

**ASTRO MALAYSIA HOLDINGS BERHAD**  
(932533-V) (Incorporated in Malaysia)

**QUARTERLY REPORT FOR THE  
FINANCIAL PERIOD ENDED 30 APRIL 2016**

ASTRO MALAYSIA HOLDINGS BERHAD (932533-V)  
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2016

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2016**

The Board of Directors of Astro Malaysia Holdings Berhad (“AMH” or “the Company”) is pleased to announce the following unaudited condensed consolidated financial statements for the first quarter ended 30 April 2016 which should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

|  | INDIVIDUAL QUARTER |                               |                               | CUMULATIVE QUARTER |                              |                              |     |
|--|--------------------|-------------------------------|-------------------------------|--------------------|------------------------------|------------------------------|-----|
|  | Note               | QUARTER<br>ENDED<br>30/4/2016 | QUARTER<br>ENDED<br>30/4/2015 | %                  | PERIOD<br>ENDED<br>30/4/2016 | PERIOD<br>ENDED<br>30/4/2015 | %   |
|  |                    | RM'm                          | RM'm                          |                    | RM'm                         | RM'm                         |     |
| <b>Revenue</b>   |                    | 1,362.8                       | 1,330.1                       | +2                 | 1,362.8                      | 1,330.1                      | +2  |
| Cost of sales  |                    | (833.0)                       | (814.3)                       |                    | (833.0)                      | (814.3)                      |     |
| <b>Gross profit</b>  |                    | 529.8                         | 515.8                         | +3                 | 529.8                        | 515.8                        | +3  |
| <b>Other operating income</b>  |                    | 4.1                           | 5.9                           |                    | 4.1                          | 5.9                          |     |
| Marketing and distribution costs   |                    | (116.8)                       | (124.3)                       |                    | (116.8)                      | (124.3)                      |     |
| Administrative expenses  |                    | (135.2)                       | (131.1)                       |                    | (135.2)                      | (131.1)                      |     |
| <b>Profit from operations</b>  |                    | 281.9                         | 266.3                         | +6                 | 281.9                        | 266.3                        | +6  |
| Finance income   |                    | 56.9                          | 20.3                          |                    | 56.9                         | 20.3                         |     |
| Finance costs  |                    | (60.5)                        | (58.1)                        |                    | (60.5)                       | (58.1)                       |     |
| Share of post-tax results from<br>investments accounted for using<br>the equity method |                    | 1.7                           | 1.9                           |                    | 1.7                          | 1.9                          |     |
| <b>Profit before tax</b>   | 17                 | 280.0                         | 230.4                         | +22                | 280.0                        | 230.4                        | +22 |
| Tax expense  | 18                 | (78.9)                        | (63.7)                        |                    | (78.9)                       | (63.7)                       |     |
| <b>Profit for the financial period</b>   |                    | 201.1                         | 166.7                         | +21                | 201.1                        | 166.7                        | +21 |
| <b>Attributable to:</b>  |                    |                               |                               |                    |                              |                              |     |
| Equity holders of the Company  |                    | 202.1                         | 168.2                         | +20                | 202.1                        | 168.2                        | +20 |
| Non-controlling interests  |                    | (1.0)                         | (1.5)                         |                    | (1.0)                        | (1.5)                        |     |
|  |                    | 201.1                         | 166.7                         | +21                | 201.1                        | 166.7                        | +21 |
| Earnings per share attributable to equity<br>holders of the Company (RM):              |                    |                               |                               |                    |                              |                              |     |
| - Basic  | 25                 | 0.039                         | 0.032                         |                    | 0.039                        | 0.032                        |     |
| - Diluted  | 25                 | 0.039                         | 0.032                         |                    | 0.039                        | 0.032                        |     |

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|  | INDIVIDUAL QUARTER                    |                                       | CUMULATIVE QUARTER                   |                                      |
|--|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
|  | QUARTER<br>ENDED<br>30/4/2016<br>RM'm | QUARTER<br>ENDED<br>30/4/2015<br>RM'm | PERIOD<br>ENDED<br>30/4/2016<br>RM'm | PERIOD<br>ENDED<br>30/4/2015<br>RM'm |
| <b>Profit for the financial period</b>                             | 201.1                                 | 166.7                                 | 201.1                                | 166.7                                |
| <b>Other comprehensive<br/>(loss)/income:</b>                      |                                       |                                       |                                      |                                      |
| Items that will be reclassified<br>subsequently to profit or loss: |                                       |                                       |                                      |                                      |
| - Net change in cash flow hedge                                    | (99.1)                                | (58.7)                                | (99.1)                               | (58.7)                               |
| - Net change in available-for-sale<br>financial assets             | (0.2)                                 | -                                     | (0.2)                                | -                                    |
| Foreign currency translation                                       | 1.2                                   | 0.5                                   | 1.2                                  | 0.5                                  |
| Other comprehensive loss,<br>net of tax                            | (98.1)                                | (58.2)                                | (98.1)                               | (58.2)                               |
| <b>Total comprehensive income for the<br/>financial period</b>     | <u>103.0</u>                          | <u>108.5</u>                          | <u>103.0</u>                         | <u>108.5</u>                         |
| <b>Attributable to:</b>  |                                       |                                       |                                      |                                      |
| Equity holders of the Company                                      | 104.0                                 | 110.0                                 | 104.0                                | 110.0                                |
| Non-controlling interests  | (1.0)                                 | (1.5)                                 | (1.0)                                | (1.5)                                |
|  | <u>103.0</u>                          | <u>108.5</u>                          | <u>103.0</u>                         | <u>108.5</u>                         |

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2016

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)**

|                                  | Note | AS AT<br>30/4/2016<br>Unaudited<br>RM'm | AS AT<br>31/1/2016<br>Audited<br>RM'm |
|----------------------------------|------|---|---------------------------------------|
| <b>Non-current assets</b>        |      |   |                                       |
| Property, plant and equipment    |      | 2,000.3                                 | 2,129.4                               |
| Investments in associates        |      | 29.7                                    | 27.9                                  |
| Investments in joint ventures    |      | 2.3                                     | 2.2                                   |
| Other investment                 |      | 5.0                                     | 5.0                                   |
| Receivables and prepayments      |      | 258.3                                   | 239.3                                 |
| Deferred tax assets              |      | 102.4                                   | 116.5                                 |
| Derivative financial instruments | 20   | 215.9                                   | 290.8                                 |
| Intangible assets                |      | 1,977.1                                 | 2,001.5                               |
|                                  |      | 4,591.0                                 | 4,812.6                               |
| <b>Current assets</b>            |      |   |                                       |
| Inventories                      |      | 17.4                                    | 20.6                                  |
| Other investment                 |      | 334.2                                   | 383.2                                 |
| Receivables and prepayments      |      | 850.3                                   | 955.3                                 |
| Derivative financial instruments | 20   | 54.4                                    | 93.1                                  |
| Tax recoverable                  |      | 0.5                                     | 0.5                                   |
| Cash and bank balances           |      | 792.2                                   | 635.7                                 |
|                                  |      | 2,049.0                                 | 2,088.4                               |
| <b>Total assets</b>              |      | 6,640.0                                 | 6,901.0                               |
| <b>Current liabilities</b>       |      |   |                                       |
| Payables                         | 21   | 1,574.2                                 | 1,658.3                               |
| Derivative financial instruments | 20   | 97.6                                    | 32.7                                  |
| Borrowings                       | 19   | 513.6                                   | 519.5                                 |
| Tax liabilities                  |      | 68.0                                    | 70.9                                  |
|                                  |      | 2,253.4                                 | 2,281.4                               |
| <b>Net current liabilities</b>   |      | (204.4)                                 | (193.0)                               |
| <b>Non-current liabilities</b>   |      |   |                                       |
| Payables                         | 21   | 533.1                                   | 626.4                                 |
| Derivative financial instruments | 20   | 12.7                                    | 11.1                                  |
| Borrowings                       | 19   | 3,180.7                                 | 3,285.6                               |
| Deferred tax liabilities         |      | 82.7                                    | 82.7                                  |
|                                  |      | 3,809.2                                 | 4,005.8                               |
| <b>Total liabilities</b>         |      | 6,062.6                                 | 6,287.2                               |
| <b>Net assets</b>                |      | 577.4                                   | 613.8                                 |

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)**

|   | Note | AS AT<br>30/4/2016<br>Unaudited<br>RM'm | AS AT<br>31/1/2016<br>Audited<br>RM'm |
|---|------|---|---------------------------------------|
| <b>Capital and reserves attributable to equity holders of the Company</b> |      |   |                                       |
| Share capital   |      | 520.5                                   | 520.5                                 |
| Share premium   |      | 6,183.3                                 | 6,183.3                               |
| Exchange reserve  |      | 4.1                                     | 2.9                                   |
| Capital redemption reserve  |      | 0.0 <sup>@</sup>                        | 0.0 <sup>@</sup>                      |
| Capital reorganisation reserve  |      | (5,470.2)                               | (5,470.2)                             |
| Hedging reserve   |      | (96.0)                                  | 3.1                                   |
| Fair value reserve  |      | (0.5)                                   | (0.3)                                 |
| Share scheme reserve  |      | 34.6                                    | 30.9                                  |
| Accumulated losses  |      | (610.5)                                 | (669.5)                               |
|   |      | 565.3                                   | 600.7                                 |
| Non-controlling interests   |      | 12.1                                    | 13.1                                  |
| <b>Total equity</b>   |      | <b>577.4</b>                            | <b>613.8</b>                          |

