



**ASTRO ALL ASIA NETWORKS plc**

**(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)  
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003**

**ANNOUNCEMENT**

The Board of Directors of ASTRO ALL ASIA NETWORKS plc (“ASTRO” or “the Company”) is pleased to announce the following unaudited consolidated results for the third quarter ended 31 October 2003. This is the first quarterly announcement made by ASTRO to the Kuala Lumpur Stock Exchange (“KLSE”) since its listing on 29 October 2003 and should be read in conjunction with the consolidated financial information presented in the Prospectus of the Company dated 1 October 2003.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/10/2003	QUARTER ENDED 31/10/2002	NINE MTHS ENDED 31/10/2003	NINE MTHS ENDED 31/10/2002
		Actual		Proforma	
		RM'm	RM'm	RM'm	RM'm
Revenue		373.6	-	1,023.3	-
Cost of sales		(253.2)	-	(736.5)	-
Gross profit		120.4	-	286.8	-
Other operating income					
- Gain on dispute settlement		0.9	-	24.0	-
- Other income		5.6	-	8.3	-
Marketing and distribution costs		(42.4)	-	(105.4)	-
Administrative expenses		(41.4)	-	(119.4)	-
Profit from operations		43.1	-	94.3	-
Finance costs (net)		(34.1)	-	(109.6)	-
<u>Associates :</u>					
- Share of results before tax		0.2	-	0.3	-
- Amortisation of goodwill		(0.9)	-	(2.0)	-
Losses from investment in associates		(0.7)	-	(1.7)	-
Profit/(loss) from ordinary activities before taxation <sup>(1)</sup>		8.3	-	(17.0)	-
Taxation	15	(2.6)	-	(8.4)	-
Profit/(loss) from ordinary activities after taxation		5.7	-	(25.4)	-



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/10/2003	QUARTER ENDED 31/10/2002	NINE MTHS ENDED 31/10/2003	NINE MTHS ENDED 31/10/2002
		Actual		Proforma	
		RM'm	RM'm	RM'm	RM'm
Minority interest		-	-	-	-
Net profit / (loss)		5.7	-	(25.4)	-
Earnings/(loss) per share:	26	Sen	Sen	Sen	Sen
- Basic		0.45	-	(2.10)	-
- Diluted*		0.45	-	**	-

(\*) The diluted earnings per share is calculated based on the dilutive effects of options granted over 27,686,000 ordinary shares under the Employee Share Option Scheme (“ESOS”).

(\*\*) There is no diluted loss per share for the cumulative period ended 31 October 2003 as the ordinary shares to be issued upon the exercise of the share options granted under the ESOS are anti-dilutive. The exercise of the options into ordinary shares would decrease the loss per share for the cumulative period ended 31 October 2003.

**Note:**

(1) The profit /(loss) from ordinary activities before taxation has been arrived at after charging:

Depreciation of property, plant and equipment	19.6	-	68.9	-
Amortisation of film library and programme rights	25.9	-	58.5	-
Amortisation of other intangible assets – software costs	1.5	-	4.5	-



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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

		AS AT 31/10/2003 Actual RM'm	AS AT 31/1/2003 RM'm
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	351.8	-
Associates <sup>(1)</sup>		23.4	-
Deferred tax assets		605.0	-
Film library and programme rights		299.0	-
Other intangible assets <sup>(2)</sup>		7.7	-
		<u>1,286.9</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Inventories		44.1	-
Receivables and prepayments		244.3	-
Tax recoverable		7.5	-
Deposits, cash and bank balances		2,451.4	-
		<u>2,747.3</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>			
Borrowings (interest bearing)	19	836.2	-
Payables		633.0	-
Provision for liabilities and charges		13.2	-
Tax liabilities		0.1	-
		<u>1,482.5</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>			
		<u>1,264.8</u>	<u>-</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings ( interest bearing)	19	1,162.1	-
Payables		53.1	-
		<u>1,215.2</u>	<u>-</u>
		<u>1,336.5</u>	<u>-</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		1,189.5	-
Share premium		2,110.0	-
Contributed surplus account		469.0	-
Exchange reserves		(1.0)	-
Accumulated losses		(2,431.0)	-
		<u>1,336.5</u>	<u>-</u>
<b>NET TANGIBLE ASSETS PER SHARE (RM)<sup>(3)</sup></b>			
		<u>0.53</u>	<u>-</u>

Notes:

- <sup>(1)</sup> Associates include goodwill on acquisition of an associate with net book value of RM18.7 m.  
<sup>(2)</sup> Other intangible assets include software costs and goodwill on consolidation with net book value of RM7.3m and RM0.4m respectively.  
<sup>(3)</sup> Net tangible assets represent net assets less other intangible assets, film library and programme rights and goodwill included in investment in associates.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Nine months ended 31/10/2003	PROFORMA							
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable				Accumulated losses	Total
	Number of shares	Nominal value	RCPS (equity component)	Contributed surplus account	Exchange reserves	Share premium		
Million	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	
As at 1 February 2003 as if the Company was incorporated on 1 February 2003	1,185.5	724.4	17.2	469.0	-	-	(2,415.6)	(1,205.0)
Transfer to accumulated losses on redemption of A Series Redeemable Convertible Preference Shares ("RCPS")	-	-	(10.0)	-	-	-	10.0	-
Conversion of Series I RCPS	116.6	74.0	(7.2)	-	-	178.9	-	245.7
Conversion of Series II RCPS	108.2	68.6	-	-	-	326.4	-	395.0
Issuance of shares pursuant to Initial Public Offering ("IPO")	508.4	322.5	-	-	-	1,707.4	-	2,029.9
IPO shares issuance expenses	-	-	-	-	-	(102.7)	-	(102.7)
Foreign exchange differences	-	-	-	-	(1.0)	-	-	(1.0)
Net loss for the period	-	-	-	-	-	-	(25.4)	(25.4)
Balance as at 31/10/2003	1,918.7	1,189.5	-	469.0	(1.0)	2,110.0	(2,431.0)	1,336.5



