

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

**QUARTERLY REPORT FOR THE
FINANCIAL PERIOD ENDED 30 APRIL 2017**

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2017

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2017

The Board of Directors of Astro Malaysia Holdings Berhad (“AMH” or “the Company”) presents the following unaudited condensed consolidated financial statements for the first quarter ended 30 April 2017 which should be read in conjunction with the audited financial statements for the financial year ended 31 January 2017 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	<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>	
Note	<u>30/04/2017</u>	<u>30/04/2016</u>		<u>30/04/2017</u>	<u>30/04/2016</u>	
	RM'm	RM'm		RM'm	RM'm	
Revenue	1,326.1	1,362.8	-3	1,326.1	1,362.8	-3
Cost of sales	<u>(782.6)</u>	<u>(833.0)</u>		<u>(782.6)</u>	<u>(833.0)</u>	
Gross profit	543.5	529.8	+3	543.5	529.8	+3
Other operating income	3.5	4.1		3.5	4.1	
Marketing and distribution costs	(113.1)	(116.8)		(113.1)	(116.8)	
Administrative expenses	<u>(133.4)</u>	<u>(135.2)</u>		<u>(133.4)</u>	<u>(135.2)</u>	
Profit from operations	300.5	281.9	+7	300.5	281.9	+7
Finance income	20.0	56.9		20.0	56.9	
Finance costs	(51.1)	(60.5)		(51.1)	(60.5)	
Share of post-tax results from investments accounted for using the equity method	<u>0.1</u>	<u>1.7</u>		<u>0.1</u>	<u>1.7</u>	
Profit before tax	17 269.5	280.0	-4	269.5	280.0	-4
Tax expense	18 <u>(77.1)</u>	<u>(78.9)</u>		<u>(77.1)</u>	<u>(78.9)</u>	
Profit for the financial period	<u>192.4</u>	<u>201.1</u>	-4	<u>192.4</u>	<u>201.1</u>	-4
Attributable to:						
Equity holders of the Company	195.9	202.1	-3	195.9	202.1	-3
Non-controlling interests	<u>(3.5)</u>	<u>(1.0)</u>		<u>(3.5)</u>	<u>(1.0)</u>	
	<u>192.4</u>	<u>201.1</u>	-4	<u>192.4</u>	<u>201.1</u>	-4
Earnings per share attributable to equity holders of the Company (RM):						
- Basic	25 <u>0.038</u>	<u>0.039</u>		<u>0.038</u>	<u>0.039</u>	
- Diluted	25 <u>0.038</u>	<u>0.039</u>		<u>0.038</u>	<u>0.039</u>	

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/2017 RM'm	QUARTER ENDED 30/04/2016 RM'm	PERIOD ENDED 30/04/2017 RM'm	PERIOD ENDED 30/04/2016 RM'm
Profit for the financial period	192.4	201.1	192.4	201.1
Other comprehensive (loss)/income:				
Items that will be reclassified subsequently to profit or loss:				
- Net change in cash flow hedge	(37.5)	(99.1)	(37.5)	(99.1)
- Net change in available-for-sale financial assets	0.2	(0.2)	0.2	(0.2)
Foreign currency translation	2.6	1.2	2.6	1.2
Taxation	9.0	-	9.0	-
Other comprehensive loss, net of tax	(25.7)	(98.1)	(25.7)	(98.1)
Total comprehensive income for the financial period	<u>166.7</u>	<u>103.0</u>	<u>166.7</u>	<u>103.0</u>
Attributable to:				
Equity holders of the Company	168.9	104.0	168.9	104.0
Non-controlling interests	(2.2)	(1.0)	(2.2)	(1.0)
	<u>166.7</u>	<u>103.0</u>	<u>166.7</u>	<u>103.0</u>

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 30/4/2017 Unaudited RM'm	AS AT 31/1/2017 Audited RM'm
Non-current assets			
Property, plant and equipment		1,751.4	1,817.9
Investments in associates		2.2	2.1
Investments in joint ventures		2.2	2.2
Receivables and prepayments		313.3	300.2
Deferred tax assets		116.3	119.5
Derivative financial instruments	20	251.2	272.4
Intangible assets		2,018.2	2,044.6
		<u>4,454.8</u>	<u>4,558.9</u>
Current assets			
Inventories		19.1	20.4
Other investment		443.7	275.4
Receivables and prepayments		755.2	858.5
Derivative financial instruments	20	112.4	175.4
Tax recoverable		1.0	1.0
Cash and bank balances		319.8	376.3
		<u>1,651.2</u>	<u>1,707.0</u>
Total assets		<u><u>6,106.0</u></u>	<u><u>6,265.9</u></u>
Current liabilities			
Payables	21	1,490.2	1,626.6
Derivative financial instruments	20	5.5	4.3
Borrowings	19	632.7	629.3
Tax liabilities		19.2	20.0
		<u>2,147.6</u>	<u>2,280.2</u>
Net current liabilities		<u>(496.4)</u>	<u>(573.2)</u>
Non-current liabilities			
Payables	21	502.3	490.0
Derivative financial instruments	20	7.1	8.1
Borrowings	19	2,725.8	2,776.3
Deferred tax liabilities		80.2	81.5
		<u>3,315.4</u>	<u>3,355.9</u>
Total liabilities		<u><u>5,463.0</u></u>	<u><u>5,636.1</u></u>
Net assets		<u>643.0</u>	<u>629.8</u>