<sup>@</sup> Denotes RM677.50

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

| Period ended 30/4/2016  | Attributable to equity holders of the Company |               |                  |                            |                                |                 |                    |                      |                    |         |                           |         |
|---|---|---------------|------------------|----------------------------|--------------------------------|-----------------|--------------------|----------------------|--------------------|---------|---------------------------|---------|
|   | Share capital                                 | Share premium | Exchange reserve | Capital redemption reserve | Capital reorganisation reserve | Hedging reserve | Fair value reserve | Share scheme reserve | Accumulated losses | Total   | Non-controlling interests | Total   |
|   | RM'm  | RM'm          | RM'm             | RM'm                       | RM'm                           | RM'm            | RM'm               | RM'm                 | RM'm               | RM'm    | RM'm                      | RM'm    |
| At 1/2/2016   | 520.5   | 6,183.3       | 2.9              | 0.0 <sup>@</sup>           | (5,470.2)                      | 3.1             | (0.3)              | 30.9                 | (669.5)            | 600.7   | 13.1                      | 613.8   |
| Profit/(loss) for the financial period                            | -   | -             | -                | -                          | -                              | -               | -                  | -                    | 202.1              | 202.1   | (1.0)                     | 201.1   |
| Other comprehensive income/(loss) for the financial period        | -   | -             | 1.2              | -                          | -                              | (99.1)          | (0.2)              | -                    | -                  | (98.1)  | -                         | (98.1)  |
| <b>Total comprehensive income/(loss) for the financial period</b> | -   | -             | 1.2              | -                          | -                              | (99.1)          | (0.2)              | -                    | 202.1              | 104.0   | (1.0)                     | 103.0   |
| Ordinary shares dividends   | -   | -             | -                | -                          | -                              | -               | -                  | -                    | (143.1)            | (143.1) | -                         | (143.1) |
| Share-based payment transaction                                   | -   | -             | -                | -                          | -                              | -               | -                  | 3.7                  | -                  | 3.7     | -                         | 3.7     |
| <b>Transactions with owners</b>                                   | -   | -             | -                | -                          | -                              | -               | -                  | 3.7                  | (143.1)            | (139.4) | -                         | (139.4) |
| At 30/4/2016  | 520.5   | 6,183.3       | 4.1              | 0.0 <sup>@</sup>           | (5,470.2)                      | (96.0)          | (0.5)              | 34.6                 | (610.5)            | 565.3   | 12.1                      | 577.4   |

<sup>@</sup> Denotes RM677.50

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)**

| Period ended 30/4/2015  | Attributable to equity holders of the Company |               |                  |                            |                                |                 |                    |                      |                    |         |                           |         |
|---|---|---------------|------------------|----------------------------|--------------------------------|-----------------|--------------------|----------------------|--------------------|---------|---------------------------|---------|
|   | Share capital                                 | Share premium | Exchange reserve | Capital redemption reserve | Capital reorganisation reserve | Hedging reserve | Fair value reserve | Share scheme reserve | Accumulated losses | Total   | Non-controlling interests | Total   |
|   | RM'm  | RM'm          | RM'm             | RM'm                       | RM'm                           | RM'm            | RM'm               | RM'm                 | RM'm               | RM'm    | RM'm                      | RM'm    |
| At 1/2/2015   | 520.2   | 6,174.7       | 0.3              | 0.0 <sup>@</sup>           | (5,470.2)                      | 78.1            | -                  | 25.3                 | (634.5)            | 693.9   | 20.4                      | 714.3   |
| Profit/(loss) for the financial period                            | -   | -             | -                | -                          | -                              | -               | -                  | -                    | 168.2              | 168.2   | (1.5)                     | 166.7   |
| Other comprehensive income/(loss) for the financial period        | -   | -             | 0.5              | -                          | -                              | (58.7)          | -                  | -                    | -                  | (58.2)  | -                         | (58.2)  |
| <b>Total comprehensive income/(loss) for the financial period</b> | -   | -             | 0.5              | -                          | -                              | (58.7)          | -                  | -                    | 168.2              | 110.0   | (1.5)                     | 108.5   |
| Ordinary shares dividends   | -   | -             | -                | -                          | -                              | -               | -                  | -                    | (117.0)            | (117.0) | -                         | (117.0) |
| Share-based payment transaction                                   | -   | -             | -                | -                          | -                              | -               | -                  | 4.8                  | -                  | 4.8     | -                         | 4.8     |
| <b>Transactions with owners</b>                                   | -   | -             | -                | -                          | -                              | -               | -                  | 4.8                  | (117.0)            | (112.2) | -                         | (112.2) |
| At 30/4/2015  | 520.2   | 6,174.7       | 0.8              | 0.0 <sup>@</sup>           | (5,470.2)                      | 19.4            | -                  | 30.1                 | (583.3)            | 691.7   | 18.9                      | 710.6   |

<sup>@</sup> Denotes RM677.50

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   | <b>PERIOD<br/>ENDED<br/>30/4/2016</b> | <b>PERIOD<br/>ENDED<br/>30/4/2015</b> |
|---|---------------------------------------|---------------------------------------|
|   | <b>RM'm</b>                           | <b>RM'm</b>                           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                       |                                       |
| <b>Profit before tax</b>  | 280.0                                 | 230.4                                 |
| <u>Adjustments for:</u>   |                                       |                                       |
| Non-cash items^   | 245.6                                 | 312.7                                 |
| Interest expense  | 53.3                                  | 48.1                                  |
| Interest income   | (11.0)                                | (15.6)                                |
| <b>Operating cash flows before changes in working capital</b>                       | 567.9                                 | 575.6                                 |
| Changes in working capital  | (88.5)                                | (71.9)                                |
| <b>Cash flows from operations</b>   | 479.4                                 | 503.7                                 |
| Income tax paid   | (67.7)                                | (51.5)                                |
| Interest received   | 4.9                                   | 9.7                                   |
| <b>Net cash flows generated from operating activities</b>                           | 416.6                                 | 461.9                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                       |                                       |
| Proceeds from disposal of property, plant and equipment and intangibles             | 0.4                                   | 0.1                                   |
| Purchase of property, plant and equipment and intangibles                           | (111.9)                               | (129.7)                               |
| Disposal of unit trusts   | 53.1                                  | -                                     |
| Placements of fixed deposits  | (170.3)                               | (89.9)                                |
| Proceeds from disposal of investment in a joint venture                             | -                                     | 1.0                                   |
| Investment in joint venture   | -                                     | (0.1)                                 |
| <b>Net cash flows used in investing activities</b>                                  | (228.7)                               | (218.6)                               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                                       |                                       |
| Dividends paid  | (143.1)                               | (117.0)                               |
| Interest paid   | (22.0)                                | (25.6)                                |
| Payment for set-top boxes   | -                                     | (66.0)                                |
| Payment of finance lease liabilities  | (37.7)                                | (27.8)                                |
| <b>Net cash flows used in financing activities</b>                                  | (202.8)                               | (236.4)                               |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH<br/>EQUIVALENTS</b>                     | (14.9)                                | 6.9                                   |
| <b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>                                     | 1.2                                   | 0.4                                   |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br/>FINANCIAL YEAR</b>         | 566.8                                 | 588.4                                 |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE<br/>FINANCIAL PERIOD<sup>#</sup></b> | 553.1                                 | 595.7                                 |



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**

- ^ Non-cash items mainly represent amortisation of intangible assets and depreciation of property, plant and equipment as disclosed in Note 17.
- # The difference between the cash and cash equivalents and cash and bank balances represent deposits with banks that have maturity periods of more than 3 months.

Material Non-Cash Transaction

During the financial period ended 30 April 2016, the Group acquired set-top boxes by means of vendor financing of RM23.7m (30 April 2015: RM26.5m). During the financial period ended 30 April 2016, the Group had repaid RM Nil (30 April 2015: RM66.0m) in relation to vendor financing for set-top boxes capitalised in prior financial years and RM37.7m (30 April 2015: RM27.8m) in relation to finance lease for transponders.

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134**

**1 BASIS OF PREPARATION**

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting”, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2016.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2016 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)
- Annual Improvements to MFRS 2012 – 2014 Cycle (effective from 1 January 2016)
- Amendments to MFRS 101 Disclosure Initiative (effective from 1 January 2016)
- Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations (effective from 1 January 2016)
- Amendments to MFRS 127 Equity Method in Separate Financial Statements (effective from 1 January 2016)
- Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception (effective from 1 January 2016)
- MFRS 14 Regulatory Deferral Accounts (effective from 1 January 2016)

**MFRSs and Amendments to MFRSs that are applicable to the Group but not yet effective**

The Group has not early adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) as these are effective for the financial periods beginning on or after 1 February 2017:

- Amendments to MFRS 107 Disclosure Initiative (effective from 1 January 2017)
- Amendments to MFRS 112 Recognition of Deferred Tax Asset for Unrealised Losses (effective from 1 January 2017)
- MFRS 9 Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities (effective from 1 January 2018)
- MFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018)
- MFRS 16 Leases (effective from 1 January 2019)

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**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**1 BASIS OF PREPARATION (continued)**

**MFRSs and Amendments to MFRSs that are applicable to the Group but not yet effective (continued)**

- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date yet to be determined by Malaysian Accounting Standards Board)

**2 SEASONAL/CYCLICAL FACTORS**

The operations of the Group were not significantly affected by seasonal and cyclical factors.

**3 UNUSUAL ITEMS**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the first quarter ended 30 April 2016.

**4 MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the financial period ended 30 April 2016.

**5 DEBT AND EQUITY SECURITIES**

There were no issuance, repurchase and repayment of debt and equity securities by the Group during the first quarter ended 30 April 2016.

**6 DIVIDENDS PAID**

The fourth interim single-tier dividend of 2.75 sen per ordinary share in respect of the financial year ended 31 January 2016 amounting to RM143,137,930.37 was paid on 21 April 2016.

Refer to Note 24 for dividends declared for the first quarter ended 30 April 2016.