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>CUMULATIVE QUARTER</b>	
	<b>NINE MTHS ENDED 31/10/2003 Proforma</b>	<b>NINE MTHS ENDED 31/10/2002</b>
	<b>RM'm</b>	<b>RM'm</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	(25.4)	-
Barter transactions – revenue	(5.6)	-
Amortisation of film library and programme rights	58.5	-
Amortisation of other intangible assets	4.5	-
Depreciation of property, plant and equipment	68.9	-
Gain on disposal of property, plant and equipment	(0.8)	-
Loss on disposal of other intangible assets	0.1	-
Interest income	(7.3)	-
Interest expense	76.6	-
Accretion of RCPS yield	28.5	-
Taxation	8.4	-
Losses from investments in associates	1.7	-
Unrealised foreign exchange losses	0.9	-
	<b>209.0</b>	<b>-</b>
Changes in working capital:		
Film library and programme rights	(87.2)	-
Inventories	17.3	-
Receivables and prepayments	(38.0)	-
Payables	(96.4)	-
Provision for liabilities and charges	(49.0)	-
	<b>(44.3)</b>	<b>-</b>
Income tax paid	(0.3)	-
Interest received	7.5	-
	<b>(37.1)</b>	<b>-</b>
Net cash from operating activities	<b>(37.1)</b>	<b>-</b>



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)**

	<b>CUMULATIVE QUARTER</b>	
	<b>NINE MTHS ENDED 31/10/2003 Proforma</b>	<b>NINE MTHS ENDED 31/10/2002</b>
	<b>RM'm</b>	<b>RM'm</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of remaining interest of a subsidiary	(0.4)	-
Investment in associates	(23.2)	-
Proceeds from disposal of property, plant and equipment	1.1	-
Purchase of property, plant and equipment	(25.3)	-
	<hr/>	<hr/>
Net cash flow from investing activities	(47.8)	-
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(176.4)	-
Proceeds from borrowings	1,002.3	-
Receipts of corporate advances	33.3	-
Issuance of shares pursuant to IPO	1,927.2	-
Issuance of RCPS	395.0	-
Repayment of finance lease liabilities	(18.1)	-
Repayment of borrowings	(26.9)	-
Repayment of corporate advances	(503.5)	-
Redemption of RCPS	(275.0)	-
Repayment of promissory notes	(59.5)	-
	<hr/>	<hr/>
Net cash flow from financing activities	2,298.4	-
	<hr/>	<hr/>
Net effect of currency translation on cash and cash equivalents	(0.9)	-
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,212.6</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>238.8</b>	<b>-</b>
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>2,451.4</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>



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## **QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003**

### **PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16**

#### **1. BASIS OF PREPARATION**

The quarterly report is unaudited and has been prepared in accordance with the reporting requirements as set out in Malaysian Accounting Standards Board (“MASB”) Standard No. 26 – “Interim Financial Reporting” and paragraph 9.22 of the Kuala Lumpur Stock Exchange Listing Requirements and should be read in conjunction with the consolidated financial information presented in the Prospectus of the Company dated 1 October 2003.

ASTRO was incorporated on 22 July 2003. On 20 September 2003, ASTRO acquired the entire share capital of AAAN (Bermuda) Limited (formerly known as ASTRO ALL ASIA NETWORKS Limited). The business combination of ASTRO and AAAN (Bermuda) Limited is accounted for using the principle of uniting of interests (merger accounting). As such, the consolidated financial results of ASTRO and its subsidiaries (“the Group”) for the cumulative period to date which includes the period prior to the incorporation of ASTRO, have been presented on proforma basis as if the Group had been in existence throughout the entire period commencing 1 February 2003. The proforma consolidated results, statement of changes in equity and cash flow statement are unaudited and have been presented for illustrative purposes to show the financial results of the Group, as if the Group had been in existence throughout the period presented.

The accounting policies adopted by the Group comply with International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The quarterly report has been prepared based on the accounting policies and methods of computation consistent with those adopted in the preparation of the consolidated financial information presented in the Prospectus of the Company dated 1 October 2003.

A reconciliation with the Malaysian Generally Accepted Accounting Practice is disclosed in Note 27.

#### **2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

There were no preceding annual financial statements for the Group as ASTRO was only incorporated on 22 July 2003.

#### **3. SEASONAL / CYCLICAL FACTORS**

The operations of the Group were not significantly affected by seasonality and cyclical factors during the quarter under review.

#### **4. UNUSUAL ITEMS**

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter under review except for the initial public offering of the shares of the Company, the details of which are disclosed in Note 18(a).

#### **5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED**

This is the first quarterly announcement made by ASTRO and, as such, there were no amounts reported in prior interim period of the current financial year or in the prior financial year.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16**

**6. MOVEMENTS IN DEBT AND EQUITY SECURITIES**

The details of movements in debt and equity securities are as follows:

DATE	NATURE OF DEBT/EQUITY SECURITY	NUMBER OF SHARES	PAR VALUE	ISSUED	REDEEMED / CONVERTED / REPAID
		Million		RM'm	RM'm
<b><u>Ordinary shares</u></b>					
20/09/2003	Issuance of ordinary shares pursuant to the acquisition of AAAN (Bermuda) Limited	1,185.5	£0.10	724.4	-
22/10/2003	Conversion of Series I RCPS	116.6	£0.10	74.0	-
22/10/2003	Conversion of Series II RCPS	108.2	£0.10	68.6	-
22/10/2003	Issuance of ordinary shares pursuant to the IPO of the Company	508.4	£0.10	322.5	-
<b><u>Redeemable Preference Shares (“RPS”)</u></b>					
3/09/2003	Issuance of RPS	0.05	£1.00	0.3	-
22/10/2003	Redemption of RPS	0.05	£1.00	-	0.3
<b><u>Series I RCPS*</u></b>					
20/09/2003	Issuance of Series I RCPS pursuant to the acquisition of AAAN (Bermuda) Limited	53.9	£0.01	3.3	-
22/10/2003	Conversion of Series I RCPS to ordinary shares upon closing of the IPO of the Company	53.9	£0.01	-	3.3
<b><u>Series II RCPS *</u></b>					
20/09/2003	Issuance of Series II RCPS pursuant to the acquisition of AAAN (Bermuda) Limited	103.9	£0.01	6.4	-
22/10/2003	Conversion of Series II RCPS to ordinary shares upon closing of the IPO of the Company	103.9	£0.01	-	6.4





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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16**

**6. MOVEMENTS IN DEBT AND EQUITY SECURITIES (continued)**

DATE	NATURE OF DEBT/EQUITY SECURITY	NUMBER OF SHARES	PAR VALUE	ISSUED	REDEEMED / CONVERTED / REPAID
		Million		RM' m	RM' m
<b><u>A Series RCPS **</u></b>					
8/10/2003	Redemption of A Series RCPS	75	US\$0.01	-	354.0
<b><u>Promissory Notes</u></b>					
8/10/2003	Repayment of promissory notes	-	-	-	59.5
29/10/2003	Redemption of promissory notes issued by AAAN (Bermuda) Limited via issuance of bills of exchange issued by the Company	-	-	-	74.4
<b><u>Bills of Exchange</u></b>					
29/10/2003	Issuance of bills of exchange by the Company in exchange for and the redemption of promissory notes issued by AAAN (Bermuda) Limited	-	-	74.4	-

Notes :

(\*) For details on Series I RCPS and Series II RCPS, please refer to Note 11(g).

(\*\*) Represents 75 million redeemable convertible preference shares of US\$0.01 each (A Series RCPS) issued by AAAN (Bermuda) Limited on 12 October 2000. The redeemed amount included the accretion of yield on the RCPS.

On 20 September 2003, the Company sub-divided and converted its issued share capital then in issuance, comprising 2 ordinary shares of £1.00 each into 20 ordinary shares of £0.10 each and sub-divided and converted all of the authorised but unissued ordinary shares of £1.00 each into ordinary shares of £0.10 each.

Other than those disclosed above, there are no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the interim period.

**7. DIVIDENDS PAID**

There were no dividends paid during the three months ended 31 October 2003.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16**

**8. SEGMENT RESULTS AND REPORTING**

The Group is organised in the following business segments:

- Multi channel subscription television – provides multi channel Direct-to-Home subscription television and related interactive television services.
- Radio – provides radio broadcasting services.
- Celestial – creation, aggregation and distribution of Chinese-language filmed entertainment and content.
- Others – a magazine publishing business; interactive content business for the mobile telephony platform; Malaysian film production business; ownership of buildings and investment holding companies.

Inter-segment revenue represents transfer between segments and is eliminated on consolidation. The transfers are accounted for in the segments at estimated competitive market prices that would be charged to unaffiliated customers for similar goods and services.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/10/03 Actual	QUARTER ENDED 31/10/02	NINE MTHS ENDED 31/10/03 Proforma	NINE MTHS ENDED 31/10/02
	RM'm	RM'm	RM'm	RM'm
<b>Revenue</b>				
<u>Multi channel subscription television</u>				
External revenue	333.0	-	918.6	-
Inter-segment revenue	-	-	-	-
Multi channel subscription television revenue	333.0	-	918.6	-
<u>Radio</u>				
External revenue	27.4	-	72.9	-
Inter-segment revenue	1.3	-	3.1	-
Radio revenue	28.7	-	76.0	-
<u>Celestial</u>				
External revenue	5.9	-	17.0	-
Inter-segment revenue	1.8	-	4.9	-
Celestial revenue	7.7	-	21.9	-
<u>Others</u>				
External revenue	7.3	-	14.8	-
Inter-segment revenue	8.3	-	24.8	-
Other revenue	15.6	-	39.6	-
Total reportable segments	385.0	-	1,056.1	-
Eliminations	(11.4)	-	(32.8)	-
Total group revenue	373.6	-	1,023.3	-



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**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16**

**8. SEGMENT RESULTS AND REPORTING (Continued)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER	QUARTER	NINE MTHS	NINE MTHS
	ENDED	ENDED	ENDED	ENDED
	31/10/03	31/10/02	31/10/03	31/10/02
	Actual		Proforma	
	RM'm	RM'm	RM'm	RM'm
<b><u>Segment Results</u></b>				
Multi channel subscription television	54.8	-	127.0	-
Radio	8.3	-	29.0	-
Celestial	(17.1)	-	(46.8)	-
Others	(2.9)	-	(14.9)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Profit from operations	43.1	-	94.3	-
	<hr/>	<hr/>	<hr/>	<hr/>

**9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

There were no revaluations of property, plant and equipment during the three months ended 31 October 2003. As at 31 October 2003, all property, plant and equipment were stated at cost less accumulated depreciation.

**10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

Subsequent to the end of the financial period, on 3 November 2003, the Group repaid part of the DBS Bank Limited term loan amounting to US\$145.0m and on 14 November 2003, the Group redeemed its entire bearer bills of exchange amounting to RM76.0m including interest accrued up to the date of redemption.

Other than those disclosed above, there were no material subsequent events as at the date of this quarterly report.