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 30/4/2017 Unaudited RM'm	AS AT 31/1/2017 Audited RM'm
Capital and reserves attributable to equity holders of the Company			
Share capital		6,715.8	6,715.8
Exchange reserve		6.2	3.6
Capital reorganisation reserve		(5,470.2)	(5,470.2)
Hedging reserve		25.7	54.2
Fair value reserve		0.2	-
Share scheme reserve		27.8	25.0
Accumulated losses		(665.4)	(705.0)
		640.1	623.4
Non-controlling interests		2.9	6.4
Total equity		643.0	629.8

@ Denotes RM677.50

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to equity holders of the Company

Period ended 30/4/2017	Share capital	Exchange 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
At 1/2/2017	6,715.8 [^]	3.6	(5,470.2)	54.2	-	25.0	(705.0)	623.4	6.4	629.8
Profit/(loss) for the financial period	-	-	-	-	-	-	195.9	195.9	(3.5)	192.4
Other comprehensive income/(loss) for the financial period	-	2.6	-	(28.5)	0.2	-	-	(25.7)	-	(25.7)
Total comprehensive income/(loss) for the financial period	-	2.6	-	(28.5)	0.2	-	195.9	170.2	(3.5)	166.7
Ordinary shares dividends	-	-	-	-	-	-	(156.3)	(156.3)	-	(156.3)
Share-based payment transaction	-	-	-	-	-	2.8	-	2.8	-	2.8
Transactions with owners	-	-	-	-	-	2.8	(156.3)	(153.5)	-	(153.5)
At 30/4/2017	6,715.8 [^]	6.2	(5,470.2)	25.7	0.2	27.8	(665.4)	640.1	2.9	643.0

[^] The Companies Act 2016 (the "Act"), which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserves become part of the Company's share capital. Notwithstanding, the Company may within 24 months from 31 January 2017, use the amount standing to the credit of its share premium account of RM6,194,751,323.61 for purposes as set out in Sections 618 (3) and the capital redemption reserve of RM677.50 for the bonus issue pursuant to Section 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. The number of ordinary shares issued and fully paid up as at 30 April 2017 is 5,209,522,200.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

Period ended 30/4/2016	Attributable to equity holders of the Company										Non-controlling interests	Total
	Share capital	Share premium	Exchange reserve	Capital redemption reserve	Capital reorganisation reserve	Hedging reserve	Fair value reserve	Share scheme reserve	Accumulated losses	Total		
	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 [@]	(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 for the financial period	-	-	1.2	-	-	(99.1)	(0.2)	-	-	(98.1)	-	(98.1)
Total comprehensive income/(loss) for the financial period	-	-	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
Transactions with owners	-	-	-	-	-	-	-	3.7	(143.1)	(139.4)	-	(139.4)
At 30/4/2016	520.5	6,183.3	4.1	0.0 [@]	(5,470.2)	(96.0)	(0.5)	34.6	(610.5)	565.3	12.1	577.4

[@] Denotes RM677.50

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED 30/4/2017	PERIOD ENDED 30/4/2016
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	269.5	280.0
<u>Adjustments for:</u>		
Non-cash items [^]	245.2	245.6
Interest expense	47.0	53.3
Interest income	(6.6)	(11.0)
Operating cash flows before changes in working capital	555.1	567.9
Changes in working capital	18.3	(88.5)
Cash flows from operations	573.4	479.4
Income tax paid	(67.0)	(67.7)
Interest received	1.6	4.9
Net cash flows generated from operating activities	508.0	416.6
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment and intangibles	0.1	0.4
Purchase of property, plant and equipment and intangibles	(109.3)	(111.9)
(Purchase)/disposal of unit trusts	(163.6)	53.1
Maturities/(placements) of fixed deposits	78.9	(170.3)
Net cash flows used in investing activities	(193.9)	(228.7)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(156.3)	(143.1)
Interest paid	(19.1)	(22.0)
Payment for set-top boxes	(79.4)	-
Payment of finance lease liabilities	(39.5)	(37.7)
Net cash flows used in financing activities	(294.3)	(202.8)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	19.8	(14.9)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	2.6	1.2
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	263.3	566.8
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD[#]	285.7	553.1