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**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**7 SEGMENT RESULTS AND REPORTING**

For management purposes, with effect from this financial year, the Group is organised into business units based on their services and has three key reportable segments based on operating segments as follows:

- (i) The television segment is a provider of television services including television content, creation, aggregation and distribution, magazine publication and distribution and multimedia interactive services;
- (ii) The radio segment is a provider of radio broadcasting services;
- (iii) Home-shopping business; and
- (iv) Others.

The corporate function relates to treasury and management services and is not an operating segment. The corporate function is presented as part of the reconciliation to the consolidated total.

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Segment profit, which is profit before tax, is used to measure performance as management believes that such information is the most relevant in evaluating the results. Income taxes are managed on a group basis and are not allocated to operating segments.

**Segment assets**

The total of segment assets is measured based on all assets (including goodwill and excluding deferred tax asset) of a segment.

**Segment liabilities**

The total of segment liabilities is measured based on all liabilities (excluding tax liabilities) of a segment.

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**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**7 SEGMENT RESULTS AND REPORTING (continued)**

| <u>Quarter ended</u><br><u>30/4/2016</u>  | <u>Television</u><br>RM'm | <u>Radio</u><br>RM'm | <u>Home-</u><br><u>shopping</u><br>RM'm | <u>Others</u><br>RM'm | <u>Corporate</u><br><u>Function</u><br>RM'm | <u>Elimination</u><br>RM'm | <u>Total</u><br>RM'm |
|---|---------------------------|----------------------|---|-----------------------|---|----------------------------|----------------------|
| External revenue  | 1,226.4                   | 72.0                 | 63.9                                    | -                     | 0.5   | -                          | 1,362.8              |
| Interest income   | 5.5                       | 0.7                  | 0.3                                     | 0.9                   | 24.5  | (20.9)                     | 11.0                 |
| Interest expense  | (46.5)                    | (0.1)                | -                                       | (1.0)                 | (26.6)                                      | 20.9                       | (53.3)               |
| Depreciation and<br>amortisation  | (293.1)                   | (1.4)                | (1.3)                                   | -                     | (2.0)                                       | 9.0                        | (288.8)              |
| Share of post-tax<br>results from<br>investments<br>accounted for<br>using the<br>equity method | -                         | -                    | -                                       | 1.7                   | -   | -                          | 1.7                  |
| Segment<br>profit/(loss) –<br>Profit/(loss)<br>before tax                                       | <u>253.6</u>              | <u>37.6</u>          | <u>(2.9)</u>                            | <u>(2.2)</u>          | <u>(9.5)</u>                                | <u>3.4</u>                 | <u>280.0</u>         |
| <u>As at</u><br><u>30/4/2016</u>  | <u>Television</u><br>RM'm | <u>Radio</u><br>RM'm | <u>Home-</u><br><u>shopping</u><br>RM'm | <u>Others</u><br>RM'm | <u>Corporate</u><br><u>Function</u><br>RM'm | <u>Elimination</u><br>RM'm | <u>Total</u><br>RM'm |
| Segment assets  | <u>5,355.8</u>            | <u>1,811.9</u>       | <u>64.1</u>                             | <u>44.4</u>           | <u>689.8</u>                                | <u>(1,428.4)</u>           | <u>6,537.6</u>       |
| Segment liabilities   | <u>3,879.6</u>            | <u>696.0</u>         | <u>49.3</u>                             | <u>11.4</u>           | <u>2,680.3</u>                              | <u>(1,404.7)</u>           | <u>5,911.9</u>       |
| <u>Quarter ended</u><br><u>30/4/2015</u>  | <u>Television</u><br>RM'm | <u>Radio</u><br>RM'm | <u>Home-</u><br><u>shopping</u><br>RM'm | <u>Others</u><br>RM'm | <u>Corporate</u><br><u>Function</u><br>RM'm | <u>Elimination</u><br>RM'm | <u>Total</u><br>RM'm |
| External revenue  | <u>1,231.3</u>            | <u>61.8</u>          | <u>36.5</u>                             | <u>-</u>              | <u>0.5</u>                                  | <u>-</u>                   | <u>1,330.1</u>       |
| Interest income   | 10.8                      | 0.7                  | 0.4                                     | 0.6                   | 30.9  | (27.8)                     | 15.6                 |
| Interest expense  | (46.9)                    | -                    | -                                       | (1.0)                 | (28.0)                                      | 27.8                       | (48.1)               |
| Depreciation and<br>amortisation  | (296.7)                   | (1.3)                | (1.1)                                   | -                     | (1.3)                                       | 11.6                       | (288.8)              |
| Share of post-tax<br>results from<br>investments<br>accounted for<br>using the<br>equity method | -                         | -                    | -                                       | 1.9                   | -   | -                          | 1.9                  |
| Segment<br>profit/(loss) –<br>Profit/(loss)<br>before tax                                       | <u>203.8</u>              | <u>29.1</u>          | <u>(4.2)</u>                            | <u>(1.8)</u>          | <u>(4.4)</u>                                | <u>7.9</u>                 | <u>230.4</u>         |
| <u>As at</u><br><u>31/1/2016</u>  | <u>Television</u><br>RM'm | <u>Radio</u><br>RM'm | <u>Home-</u><br><u>shopping</u><br>RM'm | <u>Others</u><br>RM'm | <u>Corporate</u><br><u>Function</u><br>RM'm | <u>Elimination</u><br>RM'm | <u>Total</u><br>RM'm |
| Segment<br>Assets   | <u>5,346.0</u>            | <u>1,648.1</u>       | <u>62.5</u>                             | <u>44.1</u>           | <u>810.9</u>                                | <u>(1,127.1)</u>           | <u>6,784.5</u>       |
| Segment<br>Liabilities  | <u>3,891.4</u>            | <u>552.9</u>         | <u>44.8</u>                             | <u>10.9</u>           | <u>2,735.2</u>                              | <u>(1,101.6)</u>           | <u>6,133.6</u>       |

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**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**8 CHANGES IN THE COMPOSITION OF THE GROUP**

On 29 February 2016, Astro Entertainment Sdn Bhd (“AESB”), a wholly-owned subsidiary of the Company, converted the shareholder’s loan of RM750,000 to Red Communications Sdn Bhd (“RCSB”) into 44,000 ordinary shares of RM1.00 in RCSB. Following the conversion, AESB’s shareholding interest in RCSB has been increased from 20% to 28.9%.

On 14 March 2016, the Company incorporated a wholly-owned subsidiary namely, Tribe Limited in Hong Kong under the Hong Kong Companies Ordinance (Cap. 622) with an issued and paid-up share capital of HKD100,000 comprising 100,000 ordinary shares. The principal activities of Tribe Limited are the creation, aggregation, distribution and monetisation of content.

Save as disclosed above, there were no changes in the composition of the Group during the first quarter ended 30 April 2016.

**9 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS**

**a. Indemnity and guarantees**

Details of the indemnity and guarantees of the Group as at 30 April 2016, for which no provision has been made in the interim financial statements, are as set out below:

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30/4/2016</b> | <b>31/1/2016</b> |
|  | <b>RM’m</b>      | <b>RM’m</b>      |
| Indemnity given to financial institutions in respect of bank guarantees issued (unsecured):  |                  |                  |
| - Programme rights vendors <sup>1</sup>  | 125.0            | 132.2            |
| - Others <sup>2</sup>  | 11.9             | 10.8             |
| Other indemnities:   |                  |                  |
| - Guarantee to programme rights vendor provided by AMH <sup>1</sup>  | 1,160.6          | 1,233.0          |
| - Indemnity to Maxis Berhad (“Maxis”) pursuant to shareholders’ obligations in respect of Advanced Wireless Technologies Sdn. Bhd. | 6.3              | 6.3              |
|  | 1,303.8          | 1,382.3          |

Notes:

<sup>1</sup> Included as part of the programming commitments for programme rights as set out in Note 10.

<sup>2</sup> Consist of bank guarantees issued mainly to Royal Malaysian Customs, utility companies and Perbadanan Tabung Pendidikan Tinggi Nasional.

**b. Contingent assets**

There were no significant contingent assets as at 30 April 2016 (31 January 2016: Nil).

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**PART A – EXPLANATORY NOTES PURSUANT TO  
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**10 COMMITMENTS**

The Group has the following commitments not provided for in the interim financial statements as at the end of the financial period:

|   | <b>30/4/2016</b>                               |  |                | <b>31/1/2016</b>                               |  |                |
|---|--|--|----------------|--|--|----------------|
|   | <b>Approved<br/>and<br/>contracted<br/>for</b> | <b>Approved<br/>and not<br/>contracted<br/>for</b> | <b>Total</b>   | <b>Approved<br/>and<br/>contracted<br/>for</b> | <b>Approved<br/>and not<br/>contracted<br/>for</b> | <b>Total</b>   |
|   | <b>RM'm</b>                                    | <b>RM'm</b>  | <b>RM'm</b>    | <b>RM'm</b>                                    | <b>RM'm</b>  | <b>RM'm</b>    |
| Property, plant<br>and equipment*       | 1,938.3  | 149.0  | 2,087.3        | 1,994.9  | 72.6   | 2,067.5        |
| Software                                | 116.6  | 196.0  | 312.6          | 114.0  | 90.3   | 204.3          |
| Film library and<br>programme<br>rights | 1,306.4  | 533.4  | 1,839.8        | 619.7  | 725.6  | 1,345.3        |
|   | <u>3,361.3</u>                                 | <u>878.4</u>                                       | <u>4,239.7</u> | <u>2,728.6</u>                                 | <u>888.5</u>                                       | <u>3,617.1</u> |

\* Included in approved and contracted for is the supply of transponder capacity with MEASAT International (South Asia) Ltd. (“MISAL”) and MEASAT Satellite Systems Sdn. Bhd. (“MSS”), both related parties, on MEASAT-3B and MEASAT-3C satellites, of RM1,168.2m (31 January 2016: RM1,241.1m) and RM649.7m (31 January 2016: RM690.2m) respectively. MISAL and MSS are both subsidiaries of a company in which, a substantial shareholder, Ananda Krishnan Tatparanandam (“TAK”) has a 99.999% direct equity interest.

