	
	2009	2008
	RM'000	RM'000
Number of ordinary shares issued on 8 May 2002	187,433,155	187,433,155
Value of ordinary shares issued at RM3.74 each	701,000	701,000
Par value of ordinary shares at RM0.78 each	(146,198)	(146,198)
Merger reserve	554,802	554,802

In accordance with the merger relief provision in Section 60(4) of the Companies Act, 1965, the share premium arising from the share issuance in financial year 2002 for the acquisition of a subsidiary has been recorded as merger reserve.

Notes to the Financial Statements

- 31 December 2009 (Continued)

25 RETAINED EARNINGS

Under the full dividend imputation system, subject to agreement by tax authorities, the Company has sufficient Section 108 tax credits as at 31 December 2009 to frank approximately RM359,075,000 (2008: RM359,075,000) of their retained earnings if paid out as dividends. In addition, the Company also has tax exempt accounts which are available to pay tax exempt dividends up to approximately RM37,992,000 (2008: RM37,992,000).

Under the single-tier tax system which came into effect from 1 January 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax-exempt in the hands of the shareholders. Companies can make an election to disregard the Section 108 balance and may continue to pay franked dividends until the Section 108 balance are exhausted on 31 December 2013 whichever is earlier.

26 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at end of the financial year comprise:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks	37,847	7,567	794	2,023
Cash and bank balances	101,226	121,853	380	54
	139,073	129,420	1,174	2,077
Deposit in debt service reserve account (Note 21)	(64,716)	(99,154)	0	0
	74,357	30,266	1,174	2,077

The currency exposure profile of deposits, cash and bank balances are as follows:

- Ringgit Malaysia	65,997	122,167	1,174	2,077
- USD	73,706	7,253	0	0
	139,073	129,420	1,174	2,077

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Weighted average interest rate on deposits:				
- Deposits with licensed banks	1.5	3.3	1.9	3.2

Deposits with the licensed banks for the Group and the Company have an average maturity of 11 days (2008: 10 days) and cash and bank balances are available at call.

Notes to the Financial Statements

- 31 December 2009 (Continued)

27 CAPITAL COMMITMENTS

	Group	
	2009	2008
	RM'000	RM'000
Authorised capital expenditure for property, plant and equipment not provided for in the financial statements:		
Approved and contracted for	588	90,400
Approved but not contracted for	1,167	4,400
	1,755	94,800

28 SIGNIFICANT RELATED PARTY DISCLOSURES

(i) **In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances of the Group**

The immediate holding company is MEASAT Global Network Systems Sdn. Bhd., while the ultimate holding company is MAI Holdings Sdn. Bhd. Both companies are incorporated in Malaysia and ultimately controlled by Ananda Krishnan Tatparanandam ("TAK").

Certain entities controlled by Usaha Tegas Sdn. Bhd. ("UTSB") or TAK (collectively "they") or in which they have a deemed interest or over which they have significant influence, have entered into transactions with the Group. UTSB is ultimately controlled by the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes.

Telekom Malaysia Berhad, a major shareholder of the Company, had entered into transactions with the Group during the financial year.

Transactions with the above related parties were contracted in the ordinary course of business and on normal commercial terms. The significant related party transactions are as follows:

	Group	
	2009	2008
	RM'000	RM'000
(a) Transponder lease rental charged to:		
- ASTRO ALL ASIA NETWORKS plc	4,210	34,139
- MEASAT Broadcast Network Systems Sdn. Bhd.	94,425	65,055
- Celestial Movie Channel Ltd	1,640	1,354
- Maxis Broadband Sdn. Bhd.	19,851	18,577
- Communications and Satellite Services Sdn. Bhd.	997	795
- Telekom Malaysia Berhad	8,784	3,439

28 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

- (i) In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances of the Group (continued)

	Group	
	2009	2008
	RM'000	RM'000
(b) Rental of land and building charged to:		
- Maxis Mobile Sdn. Bhd.	27	27
- MEASAT Broadcast Network Systems Sdn. Bhd.	<u>2,460</u>	<u>2,460</u>
(c) Management fees charged by:		
- UTSB Management Sdn. Bhd.	<u>1,680</u>	<u>1,680</u>

The financial year end balances arising from the above transactions have been included in Notes 17, 18, 19 and 20 to the financial statements.

(ii) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity (both executive and non-executive).