[^] Non-cash items mainly represent amortisation of intangible assets and depreciation of property, plant and equipment as disclosed in Note 17.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

- # 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 2017, the Group acquired set-top boxes by means of vendor financing of RM53.9m (30 April 2016: RM23.7m), the Group had repaid RM79.4m (30 April 2016: RM Nil) in relation to vendor financing for set-top boxes and RM39.5m (30 April 2016: RM37.7m) in relation to finance lease for transponders, both capitalised in prior financial years.

**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 2017.

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 2017.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2017 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- 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)
- Amendments to MFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2017)

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 2018:

- 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)
- Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions (effective from 1 January 2018)
- Amendments to MFRS 128 Investments in Associates and Joint Ventures (effective from 1 January 2018)
- Amendments to MFRS 140 Transfers of Investment Property (effective from 1 January 2018)
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration (effective from 1 January 2018)
- 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)

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

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 2017.

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 2017.

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 2017.

6 DIVIDENDS PAID

The fourth interim single-tier dividend of 3.00 sen per ordinary share in respect of the financial year ended 31 January 2017 amounting to RM156,285,666.00 was paid on 25 April 2017.

Refer to Note 24 for dividends declared for the first quarter ended 30 April 2017.

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

7 SEGMENT RESULTS AND REPORTING

For management purposes, 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> <u>30/4/2017</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
External revenue	1,192.1	71.5	62.0	-	0.5	-	1,326.1
Interest income	3.7	1.0	0.2	0.4	20.6	(19.3)	6.6
Interest expense	(42.1)	-	-	(1.0)	(23.2)	19.3	(47.0)
Depreciation and amortisation	(258.0)	(2.0)	(1.3)	-	(1.4)	11.2	(251.5)
Share of post-tax results from investments accounted for using the equity method	0.1	-	-	-	-	-	0.1
Segment profit/(loss) – Profit/(loss) before tax	<u>244.7</u>	<u>35.4</u>	<u>(6.1)</u>	<u>(3.5)</u>	<u>(4.5)</u>	<u>3.5</u>	<u>269.5</u>
<u>As at</u> <u>30/4/2017</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
Segment assets	<u>4,863.0</u>	<u>1,383.0</u>	<u>54.1</u>	<u>52.6</u>	<u>592.9</u>	<u>(955.9)</u>	<u>5,989.7</u>
Segment liabilities	<u>3,618.3</u>	<u>294.0</u>	<u>64.3</u>	<u>14.9</u>	<u>2,371.9</u>	<u>(999.8)</u>	<u>5,363.6</u>
<u>Quarter ended</u> <u>30/4/2016</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
External revenue	<u>1,226.4</u>	<u>72.0</u>	<u>63.9</u>	<u>-</u>	<u>0.5</u>	<u>-</u>	<u>1,362.8</u>
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 amortisation	(293.1)	(1.4)	(1.3)	-	(2.0)	9.0	(288.8)
Share of post-tax results from investments accounted for using the equity method	-	-	-	1.7	-	-	1.7
Segment profit/(loss) – Profit/(loss) 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> <u>31/1/2017</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
Segment assets	<u>4,911.9</u>	<u>1,840.6</u>	<u>57.7</u>	<u>68.7</u>	<u>535.1</u>	<u>(1,267.6)</u>	<u>6,146.4</u>
Segment liabilities	<u>3,620.3</u>	<u>763.2</u>	<u>60.2</u>	<u>9.3</u>	<u>2,389.3</u>	<u>(1,307.7)</u>	<u>5,534.6</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

There were no changes in the composition of the Group during the first quarter ended 30 April 2017.

9 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS

a. Indemnity and guarantees

Details of the indemnity and guarantees of the Group as at 30 April 2017, for which no provision has been made in the interim financial statements, are as set out below:

	Group	
	30/4/2017	31/1/2017
	RM'm	RM'm
Indemnity given to financial institutions in respect of bank guarantees issued (unsecured):		
- Programme rights vendors ¹	123.0	125.5
- Others ²	5.0	7.5
Other indemnities:		
- Guarantee to programme rights vendor provided by AMH ¹	786.1	949.6
	914.1	1,082.6

Notes:

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

² 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 2017 (31 January 2017: Nil).