**11 SIGNIFICANT RELATED PARTY DISCLOSURES**

The Group has a number 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 (“TAK”) or in which he is deemed to have an interest, both of whom are deemed substantial shareholders of the Company.

UTSB has a 24% indirect interest in the Company through its wholly-owned subsidiaries All Asia Media Equities Limited and Usaha Tegas Entertainment Systems Sdn Bhd. The ultimate holding company of UTSB is PanOcean Management Limited (“PanOcean”). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company, they do not have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

TAK also has a deemed interest in the shares of the Company via entities which are the direct shareholders of the Company and held by companies ultimately controlled by TAK.

In addition to the related party disclosures mentioned elsewhere in the financial statements, set out below are other significant transactions and balances. The related party transactions described below were carried out on agreed terms with the related parties.

**Related Parties**

**Relationship**

Maxis Mobile Services Sdn. Bhd.  
Maxis Broadband Sdn. Bhd.

Subsidiary of a joint venture of UTSB  
Subsidiary of a joint venture of UTSB

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**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)**

| <u>Related Parties</u>                 | <u>Relationship</u>   |
|--|---|
| ASTRO Overseas Limited (“AOL”)         | Subsidiary of Astro Holdings Sdn Bhd (“AHSB”), a company jointly controlled by UTSB and Khazanah Nasional Berhad, pursuant to a shareholders’ agreement in relation to AHSB |
| UTSB Management Sdn. Bhd.              | Subsidiary of UTSB  |
| Kristal-Astro Sdn. Bhd.                | Associate of the Company  |
| Celestial Movie Channel Limited        | Associate of AOL  |
| Sun TV Network Limited                 | Joint venture partner of AOL  |
| Media Innovations Pty Ltd              | Subsidiary of AOL   |
| Tiger Gate Entertainment Limited       | Associate of AOL  |
| MEASAT International (South Asia) Ltd. | Subsidiary of a company in which TAK has a 99.999% direct equity interest   |
| MEASAT Satellite Systems Sdn. Bhd.     | Subsidiary of a company in which TAK has a 99.999% direct equity interest   |
| GS Home Shopping Inc.                  | Major shareholder of Astro GS Shop Sdn. Bhd., a 60% owned subsidiary of the Company   |

|  | <u>Transaction<br/>for the<br/>period<br/>ended<br/>30/4/2016<br/>RM’m</u> | <u>Transaction<br/>for the<br/>period<br/>ended<br/>30/4/2015<br/>RM’m</u> | <u>Balances<br/>due<br/>from/(to)<br/>as at<br/>30/4/2016<br/>RM’m</u> | <u>Balances<br/>due<br/>from/(to)<br/>as at<br/>31/1/2016<br/>RM’m</u> | <u>Commitments<br/>as at<br/>30/4/2016<br/>RM’m</u> | <u>Commitments<br/>as at<br/>31/1/2016<br/>RM’m</u> |
|--|--|--|--|--|---|---|
| (i) Sales of goods and services  |  |  |  |  |   |   |
| - Maxis Mobile Services Sdn. Bhd. (Multimedia, interactive and airtime sales)  | 2.1  | 3.1  | 3.5  | 3.5  | -   | -   |
| - Maxis Broadband Sdn. Bhd. (Licensing income)   | -  | 3.2  | 0.9  | 0.8  | -   | -   |
| - Kristal-Astro Sdn. Bhd. (Programme services and right sales, technical support, smartcard rental, and sales of set-top boxes and accessories ) | 9.2  | 6.7  | 16.2   | 9.6  | -   | -   |
| - MEASAT Satellite Systems Sdn. Bhd. (Compensation for T11)  | -  | -  | 7.5  | 17.3   | -   | -   |
| - ASTRO Overseas Limited (Management fees)   | 0.5  | 0.4  | 2.5  | 3.6  | -   | -   |
| (ii) Purchases of goods and services   |  |  |  |  |   |   |
| - UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services)  | 2.6  | 2.6  | (0.9)  | (0.8)  | -   | -   |

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**PART A – EXPLANATORY NOTES PURSUANT TO  
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**11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)**

|  | Transaction<br>for the<br>period ended<br><u>30/4/2016</u><br>RM'm | Transaction<br>for the<br>period ended<br><u>30/4/2015</u><br>RM'm | Balances<br>due<br>from/(to)<br>as at<br><u>30/4/2016</u><br>RM'm | Balances<br>due<br>from/(to)<br>as at<br><u>31/1/2016</u><br>RM'm | Commitments<br>as at<br><u>30/4/2016</u><br>RM'm | Commitments<br>as at<br><u>31/1/2016</u><br>RM'm |
|--|--|--|---|---|--|--|
| (ii) Purchases of goods and services (continued)   |  |  |   |   |  |  |
| - Maxis Broadband Sdn. Bhd.<br>Sdn. Bhd.<br>(Telecommunication services)                       | 21.4   | 18.6   | (11.2)  | (9.2)   | -  | -  |
| - MEASAT International (South<br>Asia) Ltd.<br>(Deposit paid on<br>transponder lease)          | -  | -  | 50.7  | 50.2  | 1,168.2  | 1,241.1  |
| - MEASAT Satellite Systems<br>Sdn. Bhd.<br>(Transponder lease)                                 | -  | -  | -   | -   | 649.7  | 690.2  |
| - Sun TV Network Limited<br>(Programme broadcast rights)                                       | 8.8  | 9.1  | (9.0)   | (15.5)  | -  | -  |
| - Celestial Movie Channel Limited<br>(Programme broadcast rights)                              | 5.6  | 4.8  | (1.9)   | (2.2)   | -  | -  |
| - Media Innovations Pty Ltd<br>(Design, build and commission<br>of Over-the-Top solution)      | 0.6  | 2.9  | (0.5)   | (2.9)   | -  | -  |
| - Tiger Gate Entertainment Limited<br>(Programming rights)                                     | 3.8  | 3.4  | (1.8)   | (1.6)   | -  | -  |
| - GS Home Shopping Inc.<br>(Development of software<br>system, purchase of retail<br>products) | 2.0  | 7.4  | (0.1)   | (0.8)   | -  | -  |
| (iii) Key management personnel compensation  |  |  |   |   |  |  |
| - Salaries, bonus and allowances<br>and other staff related costs                              | 13.6   | 11.9   |   |   |  |  |
| - Directors fees   | 0.5  | 0.5  |   |   |  |  |
| - Defined contribution plans   | 2.0  | 1.6  |   |   |  |  |
| - Share-based payments   | -  | -  |   |   |  |  |



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**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)**

(iv) Government-related entities

Khazanah Nasional Berhad (“KNB”) is deemed interested in 20.71% equity interest in the Company held by its wholly-owned subsidiary, Pantai Cahaya Bulan Ventures Sdn Bhd (“PCBV”). KNB is the strategic investment fund of the Government of Malaysia. Save for one (1) share owned by the Federal Lands Commissioner, a body corporate incorporated under the Federal Lands Commissioner (Incorporation) Act, 1957, all of the ordinary shares of KNB are owned by the Minister of Finance Incorporated, a body corporate incorporated under the Minister of Finance, (Incorporation) Act, 1957 (“MoF Inc.”).

All the transactions entered into by the Group with the government-related entities are conducted in the ordinary course of the Group’s business on negotiated terms.

The Group has transactions that are collectively, but not individually significant with other government-related entities in respect of public utilities. For the financial period ended 30 April 2016, management estimates that the aggregate amounts of the Group significant transactions with government-related entities are at 2.8% of its total administrative expenses and 1.5% of its total revenue.

**12 FAIR VALUE MEASUREMENTS**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly (ie. from prices) or indirectly (ie. derived from prices).
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**(a) Financial instruments carried at amortised cost**

The carrying amounts of financial assets and liabilities of the Group as at 30 April 2016 approximated their fair values except as set out below:

(Assets)/Liabilities measured at amortised cost:

|  | Carrying<br>amount | Level 1           | Level 2           | Level 3           |
|--|--------------------|-------------------|-------------------|-------------------|
|  | RM'm               | RM'm              | RM'm              | RM'm              |
| <b>30 April 2016</b>                   |                    |                   |                   |                   |
| Other investments - bonds              | (45.0)             | -                 | (44.8)            | -                 |
| Borrowings – finance lease liabilities | 1,059.0            | -                 | 1,129.9           | -                 |
|  | <u>          </u>  | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>31 January 2016</b>                 |                    |                   |                   |                   |
| Other investments - bonds              | (45.0)             | -                 | (44.5)            | -                 |
| Borrowings – finance lease liabilities | 1,111.3            | -                 | 1,175.1           | -                 |
|  | <u>          </u>  | <u>          </u> | <u>          </u> | <u>          </u> |

The fair value of financial instruments categorised at Level 2 is determined based on a discounted cash flow analysis, using contractual cash flows and market interest rates.