The remuneration of directors and other members of key management during the financial year were as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Fees	395	335	275	245
Salaries, wages and bonus	3,379	2,766	0	0
Employees Provident Fund	140	89	0	0
Other benefits/emoluments	610	504	127	75
	<u>4,524</u>	<u>3,694</u>	<u>402</u>	<u>320</u>

The key management compensation includes the remuneration of the Directors which has also been disclosed in Note 8 to the financial statements.

Notes to the Financial Statements

- 31 December 2009 (Continued)

29 FINANCIAL INSTRUMENTS

(a) Interest rate swap and cross currency interest rate swap contracts

The Group had entered into interest rate swap contracts that oblige it to pay interest at fixed rates of 4.27% and 4.58% per annum on notional principal amounts and entitle it to receive interest at floating rates on the same notional amounts. Under the interest rate swaps, the Group agrees with other parties to exchange, at quarterly intervals, the differences between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The Group had entered into cross currency interest rate swap contracts that oblige it to pay floating USD interest for floating Ringgit Malaysia interest based on the amortisation of outstanding principal amounts matching the repayment profile of the borrowings. In addition, the contracts oblige the Group to pay the USD principal amounts for Ringgit Malaysia principal amounts, at a pre-determined rate of RM3.40 to USD1.00, which are amortised on semi-annual basis, matching the repayment profile of the borrowings.

The weighted average interest rate of the Group's floating rate borrowings at balance sheet date was 2.26% (2008: 4.97%) per annum (Note 21). After the interest rate swap, the Group's weighted average interest rate at balance sheet date was 1.95% (2008: 4.72%) per annum.

The remaining terms and notional principal amounts of the outstanding interest rate and cross currency interest rate swap contracts of the Group at the balance sheet date, which are denominated in USD, were as follows:

	2009 RM'000	2008 RM'000
Not later than 1 year	107,528	111,785
Later than 1 year and not later than 5 years	226,604	240,710
	<u>334,132</u>	<u>352,495</u>

(b) Fair values

(i) On balance sheet

The carrying amount of financial assets and liabilities of the Group and the Company at the balance sheet date approximated their fair values except as set out below.

The carrying value of the non-trade payables of the Group with maturity of more than one year at the balance sheet date is as follows:

	2009		2008	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Non-trade payables (Note 19)	<u>155,594</u>	<u>150,392</u>	178,571	107,033

29 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair values (continued)

(ii) Off balance sheet

The financial derivative instruments are used to manage the foreign exchange and interest rate risks associated with the long term foreign currency borrowings. The notional principal amounts of borrowings and its respective net fair value of the financial instruments not recognised on the balance sheet of the Group as at the end of the financial year were as follows:

	Notional principal of borrowings amounts RM'000	Fair value of financial derivatives RM'000
2009		
Interest rate swap	218,005	(9,354)
Cross currency interest rate swap	116,127	1,921
	<u>334,132</u>	<u>(7,433)</u>
2008		
Interest rate swap	282,893	(14,914)
Cross currency interest rate swap	174,965	4,874
	<u>457,858</u>	<u>(10,040)</u>

(c) Credit risk

Credit risk arises when derivative instruments are used or sales made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by ensuring that sales of services are made to customers with an appropriate credit history.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are regionally dispersed, and these customers are covered by a broad spectrum of broadcasting and telecommunication services.

The recorded allowance for doubtful debts is adequate based on the Group's historical experience in collection of trade receivables. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The Group has no significant concentration of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia.

Notes to the Financial Statements

- 31 December 2009 (Continued)

30 CONTINGENT LIABILITIES

The Malaysian Communications and Multimedia Commission (“MCMC”) has notified MEASAT Satellite Systems Sdn. Bhd. (“MSS”), the Company’s wholly-owned subsidiary, that it is required to contribute an accumulated amount of RM31,500,000 to the Universal Service Provision Fund for the financial years 2003 to 2006. An estimation of such claims from MCMC, if made for 2007 to 2009, while have yet to be made by MCMC, are estimated to amount to approximately RM37,700,000.

The Group has taken legal advice on the applicability of this requirement and has, on the basis of the advice received appealed against the decision of the MCMC. In view of the legal advice received, the Directors are of the view that no provision for this is required in the financial statements.

31 SUBSEQUENT EVENT

In September 2008, PT Ayunda Prima Mitra (“PT APM”) commenced a civil suit in Indonesia against MSS and twelve other parties (“Suit”). Whilst on 17 September 2009, the South Jakarta District Court dismissed the Suit on the grounds that PT APM has no legal standing to bring the action against MSS, PT APM has since filed a notice of appeal against the Court’s decision. This notice was served on MSS on 21 April 2010.