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

**Business combinations and acquisitions of subsidiaries**

(a) Acquisition of Maestro Talent and Management Sdn Bhd (“MTM”)

On 6 August 2003, MEASAT Broadcast Network Systems Sdn Bhd (“MBNS”), an indirect subsidiary of the Company, subscribed for two ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of MTM for a total consideration of RM2.00.

(b) Acquisition of East Asia Entertainment (BVI) Limited (“EAE”)

On 14 August 2003, ASTRO Overseas Limited (“AOL”), an indirect subsidiary of the Company, subscribed for one ordinary share of US\$1.00 at par, representing the entire issued and paid-up ordinary share capital of EAE.



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**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16**

**11. CHANGES IN THE COMPOSITION OF THE GROUP (Continued)**

(c) Acquisition of Celestial Entertainment Holdings Limited (“CEHL”)

On 18 August 2003, EAE acquired two ordinary shares of HK\$1.00 each at par, representing the entire issued and paid-up ordinary shares in CEHL from Pacific Investments (BVI) Ltd, a company which is controlled by a principal shareholder of the Company.

(d) AAAN (Bermuda) Limited’s business combination with Celestial Pictures Limited (“Celestial”)

On 20 August 2003, AAAN (Bermuda) Limited via its subsidiary, CEHL, acquired from Pacific Investments (BVI) Ltd, the entire issued and paid-up share capital of Celestial, comprising 25,000,000 shares of HK\$1.00 each. Accordingly, Celestial and its subsidiaries, comprising Celestial Movie Channel Limited, Celestial Filmed Entertainment Limited, Tian Ying Pin Dao Limited, Tian Ying Movie Channel Limited, Tian Ying Filmed Entertainment Limited, Celestial Television Networks Limited, Celestial Productions Limited, Celestial Filmed Entertainment Inc and Celestial Pictures Inc became subsidiaries of the Company.

The purchase consideration for the acquisition of approximately RM110.6 million and outstanding advances due to former corporate shareholders of Celestial of RM345.4 million were settled on 2 October 2003.

(e) AAAN (Bermuda) Limited’s business combination with Philippine Animation N.V. (“PANV”)

On 20 August 2003, AAAN (Bermuda) Limited via its subsidiary, AOL, acquired the entire issued and paid-up share capital of PANV comprising 6,000 shares of US\$1.00 each. Accordingly, PANV and all its subsidiaries comprising Philippine Animation Studio Inc, Pacific Digital Inc, Pacific Digital Animation N.V. and Philippine Animators Group Inc became subsidiaries of the Company.

PANV was acquired from Worldwide Sports and Entertainment Inc, a company which is controlled by a principal shareholder of the Company. The purchase consideration of approximately RM23,000 was settled on 2 October 2003.

(f) Acquisition of ASTRO Entertainment Networks Limited (“AENL”)

On 18 September 2003, AENL was incorporated as a private company in Mauritius as a wholly owned subsidiary of AOL.

(g) Business combination of ASTRO with AAAN (Bermuda) Limited

On 20 September 2003, ASTRO entered into a share sale agreement with the shareholders of AAAN (Bermuda) Limited to acquire the entire issued and paid-up ordinary share capital of AAAN (Bermuda) Limited comprising 1,185,548,556 ordinary shares of US\$0.10 each. As consideration for the acquisition, ASTRO issued 1,185,548,556 new ordinary shares of £0.10 each to the shareholders of AAAN (Bermuda) Limited.

In addition, as part of the share sale agreement, ASTRO acquired the entire issued and paid-up 53,947,368 redeemable convertible preference shares (“RCPS”) of US\$0.01 each (“B Series RCPS”) and 103,947,368 RCPS of US\$0.01 each (“C Series RCPS”) of AAAN (Bermuda) Limited. ASTRO issued 53,947,368 Series I RCPS of £0.01 each and 103,947,368 Series II RCPS of £0.01 each as consideration for the acquisition of the B Series RCPS and C Series RCPS respectively.



ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)  
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

### PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16

#### 11. CHANGES IN THE COMPOSITION OF THE GROUP (Continued)

##### Additional investment in associates

- (a) Acquisition of additional 7.9% issued and paid-up ordinary share capital in TVB Publishing Holding Limited (“TVBPH”)

On 20 August 2003, AAAN (Bermuda) Limited via its subsidiary, MEASAT Broadcast Network Systems (BVI) Limited, acquired an additional 10.0% of the issued ordinary share capital (of which 7.9% has been fully paid) of TVBPH from Home Net N.V. for an acquisition price of approximately RM13.7 million. The remaining unpaid ordinary share capital will be fully paid by June 2005. With this additional acquisition, AAAN (Bermuda) Limited holds 26.3% of the issued and paid-up ordinary share capital of TVBPH.

##### Disposal of subsidiaries

- (a) All Asia Programming Systems (BVI) Ltd (“AAPS”) and MBNS Worldwide Sdn Bhd (“MWSB”)

On 12 September 2003, AAPS and MWSB were disposed at cost of US\$1.00 and RM2.00 respectively to third parties.

##### Restructuring

- (a) Tayangan Unggul Sdn Bhd (“TUGL”)

On 6 August 2003, MBNS disposed 100,000 ordinary shares of RM1.00 each in TUGL to ASTRO Shaw Sdn Bhd (“ASSB”), both of which are subsidiaries of the Group, at cost pursuant to a share sale agreement dated 29 July 2003. As a result, TUGL became a wholly-owned subsidiary of ASSB.

Save as disclosed above, there have been no other changes in the composition of the Group in the three months ended 31 October 2003.