10 COMMITMENTS

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

	30/4/2017			31/1/2017		
	Approved and contracted for	Approved and not contracted for	Total	Approved and contracted for	Approved and not contracted for	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Property, plant and equipment*	2,233.1	105.9	2,339.0	2,326.2	84.8	2,411.0
Software	68.9	200.4	269.3	79.1	96.4	175.5
Film library and programme rights	1,027.0	549.4	1,576.4	1,065.4	742.6	1,808.0
	3,329.0	855.7	4,184.7	3,470.7	923.8	4,394.5

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

10 COMMITMENTS (continued)

- * 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 RM1,298.8m (31 January 2017: RM1,325.0m) and RM722.3m (31 January 2017: RM736.9m) 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 23.98% 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 over such 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.

<u>Related Parties</u>	<u>Relationship</u>
Maxis Mobile Services Sdn. Bhd.	Subsidiary of a joint venture of UTSB
Maxis Broadband Sdn. Bhd.	Subsidiary of a joint venture of UTSB
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

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the period ended <u>30/4/2017</u> RM'm	Transaction for the period ended <u>30/4/2016</u> RM'm	Balances due from/(to) as at <u>30/4/2017</u> RM'm	Balances due from/(to) as at <u>31/1/2017</u> RM'm	Commitments as at <u>30/4/2017</u> RM'm	Commitments as at <u>31/1/2017</u> RM'm
(i) Sales of goods and services						
- Maxis Mobile Services Sdn. Bhd. (Multimedia, interactive and airtime sales)	1.8	2.1	2.2	2.2	-	-
- Maxis Broadband Sdn. Bhd. (Licensing income)	-	-	1.0	1.0	-	-
- Kristal-Astro Sdn. Bhd. (Programme services and right sales, technical support, smartcard rental, and sales of set-top boxes and accessories)	6.7	9.2	32.9	28.2	-	-
- MEASAT Satellite Systems Sdn. Bhd. (Compensation for T11)	-	-	3.0	4.5	-	-
- ASTRO Overseas Limited (Management fees)	0.5	0.5	0.3	3.5	-	-
(ii) Purchases of goods and services						
- UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services)	3.4	2.6	(2.2)	(1.1)	-	-
- Maxis Broadband Sdn. Bhd. (Telecommunication services)	22.2	21.4	(10.2)	(13.7)	-	-
- MEASAT International (South Asia) Ltd. (Deposit paid on transponder lease)	-	-	52.7	52.2	1,298.8	1,325.0
- MEASAT Satellite Systems Sdn. Bhd. (Transponder lease)	-	-	-	-	722.3	736.9
- Sun TV Network Limited (Programme broadcast rights)	9.6	8.8	(18.4)	(13.3)	-	-
- Celestial Movie Channel Limited (Programme broadcast rights)	6.0	5.6	(2.4)	(2.4)	-	-
- Media Innovations Pty Ltd (Design, build and commission of Over-the-Top solution)	0.1	0.6	-	(0.3)	-	-

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the period ended <u>30/4/2017</u> RM'm	Transaction for the period ended <u>30/4/2016</u> RM'm	Balances due from/(to) as at <u>30/4/2017</u> RM'm	Balances due from/(to) as at <u>31/1/2017</u> RM'm	Commitments as at <u>30/4/2017</u> RM'm	Commitments as at <u>31/1/2017</u> RM'm
(ii) Purchases of goods and services (continued)						
- Tiger Gate Entertainment Limited (Programming rights)	4.2	3.8	(3.3)	(3.5)	-	-
- GS Home Shopping Inc. (Development of software system, purchase of retail products)	0.1	2.0	(0.1)	(0.9)	-	-
(iii) Key management personnel compensation						
- Salaries, bonus and allowances and other staff related costs	15.5	13.6				
- Directors fees	0.5	0.5				
- Defined contribution plans	2.3	2.0				
- Share-based payments	-	-				

(iv) Government-related entities

Khazanah Nasional Berhad (“KNB”) is deemed interested in 20.69% 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.”).

The Group has been granted a waiver from compliance with Chapters 10.08 and 10.09 of the Listing Requirements (Related Party Transaction) in respect of related party transactions with KNB Group. All the transactions entered into by the Group with KNB Group are conducted in the ordinary course of the Group’s business on negotiated terms.

For the financial period ended 30 April 2017, management estimates that the aggregate amounts of the Group significant transactions with KNB Group are at 2.7% of its total administrative expenses and nil 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.