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 April 2010.

Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

We, Datuk Umar bin Haji Abu and Datuk Ramli bin Ibrahim, being two of the Directors of MEASAT Global Berhad, state that in the opinion of the Directors, the financial statements set out on pages 41 to 80 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2009 and of its results and cash flows of the Group and the Company for the year ended on that date in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 26 April 2010.

DATUK UMAR BIN HAJI ABU
CHAIRMAN

DATUK RAMLI BIN IBRAHIM
DIRECTOR

Kuala Lumpur

Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, Kon Chien Gie, the officer primarily responsible for the financial management of MEASAT Global Berhad, do solemnly and sincerely declare that the financial statements set out on pages 41 to 80 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

KON CHIEN GIE

Subscribed and solemnly declared by the abovenamed Kon Chien Gie at Kuala Lumpur in Malaysia on 26 April 2010, before me.

COMMISSIONER FOR OATHS

Independent Auditors' Report to the Members of MEASAT Global Berhad

(Incorporated in Malaysia) (Company No. 2866-T)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MEASAT Global Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 80.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report to the Members of MEASAT Global Berhad (Incorporated in Malaysia) (Company No. 2866-T)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965, in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965, in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)
Chartered Accountants

PAULINE HO

(No. 2684/11/11 (J))
Chartered Accountant

Kuala Lumpur
26 April 2010

Analysis of Shareholdings

as at 26 April 2010

A. SHARE CAPITAL

Authorised	:	RM313,950,000 divided into 402,500,000 ordinary shares of RM0.78 each
Shares in issue	:	389,933,155 ordinary shares
Issued and paid-up	:	RM304,147,860.90
Nominal value of share	:	RM0.78
Voting right	:	One (1) vote per ordinary share

B. SUBSTANTIAL SHAREHOLDERS according to the Register of Substantial Shareholders of MEASAT Global Berhad kept pursuant to Section 69L of the Companies Act, 1965.

	Shareholdings			
	Direct	%	Indirect	%
MEASAT Global Network Systems Sdn. Bhd. ("MGNS")	232,233,703	59.56	–	–
Media Nusantara Sdn. Bhd.	–	–	232,233,703 ¹	59.56
MAI Holdings Sdn. Bhd.	–	–	232,233,703 ²	59.56
Ananda Krishnan Tatparanandam	–	–	232,233,703 ³	59.56
Telekom Malaysia Berhad	60,024,010	15.39	–	–

Notes:

1. Deemed interest by virtue of its controlling interest in MGNS.
2. Deemed interest by virtue of its controlling interest in Media Nusantara Sdn. Bhd.
3. Deemed interest by virtue of his controlling interest in MAI Holdings Sdn. Bhd.

C. DIRECTORS' SHAREHOLDINGS

None of the Directors has any direct or indirect interests in the shares of MEASAT Global Berhad or its related corporations.

D. DISTRIBUTION OF ISSUED AND PAID-UP ORDINARY SHARES OF RM0.78 EACH

Holdings	No. of Holders	%	No. of Securities	%
Less than 100	289	3.87	8,117	0.00
100 – 1,000	2,428	32.49	1,895,183	0.49
1,001 – 10,000	3,696	49.46	16,012,649	4.11
10,001 – 100,000	928	12.42	30,264,855	7.76
100,001 - 19,496,656	130	1.74	49,494,638	12.69
19,496,657* & above	2	0.03	292,257,713	74.95
Total	7,473	100.00	389,933,155	100.00

Note:

- * 5% of issued holdings

E. 30 LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS

Securities Holders	No. of shares held	%
1. MEASAT GLOBAL NETWORK SYSTEMS SDN. BHD.	232,233,703	59.56
2. TELEKOM MALAYSIA BERHAD	60,024,010	15.39
3. CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CITIBANK NA, SINGAPORE (JULIUS BAER)	5,181,800	1.33
4. RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMED AYUB BIN MOHAMED ALI	2,880,000	0.74
5. CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	2,643,100	0.68
6. AIBB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SIEW BOOY (D18)	1,846,900	0.47
7. RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHANG SI FOCK @ CHONG SEE FOCK	1,500,000	0.38
8. RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ALYA CHEW BINTI ABDULLAH (CEB)	1,300,000	0.33
9. HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	1,152,000	0.30
10. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR TAN ANG TONG @ ANTHONY TAN (MY0636)	1,139,000	0.29
11. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD LEE FOUNDATION, STATES OF MALAYA (00-00197-000)	1,080,562	0.28
12. TAN ANG TONG @ ANTHONY TAN	921,700	0.24
13. HSBC NOMINEES (ASING) SDN. BHD. HSBC TUB LUX FOR TRINKAUS INHOUSE PORTFOLIO	788,000	0.20
14. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR KHOR SIANG CHEW (MM0074)	786,400	0.20
15. THARUMANATHAN A/L S. ELIATHAMBY	721,000	0.18