#### 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

##### (a) Contingent liabilities

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

	<u>As at</u> <u>31/10/03</u>
	RM' m
Set-top boxes	43.5
Utilities	0.8
Custom duties, stamp duties and import duties	0.9
Programme rights	27.0
	<hr/>
	72.2
	<hr/>

##### (b) Contingent assets

There were no contingent assets as at 31 October 2003.



ASTRO ALL ASIA NETWORKS plc

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(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16**

**13. COMMITMENTS**

As at 31 October 2003, the Group has the following known commitments:

	<u>As at 31/10/03</u>
	RM' m
Authorised and contracted for	861.9
Authorised but not contracted for	75.2
	<u>937.1</u>

Analysed as follows:

	<u>Authorised and</u>		<u>Total</u>
	<u>Contracted for</u>	<u>Not contracted for</u>	
	RM' m	RM'm	RM' m
Property, plant and equipment	8.3	66.0	74.3
Investment in an associate	19.0	-	19.0
Film library and programme rights	109.9	9.2	119.1
Non-cancellable operating lease	724.7	-	724.7
	<u>861.9</u>	<u>75.2</u>	<u>937.1</u>

**14. SIGNIFICANT RELATED PARTY DISCLOSURES**

The Group has entered into a variety of related party transactions with companies directly or indirectly controlled by or associated with Usaha Tegas Sdn Bhd (“UTSB”) as well as companies or entities directly or indirectly controlled by or associated with Ananda Krishnan Tatparanandam or in which he is deemed to have an interest, both of whom are deemed substantial shareholders of the Company.

The principal companies associated with UTSB are Tanjong Public Limited Company and Maxis Communications Berhad. MAI Holdings Sdn Bhd is ultimately deemed controlled by Ananda Krishnan Tatparanandam.

**Related parties**

Hsin-Chi Broadcast Co. Ltd  
Maxis Broadband Sdn Bhd  
UTSB Management Sdn Bhd  
Usaha Tegas Entertainment Systems Sdn Bhd  
All Asia Radio Technologies Sdn Bhd  
Binariang Satellite Systems Sdn Bhd

**Relationship**

Associate of the Group  
Subsidiary of Maxis Communications Berhad  
Subsidiary of Usaha Tegas Sdn Bhd  
Subsidiary of Usaha Tegas Sdn Bhd  
Associate of Usaha Tegas Sdn Bhd  
Subsidiary of MAI Holdings Sdn Bhd



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(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)  
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16**

**14. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)**

In addition to significant related party transactions disclosed elsewhere in this report, the following significant transactions were carried out with the following related parties:

	TRANSACTIONS FOR THE CUMULATIVE NINE MTHS ENDED 31/10/03 Proforma <u>RM' m</u>	AMOUNTS <sup>(*)</sup> DUE FROM/(TO) AS AT 31/10/03 Proforma <u>RM' m</u>
<b>(a) Sales of goods and services</b>		
Transponder sublease rental from: Hsin-Chi Broadcast Co. Ltd	4.2	4.2
<b>(b) Purchases of goods and services</b>		
Personnel and consultancy services from: UTSB Management Sdn. Bhd.	8.2	(5.2)
Marketing, Programming and advertising services from: All Asia Radio Technologies Sdn. Bhd.	6.3	(6.3)
Telecommunication services from: Maxis Broadband Sdn Bhd.	4.2	(4.2)
Payments related to finance lease: Binariang Satellite Systems Sdn Bhd	12.6	(12.6)
Interest on corporate advances: Usaha Tegas Entertainment Systems Sdn Bhd	9.3	(1.1)

Note:

(\*) Represents amounts outstanding on transactions entered into during the nine months ended 31 October 2003.



**ASTRO ALL ASIA NETWORKS plc**

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(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003**

**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PART A of APPENDIX 9B**

**15. TAXATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER ENDED 31/10/03 Actual</b>	<b>QUARTER ENDED 31/10/02</b>	<b>NINE MTHS ENDED 31/10/03 Proforma</b>	<b>NINE MTHS ENDED 31/10/02</b>
	<b>RM' m</b>	<b>RM' m</b>	<b>RM' m</b>	<b>RM' m</b>
<u>Malaysian taxation</u>				
Current tax	<b>0.1</b>	-	<b>0.3</b>	-
Deferred tax	<b>2.5</b>	-	<b>8.1</b>	-
	<b>2.6</b>	-	<b>8.4</b>	-

The Group's effective tax rate for the third quarter ended 31 October 2003 of 31.3% was higher than the statutory tax rate of 28.0% because of losses from subsidiaries within the Group were not available for set-off against taxable profits of other subsidiaries.

The tax charge of RM8.4 million for the financial period to date mainly represents the utilisation of deferred tax assets against the taxable profits of the principal subsidiary of the Group.

**16. PROFIT/(LOSS) ON SALES OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There were no sales of unquoted investments and/or properties during the quarter.

**17. QUOTED SECURITIES**

There were no quoted securities acquired or disposed during the quarter and as at 31 October 2003.

**18. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

**(a) Status of corporate proposal announced during the quarter**

There were no incomplete corporate proposals as at 19 December 2003.

On 1 October 2003, ASTRO issued a Prospectus, offering for sale of 508,400,000 new ordinary shares of nominal value of £0.10 each comprising the retail offering and the institutional offering.

The institutional offering consisted of 425,000,000 ordinary shares of nominal value of £0.10 each offered to foreign and Malaysian institutional and selected investors at the institutional price, which was determined by way of book building.





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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PART A of APPENDIX 9B**

**18. STATUS OF CORPORATE PROPOSALS ANNOUNCED (Continued)**

The retail offering consisted of 83,400,000 ordinary shares of nominal value of £0.10 each offered to the Malaysian public, eligible directors, employees, subscribers, retailers, distributors and installers of the Company and its subsidiaries; and eligible directors and employees of Usaha Tegas Sdn Bhd and its subsidiaries and Khazanah Nasional Berhad at the retail price of RM3.80 per share, payable in full upon application and subject to a refund in the event that the final retail price is less than RM3.80 per share.