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**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**12 FAIR VALUE MEASUREMENTS (continued)**

**(b) Financial instruments carried at fair value**

The following table represents the assets and liabilities measured at fair value:

(Assets)/Liabilities measured at fair value:

| <u>Recurring fair value measurements</u>                             | <u>Carrying<br/>amount</u><br>RM'm | <u>Level 1</u><br>RM'm | <u>Level 2</u><br>RM'm | <u>Level 3</u><br>RM'm |
|--|------------------------------------|------------------------|------------------------|------------------------|
| <u>30 April 2016</u>   |                                    |                        |                        |                        |
| Other investment- investment in unit trusts                          | (294.2)                            | (294.2)                | -                      | -                      |
| Forward foreign currency<br>exchange contracts – cash<br>flow hedges | 90.6                               | -                      | 90.6                   | -                      |
| Foreign currency option  | 4.1                                | -                      | 4.1                    | -                      |
| Interest rate swaps – cash flow hedges                               | 15.4                               | -                      | 15.4                   | -                      |
| Cross-currency interest rate swaps –<br>cash flow hedges             | (270.1)                            | -                      | (270.1)                | -                      |
|  | <u>          </u>                  | <u>          </u>      | <u>          </u>      | <u>          </u>      |
| <u>31 January 2016</u>   |                                    |                        |                        |                        |
| Other investment- investment in unit trusts                          | (343.2)                            | (343.2)                | -                      | -                      |
| Forward foreign currency<br>exchange contracts – cash<br>flow hedges | (3.5)                              | -                      | (3.5)                  | -                      |
| Foreign currency option  | 1.4                                | -                      | 1.4                    | -                      |
| Interest rate swaps – cash flow hedges                               | 13.4                               | -                      | 13.4                   | -                      |
| Cross-currency interest rate swaps –<br>cash flow hedges             | (351.4)                            | -                      | (351.4)                | -                      |
|  | <u>          </u>                  | <u>          </u>      | <u>          </u>      | <u>          </u>      |

The valuation technique used to derive the Level 2 fair value for derivative financial instruments is as disclosed in Note 20.

During the financial period, there were no transfer between Level 1 and Level 2 fair value measurement, and no transfer into and out of Level 3 fair value measurement.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS**

**13 ANALYSIS OF PERFORMANCE**

- (a) Performance of the current quarter (First Quarter FY17) against the corresponding quarter (First Quarter FY16):

*All amounts in RM'm unless otherwise stated*

|   | <u>Financial Highlights</u>            |  | <u>Key Operating Indicators</u>        |  |
|---|--|--|--|--|
|   | <u>QUARTER<br/>ENDED<br/>30/4/2016</u> | <u>QUARTER<br/>ENDED<br/>30/4/2015</u> | <u>QUARTER<br/>ENDED<br/>30/4/2016</u> | <u>QUARTER<br/>ENDED<br/>30/4/2015</u> |
| <b><u>Consolidated Performance</u></b>              |  |  |  |  |
| Total revenue                                       | 1,362.8                                | 1,330.1                                |  |  |
| EBITDA <sup>1</sup>                                 | 477.0                                  | 472.5                                  |  |  |
| EBITDA margin (%)                                   | 35.0                                   | 35.5                                   |  |  |
| Profit before tax                                   | 280.0                                  | 230.4                                  |  |  |
| Net profit  | 201.1                                  | 166.7                                  |  |  |
| Net increase in cash                                | 156.5                                  | 97.2                                   |  |  |
| <b><u>(i) Television</u></b>                        |  |  |  |  |
| Subscription revenue                                | 1,075.9                                | 1,087.1                                |  |  |
| Advertising revenue                                 | 78.4                                   | 74.5                                   |  |  |
| Other revenue                                       | 72.1                                   | 69.7                                   |  |  |
| Total revenue                                       | 1,226.4                                | 1,231.3                                |  |  |
| EBITDA  | 443.9                                  | 447.9                                  |  |  |
| EBITDA margin (%)                                   | 36.2                                   | 36.4                                   |  |  |
| Profit before tax                                   | 253.6                                  | 203.8                                  |  |  |
| Total residential subscribers-end of period ('000)  |  |  | 4,898.5                                | 4,520.8                                |
| Pay-TV residential subscribers-end of period ('000) |  |  | 3,503.5                                | 3,504.5                                |
| Pay-TV residential subscribers-net movements ('000) |  |  | (46.5)                                 | (5.1)                                  |
| Non-subscription customers-end of period ('000)     |  |  | 1,395.0                                | 1,016.3                                |
| Non-subscription customers-net movements ('000)     |  |  | 126.8                                  | 96.6                                   |
| Pay-TV residential ARPU <sup>2</sup> (RM)           |  |  | 99.0                                   | 99.0                                   |
| MAT Churn <sup>3</sup> (%)                          |  |  | 10.0                                   | 10.3                                   |

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**13 ANALYSIS OF PERFORMANCE (continued)**

- (a) Performance of the current quarter (First Quarter FY17) against the corresponding quarter (First Quarter FY16) (continued):

*All amounts in RM'm unless otherwise stated*

| <b>Financial Highlights</b>   |                               | <b>Key Operating Indicators</b> |                               |
|-------------------------------|-------------------------------|---------------------------------|-------------------------------|
| QUARTER<br>ENDED<br>30/4/2016 | QUARTER<br>ENDED<br>30/4/2015 | QUARTER<br>ENDED<br>30/4/2016   | QUARTER<br>ENDED<br>30/4/2015 |

**(ii) Radio**

|                               |      |      |        |        |
|-------------------------------|------|------|--------|--------|
| Revenue                       | 72.0 | 61.8 |        |        |
| EBITDA <sup>1</sup>           | 38.3 | 29.7 |        |        |
| EBITDA margin (%)             | 53.2 | 48.1 |        |        |
| Profit before tax             | 37.6 | 29.1 |        |        |
| Listeners ('000) <sup>4</sup> |      |      | 12,758 | 12,566 |

**(iii) Home-shopping**

|                                |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|
| Revenue                        | 63.9  | 36.5  |       |       |
| EBITDA <sup>1</sup>            | (1.8) | (3.5) |       |       |
| EBITDA margin (%)              | (2.8) | (9.6) |       |       |
| Loss before tax                | 2.9   | 4.1   |       |       |
| Number of products sold ('000) |       |       | 350.3 | 180.5 |
| Number of orders ('000)        |       |       | 280.2 | 153.0 |
| Number of customers ('000)     |       |       | 216.1 | 126.2 |

**Notes:**

- Earnings before interest, tax, depreciation and amortisation (“EBITDA”) represent profit/(loss) before net finance costs, tax, impairment, write-off and depreciation of property, plant and equipment and amortisation of intangible assets such as software (but excluding amortisation of film library and program rights which are expensed as part of cost of sales), impairment of investments and share of post-tax results from investments accounted for using the equity method.
- Average Revenue Per User (“ARPU”) is the monthly average revenue per residential subscriber. ARPU is calculated by dividing the total subscription revenue derived from residential subscribers over the last twelve months with average number of residential subscribers over the same period.
- MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last twelve months with the average residential customer base over the same period. Churn is the number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconnections within a given period.
- Based on the Radio Listenership Survey by Nielsen dated 11 November 2015 (Quarter 1 FY16: 5 June 2015). There will be a change in the audience measurement partner for the radio industry, who is expected to commence from 2<sup>nd</sup> half FY17.

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BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**13 ANALYSIS OF PERFORMANCE (continued)**

- (a) Performance of the current quarter (First Quarter FY17) against the corresponding quarter (First Quarter FY16) (continued):

**Consolidated Performance**

**Revenue**

Revenue for the current quarter of RM1,362.8m was higher by RM32.7m or 2.5% against corresponding quarter of RM1,330.1m. This was mainly due to an increase in advertising and home-shopping of RM14.1m and RM27.4m respectively, offset by decrease in subscription revenue of RM11.2m.

The decrease in subscription revenue was due to a decrease in Pay-TV residential subscribers by 1,000 (from 3,504,500 to 3,503,500), while the ARPU for Pay-TV residential subscribers remained at RM99.00.

Radio's revenue for the current quarter of RM72.0m was higher by RM10.2m compared with the corresponding quarter of RM61.8m. The higher revenue performance was driven by continuous strong listenership ratings.

**EBITDA margin**

EBITDA margin decreased by 0.5% against corresponding quarter mainly due to higher cost of merchandise sales. This was offset by lower marketing and selling and distribution expenses as a percentage of revenue and impairment of other investment in corresponding quarter.

**Net Profit**

Net profit increased by RM34.4m or 20.6% compared with the corresponding quarter. The increase in net profit is mainly due to lower depreciation of property, plant and equipment by RM19m and lower net finance cost by RM34.2m due to higher unrealised forex gain arising from unhedged finance lease liability of RM31.4m and unhedged vendor financing of RM9.8m, offset by an increase in transponder's lease interest of RM6.3m and offset by higher tax expenses by RM15.2m.

**Cash Flow**

Increase in cash of RM59.3m as compared with corresponding quarter is mainly due to lower purchase of property, plant and equipment and intangibles by RM17.8m, disposal of unit trusts of RM53.1m and lower payment for set-top boxes of RM48.3m. This was offset by lower operating cash flow of RM27.6m, higher dividend payment of RM26.1m and higher payment for finance lease liabilities of RM9.9m.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
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**13. ANALYSIS OF PERFORMANCE (continued)**

- (a) Performance of the current quarter (First Quarter FY17) against the corresponding quarter (First Quarter FY16) (continued):

**Television**

Revenue for the current quarter of RM1,226.4m was lower by RM4.9m or 0.4% against corresponding quarter of RM1,231.3m. This was mainly due to a decrease in subscription revenue of RM11.2m, offset by an increase in advertising and other revenue of RM3.9m and RM2.4m respectively.

The decrease in subscription revenue was due to a decrease in Pay-TV residential subscribers by 1,000 (from 3,504,500 to 3,503,500), while the ARPU for Pay-TV residential subscribers remained at RM99.00.

Television EBITDA decreased by RM4.0m or 0.9% against corresponding quarter mainly due to decrease in revenue as highlighted above and higher content costs. The increase was offset by lower impairment of other investment.

**Radio**

Radio's revenue for the current quarter of RM72.0m was higher by RM10.2m compared with the corresponding quarter of RM61.8m. The higher revenue performance was driven by effective yield and inventory management and the continuous strong listenership performance for its radio brands.

Radio EBITDA for the current quarter of RM38.3m, increased by RM8.6m or 29.0% against the corresponding quarter, driven by the positive revenue performance.