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

12 FAIR VALUE MEASUREMENTS (continued)

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group as at 30 April 2017 approximated their fair values except as set out below:

Assets/(Liabilities) measured at amortised cost:

	Carrying amount	Level 1	Level 2	Level 3
	RM'm	RM'm	RM'm	RM'm
<u>30 April 2017</u>				
Other investments - bonds	5.0	-	5.0	-
Borrowings – finance lease liabilities	(1,032.0)	-	(1,095.3)	-
<u>31 January 2017</u>				
Other investments - bonds	5.0	-	5.0	-
Borrowings – finance lease liabilities	(1,066.4)	-	(1,126.3)	-

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.

(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:

	Carrying amount	Level 1	Level 2	Level 3
	RM'm	RM'm	RM'm	RM'm
<u>Recurring fair value measurements</u>				
<u>30 April 2017</u>				
Other investment- investment in unit trusts	438.7	438.7	-	-
Forward foreign currency exchange contracts – cash flow hedges	27.5	-	27.5	-
Foreign currency option	7.3	-	7.3	-
Interest rate swaps – cash flow hedges	(9.9)	-	(9.9)	-
Cross-currency interest rate swaps – cash flow hedges	326.1	-	326.1	-
<u>31 January 2017</u>				
Other investment- investment in unit trusts	270.4	270.4	-	-
Forward foreign currency exchange contracts – cash flow hedges	64.2	-	64.2	-
Foreign currency option	10.5	-	10.5	-
Interest rate swaps – cash flow hedges	(11.3)	-	(11.3)	-
Cross-currency interest rate swaps – cash flow hedges	372.0	-	372.0	-

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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 (continued)

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.

**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 FY18) against the corresponding quarter (First Quarter FY17):

All amounts in RM'm unless otherwise stated

Financial Highlights		Key Operating Indicators	
QUARTER ENDED 30/4/2017	QUARTER ENDED 30/4/2016	QUARTER ENDED 30/4/2017	QUARTER ENDED 30/4/2016

Consolidated Performance

Total revenue	1,326.1	1,362.8
EBITDA ¹	460.4	477.0
EBITDA margin (%)	34.7	35.0
Profit before tax	269.5	280.0
Net profit	192.4	201.1

(i) Television

Subscription revenue	1,064.9	1,075.9
Advertising revenue	71.2	78.4
Other revenue	56.0	72.1
Total revenue	1,192.1	1,226.4
EBITDA ¹	429.7	443.9
EBITDA margin (%)	36.0	36.2
Profit before tax	244.7	253.6

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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 FY18) against the corresponding quarter (First Quarter FY17) (continued):

All amounts in RM'm unless otherwise stated

Financial Highlights		Key Operating Indicators	
QUARTER ENDED 30/4/2017	QUARTER ENDED 30/4/2016	QUARTER ENDED 30/4/2017	QUARTER ENDED 30/4/2016

(ii) Radio

Revenue	71.5	72.0
EBITDA ¹	36.4	38.3
EBITDA margin (%)	50.9	53.2
Profit before tax	35.4	37.6

(iii) Home-shopping

Revenue	62.0	63.9
EBITDA ¹	(5.0)	(1.8)
EBITDA margin (%)	(8.1)	(2.8)
Loss before tax	6.1	2.9

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.

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,326.1m was lower by RM36.7m or 2.7% against corresponding quarter of RM1,362.8m. This was mainly due to a decrease in licensing, subscription and advertising revenue. The decrease in licensing revenue was due to loss of content recovery for sports channel. The decrease in subscription revenue was mainly due to lower package take-up. Lower advertising revenue in the current quarter owing to Chinese New Year advertisement spending recorded in the corresponding quarter.

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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 FY18) against the corresponding quarter (First Quarter FY17) (continued):

Consolidated Performance (continued)

EBITDA margin

EBITDA margin decreased by 0.3% against corresponding quarter mainly due to proportion of content costs against revenue has increased.

Net Profit

Net profit decreased by RM8.7m or 4.3% compared with the corresponding quarter due to decrease in EBITDA and increase in net finance costs, offset by lower depreciation of property, plant and equipment. Higher net finance cost was due to lower unrealised forex gain arising from unhedged non-current balance sheet liabilities comprising, finance lease liabilities and vendor financing.

Television

Revenue for the current quarter of RM1,192.1m was lower by RM34.3m or 2.8% against corresponding quarter of RM1,226.4m. This was mainly due to a decrease in licensing, subscription and advertising revenue. The decrease in licensing revenue was due to loss of content recovery for sports channel. The decrease in subscription revenue was mainly due to lower package take-up. Lower advertising revenue in the current quarter owing to Chinese New Year advertisement spending recorded in the corresponding quarter.