The final retail price was RM3.65 per share (being 90% of the final institutional price of RM4.06 per share which was fixed on 11 October 2003).

On 29 October 2003, the Company's entire issued and paid-up ordinary share capital of £0.10 each comprising 1,918,758,461 shares (after the Initial Public Offering ("IPO") above) was admitted to the Official List of the KLSE. The listing and quotation of these shares on the Main Board of the KLSE were effected at 9.00am on this day, on a "Ready" basis pursuant to the Rules of the Exchange. The shares are categorised under the "Trading and Services" sector with a Stock Number and Stock Name of 5076 and ASTRO respectively.

The net proceeds raised from the IPO amounting to RM1,962 million was received in full on 30 October 2003.

**(b) Status of utilisation of proceeds raised from the Initial Public Offering**

The status of the utilisation of the proceeds as at 19 December 2003 from the Initial Public Offering ("IPO") is as follows:

	<b>Proposed utilisation of IPO proceeds (**)</b>	<b>Utilised to date</b>	<b>Amounts outstanding</b>
	RM' m	RM' m	RM' m
Repayment of a private debt securities facility	661.8	-	661.8
Repayment of a foreign export credit agency structured trade facility	77.1	-	77.1
Repayment of bearer promissory notes (*)	74.4	(74.4)	-
Part repayment of a syndicated term loan facility	551.0	(551.0)	-
Payment for equity in associate, TVBPH	19.0	-	19.0
Listing expenses	110.4	(88.1)	22.3
Working capital / general corporate purposes	536.2	(2.7)	533.5
	<u>2,029.9</u>	<u>(716.2)</u>	<u>1,313.7</u>

Note:

(\*) On 29 October 2003, the bearer promissory notes were redeemed via the issuance of bearer bills of exchange issued by the Company as disclosed in Note 6. The bearer bills of exchange were repaid on 14 November 2003 from the IPO proceeds.

(\*\*) Estimated utilisation as set out in ASTRO's prospectus dated 1 October 2003 adjusted for the final retail price of RM3.65 per share (being 90% of the final institution price of RM4.06 per share which was fixed on 11 October 2003).



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PART A of APPENDIX 9B**

**19. GROUP BORROWINGS AND DEBTS SECURITIES**

The amounts of Group borrowings and debt securities as at 31 October 2003 are as follows:

	Short Term	Long Term	Total	Currency	
				Ringgit	US Dollar
				RM' m	RM' m
<u>Unsecured</u>					
Bills of Exchange	75.8	-	75.8	75.8	-
<u>Secured</u>					
Private debt securities (“PDS”) <sup>1</sup>	144.6	571.9	716.5	716.5	-
Foreign structured trade finance (“ECA”) <sup>1</sup>	38.6	38.6	77.2	-	77.2
BPI Facility <sup>1</sup>	-	25.3	25.3	25.3	-
USD term loan <sup>2</sup>	551.0	430.8	981.8	-	981.8
Finance lease liabilities <sup>3</sup>	26.2	95.5	121.7	121.7	-
	<u>836.2</u>	<u>1,162.1</u>	<u>1,998.3</u>	<u>939.3</u>	<u>1,059.0</u>

Notes:

- (1) All assets of MEASAT Broadcast Network Systems Sdn Bhd (“MBNS”) and MEASAT Digicast Sdn Bhd (“Digicast”), subsidiaries of ASTRO, are pledged as securities on a pari passu basis to the PDS, ECA and BPI Facilities.

The rights, title, interest and benefits of MBNS for the following are also assigned to the PDS, ECA and BPI Facilities:

- (i) All Asia Broadcast Centre leased land.
- (ii) Malaysia East Asia Satellite 1 (“M1”) transponder lease agreement with Binariang Satellite Systems Sdn Bhd (“BSS”), the transponder insurance and the broadcast’s all risk policy.
- (iii) Agreement for the supply of daughter smartcards and the Mediaguard system licence agreement, both with the Societe Europeene de Controle D’aces; and Mediahighway licence agreement with Canal+.

- (2) The USD term loan is secured/to be secured by the following:

- (i) Corporate guarantees, debentures, assignment of bank accounts, legal and equitable share mortgages created by various subsidiaries of the Company (and to be created by certain future subsidiaries), together with an undertaking by MBNS for the creation of future securities.
- (ii) As part of the security agreement and in accordance with the undertaking by MBNS, MBNS and Digicast are to create pari passu ranking of securities currently provided to the guarantors of the PDS and lenders of the ECA and BPI facilities (as referred to in Note (1)), subject to fulfilment of certain conditions.

- (3) The finance lease liabilities are effectively secured as the rights of the leased asset revert to the lessor in the event of default.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PART A of APPENDIX 9B**

**20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no outstanding off-balance sheet financial instruments as at 19 December 2003.

**21. CHANGES IN MATERIAL LITIGATION**

There were no material litigation matters dealt with during the period or pending as at 19 December 2003.