**Home-shopping**

Home-shopping's revenue for the current quarter of RM63.9m was higher by RM27.4m compared with the corresponding quarter of RM36.5m. The higher revenue performance was due to increase in number of products sold.

Home-shopping EBITDA increased by RM1.7m or 48.6% against corresponding quarter. The increase in EBITDA is due to an increase in revenue as highlighted above, offset by higher cost of merchandise sales and higher marketing and selling and distribution expenses.

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BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**13 ANALYSIS OF PERFORMANCE (continued)**

- (b) Performance of the current quarter (First Quarter FY17) against the preceding quarter (Fourth Quarter FY16):

*All amounts in RM'm unless otherwise stated*

|   | Financial Highlights |                  | Key Operating Indicators |                  |
|---|----------------------|------------------|--------------------------|------------------|
|   | QUARTER<br>ENDED     | QUARTER<br>ENDED | QUARTER<br>ENDED         | QUARTER<br>ENDED |
|   | 30/4/2016            | 31/1/2016        | 30/4/2016                | 31/1/2016        |
| <b><u>Consolidated Performance</u></b>              |                      |                  |                          |                  |
| Total revenue                                       | 1,362.8              | 1,401.8          |                          |                  |
| EBITDA <sup>1</sup>                                 | 477.0                | 504.5            |                          |                  |
| EBITDA margin (%)                                   | 35.0                 | 36.0             |                          |                  |
| Profit before tax                                   | 280.0                | 278.1            |                          |                  |
| Net profit  | 201.1                | 202.8            |                          |                  |
| Net increase/(decrease) in cash                     | 156.5                | (303.7)          |                          |                  |
| <b><u>(i) Television</u></b>                        |                      |                  |                          |                  |
| Subscription revenue                                | 1,075.9              | 1,095.8          |                          |                  |
| Advertising revenue                                 | 78.4                 | 95.6             |                          |                  |
| Other revenue                                       | 72.1                 | 68.2             |                          |                  |
| Total revenue                                       | 1,226.4              | 1,259.6          |                          |                  |
| EBITDA  | 443.9                | 449.6            |                          |                  |
| EBITDA margin (%)                                   | 36.2                 | 35.7             |                          |                  |
| Profit before tax                                   | 253.6                | 235.8            |                          |                  |
| Total residential subscribers-end of period ('000)  |                      |                  | 4,898.5                  | 4,818.2          |
| Pay-TV residential subscribers-end of period ('000) |                      |                  | 3,503.5                  | 3,550.0          |
| Pay-TV residential subscribers-net movements ('000) |                      |                  | (46.5)                   | 16.4             |
| Non-subscription customers-end of period ('000)     |                      |                  | 1,395.0                  | 1,268.2          |
| Non-subscription customers-net movements ('000)     |                      |                  | 126.8                    | 105.7            |
| Pay-TV residential ARPU <sup>2</sup> (RM)           |                      |                  | 99.0                     | 99.3             |
| MAT Churn <sup>3</sup> (%)                          |                      |                  | 10.0                     | 9.5              |

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BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**13 ANALYSIS OF PERFORMANCE (continued)**

- (b) Performance of the current quarter (First Quarter FY17) against the preceding quarter (Fourth Quarter FY16) (continued):

*All amounts in RM'm unless otherwise stated*

| Financial Highlights          |                               | Key Operating Indicators      |                               |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| QUARTER<br>ENDED<br>30/4/2016 | QUARTER<br>ENDED<br>31/1/2016 | QUARTER<br>ENDED<br>30/4/2016 | QUARTER<br>ENDED<br>31/1/2016 |

**(ii) Radio**

|                               |      |      |        |        |
|-------------------------------|------|------|--------|--------|
| Revenue                       | 72.0 | 78.2 |        |        |
| EBITDA <sup>1</sup>           | 38.3 | 53.7 |        |        |
| EBITDA margin (%)             | 53.2 | 68.7 |        |        |
| Profit before tax             | 37.6 | 53.0 |        |        |
| Listeners ('000) <sup>4</sup> |      |      | 12,758 | 12,758 |

**(iii) Home-shopping**

|                                |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|
| Revenue                        | 63.9  | 63.0  |       |       |
| EBITDA <sup>1</sup>            | (1.8) | (1.9) |       |       |
| EBITDA margin (%)              | (2.8) | (3.0) |       |       |
| Loss before tax                | 2.9   | 2.9   |       |       |
| Number of products sold ('000) |       |       | 350.3 | 337.6 |
| Number of orders ('000)        |       |       | 280.2 | 267.9 |
| Number of customers ('000)     |       |       | 216.1 | 212.5 |

**Notes:**

- Earnings before interest, tax, depreciation and amortisation (“EBITDA”) represent profit/(loss) before net finance costs, tax, impairment, write-off and depreciation of property, plant and equipment and amortisation of intangible assets such as software (but excluding amortisation of film library and program rights which are expensed as part of cost of sales), impairment of investments and share of post-tax results from investments accounted for using the equity method.
- Average Revenue Per User (“ARPU”) is the monthly average revenue per residential subscriber. ARPU is calculated by dividing the total subscription revenue derived from residential subscribers over the last twelve months with average number of residential subscribers over the same period.
- MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last twelve months with the average residential customer base over the same period. Churn is the number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconNECTIONS within a given period.
- Based on the Radio Listenership Survey by Nielsen dated 11 November 2015 (Quarter 4 FY16: 11 November 2015). There will be a change in the audience measurement partner for the radio industry, who is expected to commence from 2<sup>nd</sup> half FY17.



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**13 ANALYSIS OF PERFORMANCE (continued)**

- (b) Performance of the current quarter (First Quarter FY17) against the preceding quarter (Fourth Quarter FY16) (continued):

**Consolidated Performance**

**Revenue**

Revenue for the current quarter of RM1,362.8m was lower by RM39.0m or 2.8% against preceding quarter of RM1,401.8m. This was mainly due to a decrease in subscription and advertising revenue of RM19.9m and RM23.4m respectively, offset by increase in other revenue of RM4.3m.

The decrease in subscription revenue was due to a decrease in Pay-TV residential subscribers by 46,500 (from 3,550,000 to 3,503,500) and a decrease in ARPU for Pay-TV residential subscribers of RM0.30 (from RM99.30 to RM99.00) contributed by softer consumer market.

Radio's revenue for the current quarter of RM72.0m was lower by RM6.2m or 7.9% compared with the preceding quarter of RM78.2m. The reason for the lower revenue performance is due to year-end festivals and events in the prior quarter.

**EBITDA margin**

EBITDA margin decreased by 1.0% against the preceding quarter mainly due to higher staff related costs and impairment of receivables. This was offset by lower content costs, marketing and market research expenses and selling and distribution expenses.

**Net Profit**

Net profit decreased by RM1.7m or 0.8% to RM201.1m during the quarter. The decrease was mainly due to decrease in EBITDA of RM27.5m and higher tax expenses of RM3.6m. The decrease is offset by lower net finance costs by RM18.7m due to lower realised forex loss from vendor financing payment of RM15.9m and lower depreciation of set-top boxes of RM9.9m.

**Cash Flow**

Increase in cash of RM156.5m as compared with preceding quarter was mainly due to higher operating cash flows of RM434.3m and disposal of unit trust of RM53.1m. This was offset by acquisition of property, plant and equipment and intangibles of RM111.9m, payment for set-top boxes of RM17.7m, payment of interest of RM22.0m, dividend payment of RM143.1m and payment of finance lease liabilities of RM37.7m.

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BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**13 ANALYSIS OF PERFORMANCE (continued)**

- (b) Performance of the current quarter (First Quarter FY17) against the preceding quarter (Fourth Quarter FY16) (continued):

**Television**

Television registered a decrease in total revenue in the current quarter of RM33.2m or 2.6%, which was attributed to a decrease in subscription and advertising revenue of RM19.9m and RM17.2m respectively. This was offset by an increase in other revenue of RM3.9m.

The decrease in subscription revenue was due to a decrease in Pay-TV residential subscribers by 46,500 (from 3,550,000 to 3,503,500) and a decrease in ARPU for Pay-TV residential subscribers of RM0.30 (from RM99.30 to RM99.00). The decrease in advertising revenue was due to lower advertising demand as compared to preceding quarter which had year-end festivals and events.

EBITDA decreased by RM5.7m or 1.3% against the preceding quarter due to decrease in revenue, as highlighted above, higher staff related costs and impairment of receivables. This was offset by lower content costs, marketing and market research expenses and selling and distribution expenses.

**Radio**

Radio's revenue for the current quarter of RM72.0m was lower by RM6.2m or 7.9% compared with the preceding quarter of RM78.2m. The reason for the lower revenue performance is due to year-end festivals and events in the prior quarter.

The lower revenue and higher operating cost contributed to a lower EBITDA of RM38.3m, a decrease of RM15.4m or 28.7% compared with the preceding quarter.

**Home-shopping**

Home-shopping's revenue for the current quarter of RM63.9m was higher by RM0.9m compared with the corresponding quarter of RM63.0m. The higher revenue performance was due to increase in number of products sold.

Home-shopping EBITDA increased by RM0.1m or 5.3% against corresponding quarter. The increase in EBITDA is due to an increase in revenue as highlighted above.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**14 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2017**

The Group is focused on executing its key strategy of growing revenues by providing differentiated content and a diverse range of products and services designed to succeed in the highly competitive digital world.

The digital shift is enabling us to leverage on our infrastructure, content capabilities and operational experience to roll out an OTT online video service, initially working closely with identified partners. We will continue to invest in technology in anticipation of customers' evolving behaviour across multiple platforms and devices.

We deliver quality content and a superior consumer experience. 2016 is an exciting year and we have a unique line-up of sporting events and other local and international content to provide the best for our customers. We expect these initiatives to expand our customer reach and grow revenue. In addition, home-shopping will remain an area of revenue growth.