Analysis of **Shareholdings**
as at 26 April 2010 (Continued)

**E. 30 LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS
(CONTINUED)**

Securities Holders	No. of shares held	%
16. DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (PWM ASING)	703,200	0.18
17. KHOR SIANG CHEW	605,000	0.16
18. MAYBAN NOMINEES (TEMPATAN) SDN. BHD. MAYBAN TRUSTEES BERHAD FOR MAAKL-HDBS FLEXI FUND (270519)	560,000	0.14
19. KOK TIU WAN	525,000	0.13
20. CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. BHLB TRUSTEE BERHAD FOR PRUSMALL – CAP FUND (50139 TR01)	524,000	0.13
21. LEE CHOI YIN	515,000	0.13
22. MKW JAYA SDN. BHD.	513,000	0.13
23. A.A. ANTHONY NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR LOONG SZE TUNG (M78019)	510,000	0.13
24. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR LIM GUAT KEE (MM0666)	500,000	0.13
25. CHELLIAH HOLDINGS SDN. BHD.	500,000	0.13
26. LEONG JUI EE	500,000	0.13
27. MULTI – PURPOSE INSURANS BHD	489,700	0.13
28. SEAH MOK KHOON	470,000	0.12
29. YONG SIEW YOON	454,500	0.12
30. CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR DIMENSIONAL FUNDS PLC	411,800	0.11
	321,979,375	82.57

Notice of **Fifty-Third Annual General Meeting**

NOTICE IS HEREBY GIVEN that the **Fifty-Third Annual General Meeting of MEASAT Global Berhad** will be held at **3.00 p.m. on Thursday, 10 June 2010 at Ballrooms 1 & 2, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia** for the transaction of the following businesses:

AGENDA

Ordinary Business

1. To receive the audited financial statements of the Company and of the Group for the financial year ended 31 December 2009 and the Reports of the Directors and Auditors thereon.
2. To re-elect Augustus Ralph Marshall, a Director who retires by rotation in accordance with Article 90 of the Company's Articles of Association.
3. To re-elect Datuk Ramli bin Ibrahim, a Director who retires by rotation in accordance with Article 90 of the Company's Articles of Association.
4. To re-appoint Messrs. PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix their remuneration.

ORDINARY RESOLUTION 1

ORDINARY RESOLUTION 2

ORDINARY RESOLUTION 3

ORDINARY RESOLUTION 4

Other Business

5. To consider and, if thought fit, pass any resolution for which due notice in accordance with Section 151 of the Companies Act, 1965 has been given.

By Order of the Board

CHUA SOK MOOI (MAICSA 0777524)
Company Secretary

Kuala Lumpur
18 May 2010

Notice of Fifty-Third Annual General Meeting (Continued)

Notes:

1. Proxy

- (a) A member entitled to attend and vote at the meeting is entitled to appoint proxies to attend and vote instead of him. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the meeting except where the member is an Authorised Nominee as defined in the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of such Securities Account, to attend and vote instead of him.
- (b) Each appointment of proxy by an Authorised Nominee shall be by way of a separate instrument of proxy which shall specify the Securities Account number and the name of the beneficial owner for whom the Authorised Nominee is acting.
- (c) A proxy need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Sections 149(1)(a) and 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member who is not an Authorised Nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (d) A proxy may vote on a show of hands and on a poll. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter the proxy may exercise his discretion as to whether to vote on such matter and if so, how.
- (e) If the appointor is a corporation, the form of proxy should be executed under its Seal or under the hand of an officer or attorney duly authorised in writing or in some other manner approved by its directors.
- (f) The form of proxy shall be deposited at the Registered Office of the Company at Level 39, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or in the case of a poll, not less than twenty-four (24) hours, before the time appointed for the taking of the poll and the power of attorney or other authority, if any, under which the form of proxy is signed or a notarially certified copy of such power or authority shall be deposited at the Registered Office at the above address before the commencement of the meeting or adjourned meeting or in the case of a poll, before the time appointed for the taking of the poll; otherwise the form of proxy shall not be treated as valid and the person named in the form of proxy shall not be entitled to vote in respect thereof. **Forms of proxy transmitted by fax will not be accepted. The Company will not accept any photocopies of the form of proxy in place of the original signed copy.**
- (g) The lodging of the form of proxy does not preclude a member from attending and voting in person at the meeting, should the member subsequently decide to do so.