**22. REVIEW OF PERFORMANCE FOR THIRD QUARTER AND NINE MONTHS ENDED 31 OCTOBER 2003**

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	THIRD QUARTER 31/10/2003 Actual	NINE MTHS ENDED 31/10/2003 Proforma	THIRD QUARTER 31/10/2003 Actual	NINE MTHS ENDED 31/10/2003 Proforma
<b><u>Consolidated Performance</u></b>				
Total Revenue	373.6	1,023.3		
EBITDA	64.2	167.7		
EBITDA Margin (%)	17.2	16.4		
Profit/(Loss) after taxation	5.7	(25.4)		
Net Cash Flow	2,219.6	2,212.6		
Capital expenditure	9.4	28.7		
<b>(i) <u>Multichannel TV(MC-TV)</u><sup>1</sup></b>				
Subscription revenue	284.8	804.1		
Advertising revenue	26.0	62.0		
EBITDA	63.6	175.6		
EBITDA Margin (%)	19.1	19.1		
Programme costs	106.7	283.8		
Capital expenditure	8.1	24.2		
Total subscriptions-net additions ('000)			90	226
Total subscriptions-end of period ('000)			1,296	1,296
Residential subscribers-net additions ('000)			83	207
Residential subscribers-end of period ('000)			1,191	1,191
ARPU – residential subscriber (RM)			81	81
Churn (%)			7.0	7.0
Subscriber acquisition cost (“SAC”) (RM per set-top box sold)			1,040	955
Content cost (RM per subscriber per mth)			30	29



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PART A of APPENDIX 9B**

**22. REVIEW OF PERFORMANCE FOR THIRD QUARTER AND NINE MONTHS ENDED 31 OCTOBER 2003  
(Continued)**

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	THIRD QUARTER 31/10/2003 Actual	NINE MTHS ENDED 31/10/2003 Proforma	THIRD QUARTER 31/10/2003 Actual	NINE MTHS ENDED 31/10/2003 Proforma
<b>(ii) <u>Radio</u><sup>1</sup></b>				
Advertising revenue	27.9	74.3		
EBITDA	9.2	30.5		
EBITDA Margin (%)	32.0	40.1		
Listeners ('000)			8,740	8,740
Share of radio adex (%)			73	72
<b>(iii) <u>Celestial</u><sup>1</sup></b>				
Revenue	7.7	21.9		
EBITDA	(11.6)	(40.3)		
EBITDA Margin (%)	(151.3)	(184.2)		
Titles released for distribution			38	121
<b>(iv) <u>Others</u><sup>1</sup></b>				
Magazines – average monthly circulation (includes ASTRO TV Guide) ('000)			1,295	1,203
Malaysian film production – theatrical release			1	2

Note:

1. Represents segment performance before inter-segment eliminations.

**Consolidated Performance**

**Turnover**

In the quarter ended 31 October 2003, the Group recorded consolidated revenues of RM373.6m. This was mainly represented by subscription revenue of RM284.8m and advertising revenue of RM52.6m (MC-TV advertising of RM26.0m and Radio advertising of RM27.9m).



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003**

**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PART A of APPENDIX 9B**

**22. REVIEW OF PERFORMANCE FOR THIRD QUARTER AND NINE MONTHS ENDED 31 OCTOBER 2003  
(Continued)**

**EBITDA**

Group EBITDA for the quarter was RM64.2m, registering a margin of 17.2% of revenue.

Marketing, distribution and administrative expenses for the quarter were generally in line with expectations and includes the impact of net non-recurring expenses of RM2.2m (after the write back of RM12.0m over-provisions).

**Cashflow**

Positive cashflow for the quarter of RM2,219.6m, includes gross proceeds from the IPO of RM2,029.9m. Operating cash requirements of RM80.7m for the quarter include RM71m relating to the IPO.

**Capital Expenditure**

Group capital expenditure for the quarter totalled RM9.4m, of which RM8.1m was for MC-TV requirements.

**Multi-channel TV**

Subscriber net additions were 83K for the quarter and total 207K for the 9 months ended 31 October 2003.

ARPU was maintained at RM81 for the quarter with increases in the take up of premium services and 2nd boxes, offsetting the decline in basic package average revenue.

Churn was maintained at 7.0%, whilst subscriber acquisition costs (SAC) for the quarter was impacted by non-recurring rebranding costs of RM14.2m. This cost added RM138 per box sold to SAC's for the quarter and impacted the 9 month SAC's by RM65 per box sold. Content costs for the quarter remained generally in line at RM30 per subscriber per month.

**Radio**

The ACNielsen 3rd quarter survey results showed the Group's Malaysian radio listenership base at 8.7million, an increase of 6.6% from the previous survey conducted in April 2003. Fill rates were 62% across all stations.

EBITDA margin for the quarter were impacted by the booking of RM4.4m of costs relating to the full year.

**Celestial**

The Celestial movie channel is now available to more than 1.3 million subscribers in 4 countries. A new agreement for distribution of this channel in Hong Kong from January 2004 has been secured with Galaxy Satellite Broadcasting Limited (an affiliate of Television Broadcast Limited). Negotiations have also been concluded in Australia for the distribution of the Celestial Movie Channel, commencing in January 2004. The video distribution business is showing signs of recovery in the key Hong Kong market after a slowdown between May and August this year.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003**

**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PART A of APPENDIX 9B**

**23. CURRENT YEAR PROSPECTS**

ASTRO will continue to build on its core skills in content creation, aggregation and distribution for multi-lingual, multi-ethnic audiences to strengthen its leadership position in Malaysia, and to develop further opportunities for the export of ASTRO's intellectual assets to the region.

Demand for the Group's products and services has remained strong since the end of the quarter. On this basis and barring any unforeseen circumstances, it is expected that the Group's performance will be satisfactory for the remainder of the year ending 31 January 2004.

**24. PROFIT FORECAST**

Explanatory notes for the variance of actual results against the profit forecast are not applicable as they are only required to be presented in the fourth quarter report ending 31 January 2004.

**25. DIVIDENDS**

No dividends have been declared or recommended for the current quarter ended 31 October 2003.