Television EBITDA decreased by RM14.2m or 3.2% against corresponding quarter mainly due to decrease in revenue as highlighted above, offset by lower content costs.

Radio

Radio's revenue for the current quarter of RM71.5m was lower by RM0.5m compared with the corresponding quarter of RM72.0m. The current quarter did not benefit from festive spent for Chinese New Year as compared to the corresponding quarter.

Radio EBITDA for the current quarter of RM36.4m, decreased by RM1.9m or 5.0% against the corresponding quarter, due to lower revenue and higher operating cost which were mainly marketing-related.

Home-shopping

Home-shopping's revenue for the current quarter of RM62.0m was lower by RM1.9m compared with the corresponding quarter of RM63.9m. The lower revenue performance was primarily due to additional tactical campaigns executed for the current quarter.

Home-shopping EBITDA recorded an unfavorable variance of RM3.2m against corresponding quarter, primarily due to costs for the Singapore operations.

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

13 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (First Quarter FY18) against the preceding quarter (Fourth Quarter FY17):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	QUARTER	QUARTER	QUARTER	QUARTER
	ENDED	ENDED	ENDED	ENDED
	30/4/2017	31/1/2017	30/4/2017	31/1/2017
<u>Consolidated Performance</u>				
Total revenue	1,326.1	1,397.4		
EBITDA ¹	460.4	444.3		
EBITDA margin (%)	34.7	31.8		
Profit before tax	269.5	187.8		
Net profit	192.4	143.0		
<u>(i) Television</u>				
Subscription revenue	1,064.9	1,093.7		
Advertising revenue	71.2	95.2		
Other revenue	56.0	61.5		
Total revenue	1,192.1	1,250.4		
EBITDA ¹	429.7	377.5		
EBITDA margin (%)	36.0	30.2		
Profit before tax	244.7	130.6		
<u>(ii) Radio</u>				
Revenue	71.5	86.0		
EBITDA ¹	36.4	57.5		
EBITDA margin (%)	50.9	66.9		
Profit before tax	35.4	57.1		

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

13 ANALYSIS OF PERFORMANCE (continued)

- (b) Performance of the current quarter (First Quarter FY18) against the preceding quarter (Fourth Quarter FY17) (continued):

All amounts in RM'm unless otherwise stated

Financial Highlights		Key Operating Indicators	
QUARTER ENDED 30/4/2017	QUARTER ENDED 31/1/2017	QUARTER ENDED 30/4/2017	QUARTER ENDED 31/1/2017

(iii) Home-shopping

Revenue	62.0	60.5
EBITDA ¹	(5.0)	(6.6)
EBITDA margin (%)	(8.1)	(10.9)
Loss before tax	6.1	7.7

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.

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,326.1m was lower by RM71.3m or 5.1% against preceding quarter of RM1,397.4m. This was mainly due to a decrease in advertising and subscription revenue. Lower advertising revenue in the current quarter owing to Chinese New Year advertisement spending recorded in the preceding quarter. The decrease in subscription revenue was mainly due to lower package take-up.

EBITDA margin

EBITDA margin increased by 2.9% against the preceding quarter mainly due to lower content costs, marketing and market research expenses and impairment of receivables as a percentage of revenue.

Net Profit

Net profit increased by RM49.4m or 34.5% to RM192.4m during the quarter. The increase was mainly due to an increase in EBITDA, decrease in depreciation of property, plant and equipment and decrease in net finance costs, offset by higher tax expense. Lower net finance costs was due to favourable unrealised forex impact arising from unhedged non-current balance sheet liabilities comprising, finance lease liability and vendor financing.

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

13 ANALYSIS OF PERFORMANCE (continued)

- (b) Performance of the current quarter (First Quarter FY18) against the preceding quarter (Fourth Quarter FY17) (continued):

Television

Revenue for the current quarter of RM1,192.1m was lower by RM58.3m or 4.7% against preceding quarter of RM1,250.4m. This was mainly due to a decrease in advertising and subscription revenue. Lower advertising revenue in the current quarter owing to Chinese New Year advertisement spending recorded in the preceding quarter. The decrease in subscription revenue was mainly due to lower package take-up.

EBITDA increased by RM52.2m or 13.8% against the preceding quarter due to decrease in marketing and market research expenses, production expense and impairment of receivables. The increase was offset by lower revenue, as highlighted above.

Radio

Radio's revenue for the current quarter of RM71.5m was lower by RM14.5m or 16.9% compared with the preceding quarter of RM86.0m. The lower revenue performance for the quarter was due to a slowing in the advertising market as the preceding quarter had benefited from the year-end school holidays and festive celebrations.