Our TV viewership and radio listenership combined with our integrated media offering across TV, Radio and Digital media is uniquely placed to assist advertisers to engage with consumers across all demographics, which is driving performance.

We maintain good visibility on our key operating expenses, particularly content costs which are substantially USD denominated and we are motivated to optimise our cost to serve.

On the basis of the above, the Board believes the Group will remain cash generative and continue to invest in our growth strategy whilst maintaining our dividend policy.

**15 PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable as the Group did not publish any profit forecast.

**16 QUALIFICATION OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS**

There was no qualification to the preceding audited annual financial statements for the financial year ended 31 January 2016.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
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**17 PROFIT BEFORE TAX**

The following items have been charged/(credited) in arriving at the profit before tax:

|   | <b>INDIVIDUAL QUARTER</b>              |  | <b>CUMULATIVE QUARTER</b>             |                                       |
|---|--|--|---------------------------------------|---------------------------------------|
|   | <b>QUARTER<br/>ENDED<br/>30/4/2016</b> | <b>QUARTER<br/>ENDED<br/>30/4/2015</b> | <b>PERIOD<br/>ENDED<br/>30/4/2016</b> | <b>PERIOD<br/>ENDED<br/>30/4/2015</b> |
|   | <b>RM'm</b>                            | <b>RM'm</b>                            | <b>RM'm</b>                           | <b>RM'm</b>                           |
| Amortisation of intangible assets   | 132.9                                  | 113.9                                  | 132.9                                 | 113.9                                 |
| Depreciation of property, plant and equipment   | 155.9                                  | 174.9                                  | 155.9                                 | 174.9                                 |
| Impairment of receivables   | 24.7                                   | 29.4                                   | 24.7                                  | 29.4                                  |
| Impairment of other investment  | -                                      | 12.4                                   | -                                     | 12.4                                  |
| Finance income:   |  |  |                                       |                                       |
| - Interest income   | (6.9)                                  | (15.6)                                 | (6.9)                                 | (15.6)                                |
| - Unit trust  | (4.1)                                  | -                                      | (4.1)                                 | -                                     |
| - Unrealised foreign exchange gain  | (123.1)                                | (27.5)                                 | (123.1)                               | (27.5)                                |
| - Fair value loss on derivative recycled to income statement arising from foreign exchange risk | 77.2                                   | 22.8                                   | 77.2                                  | 22.8                                  |
|   | (56.9)                                 | (20.3)                                 | (56.9)                                | (20.3)                                |
| Finance costs:  |  |  |                                       |                                       |
| - Bank borrowings   | 24.6                                   | 26.1                                   | 24.6                                  | 26.1                                  |
| - Finance lease liabilities   | 17.8                                   | 11.5                                   | 17.8                                  | 11.5                                  |
| - Vendor financing  | 8.2                                    | 8.0                                    | 8.2                                   | 8.0                                   |
| - Realised foreign exchange losses  | 0.5                                    | 4.8                                    | 0.5                                   | 4.8                                   |
| - Fair value loss on derivative recycled to income statement arising from:                      |  |  |                                       |                                       |
| - Interest rate risk  | 5.9                                    | 5.2                                    | 5.9                                   | 5.2                                   |
| - Foreign exchange risk   | 0.8                                    | -                                      | 0.8                                   | -                                     |
| - Others  | 2.7                                    | 2.5                                    | 2.7                                   | 2.5                                   |
|   | 60.5                                   | 58.1                                   | 60.5                                  | 58.1                                  |

Other than as presented in the income statement and as disclosed above, there were no gain/loss on disposal of quoted and unquoted investments or properties, impairment of assets or any other exceptional items for the current quarter.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**18 TAXATION**

|              | <u>INDIVIDUAL QUARTER</u>          |                                    | <u>CUMULATIVE QUARTER</u>         |                                   |
|--------------|------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
|              | <u>QUARTER ENDED<br/>30/4/2016</u> | <u>QUARTER ENDED<br/>30/4/2015</u> | <u>PERIOD ENDED<br/>30/4/2016</u> | <u>PERIOD ENDED<br/>30/4/2015</u> |
|              | RM'm                               | RM'm                               | RM'm                              | RM'm                              |
| Current tax  | 64.8                               | 71.9                               | 64.8                              | 71.9                              |
| Deferred tax | 14.1                               | (8.2)                              | 14.1                              | (8.2)                             |
|              | <u>78.9</u>                        | <u>63.7</u>                        | <u>78.9</u>                       | <u>63.7</u>                       |

Reconciliation of the estimated income tax expense applicable to profit before taxation at the Malaysian statutory tax rate to estimated income tax expense at the effective tax rate of the Group is as follows:

|   | <u>INDIVIDUAL QUARTER</u>          |                                    | <u>CUMULATIVE QUARTER</u>         |                                   |
|---|------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
|   | <u>QUARTER ENDED<br/>30/4/2016</u> | <u>QUARTER ENDED<br/>30/4/2015</u> | <u>PERIOD ENDED<br/>30/4/2016</u> | <u>PERIOD ENDED<br/>30/4/2015</u> |
|   | RM'm                               | RM'm                               | RM'm                              | RM'm                              |
| Profit before taxation  | 280.0                              | 230.4                              | 280.0                             | 230.4                             |
| Tax at Malaysian corporate tax rate of 24%  | 67.2                               | 55.3                               | 67.2                              | 55.3                              |
| Tax effect of:  |                                    |                                    |                                   |                                   |
| Unrecognised deferred tax asset   | 1.9                                | 2.4                                | 1.9                               | 2.4                               |
| Others (including expenses not deductible for tax purposes and income not subject to tax) | 9.8                                | 6.0                                | 9.8                               | 6.0                               |
| Taxation charge   | <u>78.9</u>                        | <u>63.7</u>                        | <u>78.9</u>                       | <u>63.7</u>                       |

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
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**19 GROUP BORROWINGS AND DEBT SECURITIES**

The amount of Group borrowings and debt securities as at 30 April 2016 are as follows:

|  | <u>Current</u> | <u>Non-current</u> | <u>Total</u>   |
|--|----------------|--------------------|----------------|
|  | <u>RM'm</u>    | <u>RM'm</u>        | <u>RM'm</u>    |
| <b>Unsecured:</b>                                |                |                    |                |
| Term loans                                       |                |                    |                |
| - RM Term Loan                                   | 266.2          | 1,350.0            | 1,616.2        |
| - USD Term Loan – USD330 million                 | 168.2          | 869.7              | 1,037.9        |
|  | <u>434.4</u>   | <u>2,219.7</u>     | <u>2,654.1</u> |
| Less: Debt issuance costs                        | (7.0)          | (11.8)             | (18.8)         |
| Term loans, net of debt issuance costs           | <u>427.4</u>   | <u>2,207.9</u>     | <u>2,635.3</u> |
| Finance lease                                    |                |                    |                |
| - Lease of transponders <sup>(a)</sup>           | 84.0           | 970.6              | 1,054.6        |
| - Lease of equipment and software <sup>(b)</sup> | 2.2            | 2.2                | 4.4            |
|  | <u>86.2</u>    | <u>972.8</u>       | <u>1,059.0</u> |
|  | <u>513.6</u>   | <u>3,180.7</u>     | <u>3,694.3</u> |

The Group borrowings and debt securities were denominated in the following currencies:

|                               | <u>Total</u>   |
|-------------------------------|----------------|
|                               | <u>RM'm</u>    |
| Ringgit Malaysia              | 2,155.9        |
| United States Dollars (“USD”) | <u>1,538.4</u> |
|                               | <u>3,694.3</u> |

Note:

(a) Lease of transponders on the MEASAT 3 satellite, MEASAT 3 T11 satellite, MEASAT 3A satellite from the lessor, MEASAT Satellite Systems Sdn. Bhd.(“MSS”), a related party and MEASAT 3B satellite from the lessor, MEASAT International (South Asia) Ltd, a related party.

(b) HP lease for servers’ hardware, software and testing environment hardware.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
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**20 DERIVATIVE FINANCIAL INSTRUMENTS**

**(a) Disclosure of derivatives**

Details of derivative financial instruments outstanding as at 30 April 2016 are set out below:

| Types of derivatives   | Contract/<br>Notional<br>Amount<br>RM'm | Fair Value<br>Assets<br>RM'm | Fair Value<br>Liabilities<br>RM'm |
|--|---|------------------------------|-----------------------------------|
| Foreign currency options ("FX Options")                      |   |                              |                                   |
| - Less than 1 year   | 54.7                                    | -                            | (4.1)                             |
| Forward foreign currency exchange contracts ("FX Contracts") |   |                              |                                   |
| - Less than 1 year   | 1,168.3                                 | 0.1                          | (90.7)                            |
| - 1 to 3 years   | -                                       | -                            | -                                 |
| - More than 3 years  | -                                       | -                            | -                                 |
|  | <u>1,168.3</u>                          | <u>0.1</u>                   | <u>(90.7)</u>                     |
| Interest rate swaps ("IRS")                                  |   |                              |                                   |
| - Less than 1 year   | 478.8                                   | 0.1                          | (2.8)                             |
| - 1 to 3 years   | 763.9                                   | -                            | (6.5)                             |
| - More than 3 years  | 562.5                                   | -                            | (6.2)                             |
|  | <u>1,805.2</u>                          | <u>0.1</u>                   | <u>(15.5)</u>                     |
| Cross-currency interest rate swaps ("CCIRS")                 |   |                              |                                   |
| - Less than 1 year   | 299.0                                   | 54.2                         | -                                 |
| - 1 to 3 years   | 533.0                                   | 102.2                        | -                                 |
| - More than 3 years  | 483.2                                   | 113.7                        | -                                 |
|  | <u>1,315.2</u>                          | <u>270.1</u>                 | <u>-</u>                          |

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**20 DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

**(a) Disclosure of derivatives (continued)**

There have been no changes since the end of the previous financial year ended 31 January 2016 in respect of the following:

- (i) the market risk and credit risk associated with the derivatives as these are used for hedging purposes;
- (ii) the cash requirements of the derivatives;
- (iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (iv) the related accounting policies.