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(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PART A OF APPENDIX B**

**26. EARNINGS/(LOSS) PER SHARE**

The basic and diluted earnings/(loss) per share for the reporting period are computed as follows:

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/10/03 Actual	QUARTER ENDED 31/10/02	NINE MTHS ENDED 31/10/03 Proforma	NINE MTHS ENDED 31/10/02
<b>(1) Basic earnings/(loss) per share</b>					
Net profit/(loss)	(RM' m)	5.7	-	(25.4)	-
Weighted average number of ordinary shares	'm	1,265.2	-	1,212.4	-
Basic earnings/(loss) per share	sen	0.45	-	(2.10)	-
<b>(2) Diluted earnings/(loss) per share</b>					
Net profit/(loss)	(RM' m)	5.7	-	(25.4)	-
Weighted average number of ordinary shares	'm	1,265.2	-	1,212.4	-
Adjusted for share options granted	'm	0.7	-	0.2	-
Adjusted weighted average number of ordinary shares	'm	1,265.9	-	1,212.6	-
Diluted earnings/(loss) per share*	sen	0.45	-	**	-

The total number of shares which may be issued under the options granted pursuant to the Employee Share Option Scheme (“ESOS”) and Management Share Incentive Scheme (“MSIS”) and options to be offered under any future plans or schemes shall not exceed 10% of the issued and paid-up ordinary share capital at any time during the existence of these schemes.

The Company, pursuant to the ESOS and MSIS, has the authority to grant options to its employees up to a maximum of 10% of its issued and paid-up ordinary share capital of 1,918,758,461 ordinary shares of £0.10 each as at 31 October 2003.

Notes:

(\*) The diluted earnings per share is calculated based on the dilutive effects of options granted over 27,686,000 ordinary shares under the Employee Share Option Scheme (“ESOS”).

(\*\*) There is no diluted loss per share for the cumulative period ended 31 October 2003 as the ordinary shares to be issued upon the exercise of the share options granted under the ESOS are anti-dilutive. The exercise of the options into ordinary shares would decrease the loss per share for the cumulative period ended 31 October 2003.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART C – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PARAGRAPH 9.22(2)(d)**

**27. RECONCILIATION WITH MALAYSIAN GENERALLY ACCEPTED ACCOUNTING PRACTICE (UNAUDITED)**

As mentioned under Note 1, the accounting policies adopted by the Group in presenting this quarterly report comply with IFRS adopted by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The reconciliation of the consolidated results and net assets of the Group to those prepared in accordance with applicable approved accounting standards in Malaysia ('MAAS') is set out below.

**INCOME STATEMENTS**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>QUARTER</u>	<u>QUARTER</u>	<u>NINE MTHS</u>	<u>NINE MTHS</u>
		<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>
		<u>31/10/03</u>	<u>31/10/02</u>	<u>31/10/03</u>	<u>31/10/02</u>
		<u>Actual</u>		<u>Proforma</u>	
		<u>RM'm</u>	<u>RM'm</u>	<u>RM'm</u>	<u>RM'm</u>
<b>IFRS consolidated net profit / (loss)</b>		<b>5.7</b>	-	<b>(25.4)</b>	-
Elimination of pre-acquisition net losses of newly acquired subsidiaries	(a)	2.1	-	33.5	-
Amortisation of goodwill	(b)	(1.9)	-	(1.9)	-
<b>MAAS consolidated net profit</b>		<b>5.9</b>	-	<b>6.2</b>	-

**BALANCE SHEET**

	Note	<u>AS AT 31/10/03</u>	<u>AS AT 31/10/02</u>
		<u>Proforma</u>	
		<u>RM' m</u>	<u>RM' m</u>
<b>IFRS consolidated net assets</b>		<b>1,336.5</b>	-
Goodwill arising from the acquisition of subsidiaries	(a)	187.7	-
Amortisation of goodwill arising from the acquisition of subsidiaries	(b)	(1.9)	-
<b>MAAS consolidated net assets</b>		<b>1,522.3</b>	-

The differences in accounting policies of the Group under IFRS and Applicable Approved Accounting Standards in Malaysia do not have an impact on the net movement in cash and cash equivalents of the Group for the third quarter ended 31 October 2003.





ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)  
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THIRD QUARTER ENDED 31 OCTOBER 2003

**PART C – EXPLANATORY NOTES IN COMPLIANCE WITH KLSE REQUIREMENT  
UNDER PARAGRAPH 9.22(2)(d)**

**27. RECONCILIATION WITH MALAYSIAN GENERALLY ACCEPTED ACCOUNTING PRACTICE  
(UNAUDITED) (continued)**

Notes:

- (a) As mentioned in Note 11, the Group acquired the entire issued and paid-up share capital of Celestial and PANV during the quarter ended 31 October 2003. As IFRS does not specify the accounting for business combinations of enterprises under common control, the Group has elected to apply the principles of uniting of interests (merger accounting) in the consolidation of the financial statements of Celestial and PANV under IFRS. However, as the acquisition of Celestial and PANV did not meet certain requirements under MASB Standard No. 21 “Business Combinations” for merger accounting, these business combinations were accounted for using acquisition accounting. Accordingly, the consolidated income statement and net assets of the Group are adjusted to reflect the effects of the business combination (using acquisition accounting) of Celestial and PANV.
- (b) The Group’s policy is to amortise the goodwill on a systematic basis over its estimated useful life, during which the future economic benefits of the goodwill are expected to flow to the Group. The Group amortises the goodwill on these acquisitions over its estimated useful life of 20 years.
- (c) The fair values of the assets and liabilities acquired are recognised based on preliminary estimates made by management. Should additional evidence become subsequently available that affects the fair values of those assets and liabilities at the date of acquisition, the fair values will be adjusted. If applicable, this adjustment can only be made up to the end of the first financial year commencing after the date of acquisition.

By order of the Board

Rohana binti Rozhan (MIA No.11722)  
Company Secretary

19 December 2003

Kuala Lumpur