The lower revenue and higher advertising, marketing and promotion cost had impacted the EBITDA to decrease by RM21.1m or 36.7% compared with the preceding quarter of RM57.5m.

Home-shopping

Home-shopping's revenue for the current quarter of RM62.0m was higher by RM1.5m compared with the preceding quarter of RM60.5m. The higher revenue performance was due to increase in number of products sold.

Home-shopping EBITDA improved by RM1.6m or 24.2% against preceding quarter, which was mainly due to higher 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 2018

The Group is cautiously optimistic for the rest of the financial year, despite relatively subdued consumer sentiment. As the Group's operating environment is facing disruption, the Group is re-positioning its business with emphasis towards personalisation, mobility and interactivity with customers, focusing on executing its key strategies on:

- (1) digitalising our legacy business via investments in technology to accelerate our digital transformation, launching OTT streaming services in Astro Go and Njoi Now, and providing differentiated products, services and content;
- (2) rapidly scaling our digital ventures via our e-commerce platform, Go Shop and our regional OTT streaming service, Tribe; and
- (3) deepening strength in verticals and building a robust innovation pipeline via collaborative partnerships with leading content players to drive revenue growth.

Our combined TV viewership, radio listenership and digital users are uniquely placed to assist advertisers to engage with consumers across all demographics, which will continue to drive monetisation and Adex performance.

We continue to actively manage our key operating expenses, particularly content costs which are substantially USD denominated, and optimising our cost to serve.

On the basis of the above, the Board believes the Group will remain cash generative and will focus on investing in our growth strategy.

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 2017.

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

17 PROFIT BEFORE TAX

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED 30/4/2017</u>	<u>QUARTER ENDED 30/4/2016</u>	<u>PERIOD ENDED 30/4/2017</u>	<u>PERIOD ENDED 30/4/2016</u>
	RM'm	RM'm	RM'm	RM'm
Amortisation of intangible assets	128.3	132.9	128.3	132.9
Depreciation of property, plant and equipment	123.2	155.9	123.2	155.9
Impairment of film library and program rights	4.4	-	4.4	-
Impairment of receivables	25.3	24.7	25.3	24.7
Finance income:				
- Interest income	(2.7)	(6.9)	(2.7)	(6.9)
- Unit trust dividend income	(3.9)	(4.1)	(3.9)	(4.1)
- Unrealised foreign exchange gains	(57.2)	(123.1)	(57.2)	(123.1)
- Realised foreign exchange losses	0.7	-	0.7	-
- Fair value loss on derivative recycled to income statement arising from foreign exchange risk	43.1	77.2	43.1	77.2
	(20.0)	(56.9)	(20.0)	(56.9)
Finance costs:				
- Bank borrowings	21.3	24.6	21.3	24.6
- Finance lease liabilities	16.8	17.8	16.8	17.8
- Vendor financing	6.6	8.2	6.6	8.2
- Realised foreign exchange losses	-	0.5	-	0.5
- Fair value loss/(gain) on derivative recycled to income statement arising from:				
- Interest rate risk	4.1	5.9	4.1	5.9
- Foreign exchange risk	-	0.8	-	0.8
- Others	2.3	2.7	2.3	2.7
	<u>51.1</u>	<u>60.5</u>	<u>51.1</u>	<u>60.5</u>

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</u>	<u>QUARTER</u>	<u>PERIOD</u>	<u>PERIOD</u>
	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>
	<u>30/4/2017</u>	<u>30/4/2016</u>	<u>30/4/2017</u>	<u>30/4/2016</u>
	<u>RM'm</u>	<u>RM'm</u>	<u>RM'm</u>	<u>RM'm</u>
Current tax	66.2	64.8	66.2	64.8
Deferred tax	10.9	14.1	10.9	14.1
	<u>77.1</u>	<u>78.9</u>	<u>77.1</u>	<u>78.9</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</u>	<u>QUARTER</u>	<u>PERIOD</u>	<u>PERIOD</u>
	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>
	<u>30/4/2017</u>	<u>30/4/2016</u>	<u>30/4/2017</u>	<u>30/4/2016</u>
	<u>RM'm</u>	<u>RM'm</u>	<u>RM'm</u>	<u>RM'm</u>
Profit before taxation	269.5	280.0	269.5	280.0
Tax at Malaysian corporate tax rate of 24%	64.7	67.2	64.7	67.2
Tax effect of:				
Unrecognised deferred tax asset	4.7	1.9	4.7	1.9
Others (including expenses not deductible for tax purposes and income not subject to tax)	7.7	9.8	7.7	9.8
Taxation charge	<u>77.1</u>	<u>78.9</u>	<u>77.1</u>	<u>78.9</u>