**(b) Disclosure of gains/(losses) arising from fair value**

The Group determines the fair values of the derivative financial instruments relating to the FX Contracts using valuation techniques which utilise data from recognised financial information sources. Assumptions are based on market conditions existing at each balance sheet date. The fair values are calculated at the present value of the estimated future cash flow using an appropriate market based yield curve. As for IRS, CCIRS and FX options, the fair values were obtained from the counterparty banks.

As at 30 April 2016, the Group recognised net total derivative financial assets of RM160.0m, a decrease of RM180.1m from the previous financial year ended 31 January 2016, on re-measuring the fair values of the derivative financial instruments. The corresponding increase of RM173.4m has been included in equity in the hedging reserve and remaining RM2.7m and RM4.0m were charged to income statement as fair value loss on derivative and interest expense respectively. For the current period, RM74.3m of the hedging reserve was transferred to the income statement to offset the unrealised gain of RM74.3m which resulted from the strengthening of RM against USD. This resulted in an increase on the debit balance in the hedging reserve as at 30 April 2016 by RM99.1m to RM96.0m compared with the financial year ended 31 January 2016.

Forward foreign currency exchange contracts and foreign currency options

Forward foreign currency exchange contracts are used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of the Group. The forward foreign currency exchange contracts and foreign currency options have maturities of less than one year after the balance sheet date. As at 30 April 2016, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM1,168.3m (31 January 2016: RM1,125.3m) and foreign currency options were RM54.7m (31 January 2016: RM58.1m).

Interest rate swaps

Interest rate swaps are used to achieve an appropriate interest rate exposure within the Group. The Group entered into interest rate swaps to hedge the cash flow risk in relation to the floating interest rate of a bank loan, as disclosed in Note 19 with notional principal amounts of RM1,200.0m (31 January 2016: RM1,200.0m) and vendor financing, as disclosed in Note 21 with notional principal amounts of RM523.4m and USD20.9m (31 January 2016: RM505.5m and USD20.4m).

The interest rate swaps for bank loan were entered up to 10 years with an average fixed swap rate of 4.15% (31 January 2016: 4.15%).

The Ringgit and USD dollar interest rate swaps for vendor financing were entered into for a period of up to 3 years with an average fixed swap rate of 3.79% (31 January 2016: 3.79%) and 1.77% (31 January 2016: 0.86%) respectively.



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BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**20 DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

**(b) Disclosure of gains/(losses) arising from fair value (continued)**

Cross-currency interest rate swaps

To mitigate financial risks arising from adverse fluctuations in interest and exchange rates, the Group entered into cross-currency interest rate swaps with notional principal amounts of USD264.0m (31 January 2016: USD264.0m) for bank loan and vendor financing of USD72.8m (31 January 2016: USD51.6m).

The cross-currency interest rate swap for bank loan was entered up to a period of 10 years and had an average fixed swap rate and exchange rate of 4.19% (inclusive of interest margin of 1%) (31 January 2016: 4.19% (inclusive of interest margin of 1%)) and USD/RM3.0189 (31 January 2016: USD/RM3.0189) respectively.

The cross-currency interest rate swap for vendor financing was entered up to a period of 3 years and had an average fixed swap rate and exchange rate of 4.34% (inclusive of interest margin of 1.0%) (31 January 2016: 4.26% (inclusive of interest margin of 1.1%)) and USD/RM3.4320 (31 January 2016: USD/RM3.2525).

**21 PAYABLES**

Included in payables are credit terms granted by vendors that generally range from 0 to 90 days (31 January 2016: 0 to 90 days). Vendors of set-top boxes and outdoor units have granted an extended payment term of 36 months (“vendor financing”) on Usance Letter of Credit Payable at Sight (“ULCP”) and Promissory Notes (“PN”) basis to the Group.

The effective interest rates at the end of the financial period ranged between 1.6% and 5.1% (31 January 2016: 1.4% and 5.2%) per annum.

As at 30 April 2016, the vendor financing included in payables is RM962.4m (31 January 2016: RM969.8m), comprising current portion of RM429.3m (31 January 2016: RM343.4m) and non-current portion of RM533.1m (31 January 2016: RM626.4m).

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**22 DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS/(ACCUMULATED LOSSES)**

The following analysis is prepared in accordance with Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad.

The breakdown of (accumulated losses)/retained profits of the Group as at the balance sheet date, into realised and unrealised (losses)/profits, pursuant to the directive, is as follows:

| <u>Group</u>   | <u>As at<br/>30/4/2016</u><br>RM'm | <u>As at<br/>31/1/2016</u><br>RM'm |
|--|------------------------------------|------------------------------------|
| Total (accumulated losses)/retained profits of the Company and its subsidiaries: |                                    |                                    |
| - Realised   | (218.3)                            | (223.9)                            |
| - Unrealised <sup>N1</sup>   | 25.8                               | (23.1)                             |
|  | <u>(192.5)</u>                     | <u>(247.0)</u>                     |
| Total retained profits from associates and joint ventures:                       |                                    |                                    |
| - Realised   | 17.5                               | 15.8                               |
| - Unrealised   | -                                  | -                                  |
|  | <u>(175.0)</u>                     | <u>(231.2)</u>                     |
| Less: Consolidation adjustments  | (435.5)                            | (438.3)                            |
| Total accumulated losses as per consolidated balance sheets                      | <u>(610.5)</u>                     | <u>(669.5)</u>                     |

N1 The unrealised retained profits/(accumulated losses) are mainly deferred tax provision and translation gains or losses of monetary items denominated in a currency other than the functional currency.

**23 CHANGES IN MATERIAL LITIGATION**

There have been no significant developments in material litigations since the last balance sheet included in the annual audited financial statements up to the date of this announcement.

**24 DIVIDENDS**

(a) The Board of Directors has declared a first interim single-tier dividend of 3.00 sen per ordinary share in respect of the financial year ending 31 January 2017 amounting to approximately RM156,150,468, to be paid on 30 June 2016. The entitlement date for the dividend payment is 16 June 2016.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred to the depositor’s securities account before 4.00 pm on 16 June 2016 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**24 DIVIDENDS (continued)**

- (b) As announced in the previous quarter, the Board of Directors proposed to recommend for shareholders' approval at the forthcoming Annual General Meeting a final single-tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 January 2016 amounting to approximately RM52,050,156. The entitlement date for the final dividend has now been fixed on 16 June 2016 and will be paid on 30 June 2016.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred to the depositor's securities account before 4.00 pm on 16 June 2016 in respect of transfers; and  
(ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.
- (c) The total dividends declared for the financial period ended 30 April 2016 is 3.00 sen per share, based on 5,205,015,600 ordinary shares (30 April 2015: 2.75 sen per share, based on 5,201,728,400 ordinary shares).

**25 EARNINGS PER SHARE**

The calculation of basic earnings per ordinary share at 30 April 2016 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per ordinary shares at 30 April 2016 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share as at 30 April 2016:

|   | <u>INDIVIDUAL QUARTER</u>      |                                | <u>CUMULATIVE QUARTER</u>     |                               |
|---|--------------------------------|--------------------------------|-------------------------------|-------------------------------|
|   | <u>QUARTER ENDED 30/4/2016</u> | <u>QUARTER ENDED 30/4/2015</u> | <u>PERIOD ENDED 30/4/2016</u> | <u>PERIOD ENDED 30/4/2015</u> |
| Profit attributable to the equity holders of the Company (RM'm) | <u>202.1</u>                   | <u>168.2</u>                   | <u>202.1</u>                  | <u>168.2</u>                  |
| <b>(i) Basic EPS</b>  |                                |                                |                               |                               |
| Weighted average number of issued ordinary shares ('m)          | 5,205.0                        | 5,201.7                        | 5,205.0                       | 5,201.7                       |
| Basic earnings per share (RM)                                   | <u>0.039</u>                   | <u>0.032</u>                   | <u>0.039</u>                  | <u>0.032</u>                  |

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**25 EARNINGS PER SHARE (continued)**

|  | <u>INDIVIDUAL QUARTER</u> |                  | <u>CUMULATIVE QUARTER</u> |                  |
|--|---------------------------|------------------|---------------------------|------------------|
|  | <u>QUARTER</u>            | <u>QUARTER</u>   | <u>PERIOD</u>             | <u>PERIOD</u>    |
|  | <u>ENDED</u>              | <u>ENDED</u>     | <u>ENDED</u>              | <u>ENDED</u>     |
|  | <u>30/4/2016</u>          | <u>30/4/2015</u> | <u>30/4/2016</u>          | <u>30/4/2015</u> |
| <b>(ii) Diluted EPS</b>                                      |                           |                  |                           |                  |
| Weighted average number of issued Ordinary shares ('m)       | 5,205.0                   | 5,201.7          | 5,205.0                   | 5,201.7          |
| Effect of dilution:  |                           |                  |                           |                  |
| Grant of share awards under the management share scheme ('m) | 12.9                      | 12.0             | 12.9                      | 12.0             |
|  | <u>5,217.9</u>            | <u>5,213.7</u>   | <u>5,217.9</u>            | <u>5,213.7</u>   |
| Diluted earnings per share (RM)                              | <u>0.039</u>              | <u>0.032</u>     | <u>0.039</u>              | <u>0.032</u>     |

**26 MATERIAL EVENTS SUBSEQUENT TO END OF THE FINANCIAL YEAR**

There were no material subsequent events during the period from the end of the quarter review to 31 May 2016.

**BY ORDER OF THE BOARD**

**LIEW WEI YEE SHARON**  
(License No. LS0007908)

Company Secretary  
31 May 2016