2. Corporate Representatives

The resolution authorising a person to act as the representative of a corporation which is a member of the Company to attend the meeting (which shall be set out in a certificate under the seal of the corporation) shall be deposited at the Registered Office of the Company as stated in Note 1(f) above not less than twenty-four (24) hours before the time appointed for the meeting or adjourned meeting and thereafter at the venue of the meeting between the time opened for registration of attendance up to before the commencement of the meeting or adjourned meeting or in the case of a poll, before the time appointed for the taking of the poll.

3. Retirement and re-election of Directors (Ordinary Resolutions 2 and 3)

There are no individuals who are standing for election as Directors at the forthcoming Annual General Meeting.

The information pertaining to the two Directors who are retiring by rotation and standing for re-election pursuant to Article 90 of the Company's Articles of Association is set out on pages 16 and 17 of the Annual Report. The retiring Directors do not have any direct or indirect interests in the shares of MEASAT Global Berhad or its related corporations.

Proxy Form

MEASAT GLOBAL BERHAD
(Incorporated in Malaysia) (Company No. 2866 – T)

I/We.....(NRIC No./Passport No./Company No.....)
(Full Name in Block Letters)
of.....
(Full Address)
being (a) member(s) of **MEASAT Global Berhad** ("the Company"), hereby appoint.....
.....(NRIC No./Passport No.....)
(Full Name in Block Letters)
of.....
(Full Address)
or failing *him/her,.....(NRIC No./Passport No.....)
(Full Name in Block Letters)
of.....
(Full Address)

or failing the abovenamed proxy/proxies, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Fifty-Third Annual General Meeting of the Company to be held at 3.00 p.m. on Thursday, 10 June 2010 at Ballrooms 1 & 2, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia and at any adjournment thereof.

Please indicate the manner in which you wish your votes to be cast with an "X" in the appropriate spaces below. Unless voting instructions are specified herein, the proxy will vote or abstain from voting as he/she thinks fit.

	FOR	AGAINST
ORDINARY RESOLUTION 1 To receive the audited financial statements of the Company and of the Group for the financial year ended 31 December 2009 and the Reports of the Directors and Auditors thereon.		
ORDINARY RESOLUTION 2 To re-elect Augustus Ralph Marshall, a Director who retires by rotation in accordance with Article 90 of the Company's Articles of Association.		
ORDINARY RESOLUTION 3 To re-elect Datuk Ramli bin Ibrahim, a Director who retires by rotation in accordance with Article 90 of the Company's Articles of Association.		
ORDINARY RESOLUTION 4 To re-appoint Messrs. PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix their remuneration.		

(a) If appointment of proxy is under hand

.....
Signed by *individual member/officer or attorney of member/ authorised nominee of No. of shares held:.....
..... (beneficial owner)
Telephone No. Securities Account No(s):

(b) If appointment of proxy is under seal

The Common Seal of
was affixed hereto in accordance with its Articles of Association in the presence of :- Seal
.....
Director *Director/Secretary
in its capacity as *member/attorney of a member/authorised nominee of No. of shares held:.....
..... (beneficial owner)
Telephone No. Securities Account No(s):

Dated this.....day of.....,2010

* Delete whichever is not applicable

Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint proxies to attend and vote instead of him. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the meeting except where the member is an Authorised Nominee as defined in the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of such Securities Account, to attend and vote instead of him.
- Each appointment of proxy by an Authorised Nominee shall be by way of a separate instrument of proxy which shall specify the Securities Account number and the name of the beneficial owner for whom the Authorised Nominee is acting.
- A proxy need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Sections 149(1)(a) and 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member who is not an Authorised Nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
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- The lodging of the form of proxy does not preclude a member from attending and voting in person at the meeting, should the member subsequently decide to do so.

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STAMP

MEASAT GLOBAL BERHAD
Level 39, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia

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