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

19 GROUP BORROWINGS AND DEBT SECURITIES

The amount of Group borrowings and debt securities as at 30 April 2017 are as follows:

	<u>Current</u> RM'm	<u>Non-current</u> RM'm	<u>Total</u> RM'm
Unsecured:			
Term loans			
- RM Term Loan	312.4	1,050.0	1,362.4
- USD Term Loan – USD330 million	223.8	752.1	975.9
	<u>536.2</u>	<u>1,802.1</u>	<u>2,338.3</u>
Less: Debt issuance costs	(5.4)	(6.4)	(11.8)
Term loans, net of debt issuance costs	<u>530.8</u>	<u>1,795.7</u>	<u>2,326.5</u>
Finance lease			
- Lease of transponders ^(a)	98.6	926.6	1,025.2
- Lease of equipment and software ^(b)	3.3	3.5	6.8
	<u>101.9</u>	<u>930.1</u>	<u>1,032.0</u>
	<u>632.7</u>	<u>2,725.8</u>	<u>3,358.5</u>

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

	<u>Total</u> RM'm
Ringgit Malaysia	1,841.4
United States Dollars (“USD”)	<u>1,517.1</u>
	<u>3,358.5</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
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

20 DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 30 April 2017 are set out below:

Types of derivatives	Contract/ Notional Amount RM'm	Fair Value Assets RM'm	Fair Value Liabilities RM'm
Foreign currency options (“FX Options”)			
- Less than 1 year	57.6	0.3	-
- 1 to 3 years	73.0	6.3	-
- More than 3 years	0.7	0.7	-
	131.3	7.3	-
Forward foreign currency exchange contracts (“FX Contracts”)			
- Less than 1 year	740.2	29.6	(2.1)
- 1 to 3 years	-	-	-
- More than 3 years	-	-	-
	740.2	29.6	(2.1)
Interest rate swaps (“IRS”)			
- Less than 1 year	418.7	-	(3.4)
- 1 to 3 years	779.0	0.6	(4.3)
- More than 3 years	337.5	-	(2.8)
	1,535.2	0.6	(10.5)
Cross-currency interest rate swaps (“CCIRS”)			
- Less than 1 year	201.8	82.5	-
- 1 to 3 years	381.1	143.1	-
- More than 3 years	224.2	100.5	-
	807.1	326.1	-

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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 2017 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 2017, the Group recognised net total derivative financial assets of RM351.0m, a decrease of RM84.4m from the previous financial year ended 31 January 2017, on re-measuring the fair values of the derivative financial instruments. The corresponding decrease of RM83.0m has been included in equity in the hedging reserve and remaining RM1.4m were net accrued interest.

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 have maturities of less than one year after the balance sheet date, while foreign currency options were entered into for a period of up to 6 years. As at 30 April 2017, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM740.2m (31 January 2017: RM971.0m) and foreign currency options were USD30.2m (31 January 2017: USD34.5m).

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 RM1,012.5m (31 January 2017: RM1,012.5m) and vendor financing, as disclosed in Note 21 with notional principal amounts of RM441.2m and USD18.8m (31 January 2017: RM397.2m and USD18.8m).

The interest rate swaps for bank loan were entered for entire term of bank loan with an average fixed swap rate of 4.15% p.a. (31 January 2017: 4.15% p.a.).

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 3.74% p.a. (31 January 2017: 3.74% p.a.) and 1.89% p.a. (31 January 2017: 1.89% p.a.) respectively.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
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 USD222.8m (31 January 2017: USD222.8m) for bank loan and vendor financing of USD37.5m (31 January 2016: USD55.1m).

The cross-currency interest rate swap for bank loan was entered for entire term of bank loan and had an average fixed swap rate and exchange rate of 4.19% p.a. (inclusive of interest margin of 1% p.a.) (31 January 2017: 4.19% p.a. (inclusive of interest margin of 1% p.a.)) and USD/RM3.0189 (31 January 2017: 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 4.43% p.a. (inclusive of interest margin of 1.0% p.a.) (31 January 2017: 4.36% p.a. (inclusive of interest margin of 1.0% p.a.) and USD/RM3.5912 (31 January 2017: USD/RM3.4855).

21 PAYABLES

Included in payables are credit terms granted by vendors that generally range from 0 to 90 days (31 January 2017: 0 to 90 days). Vendors of set-top boxes and outdoor units have adopted 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 2.1% p.a. and 4.6% p.a. (31 January 2017: 1.9% p.a. and 4.6% p.a.).

As at 30 April 2017, the vendor financing included in payables is RM766.4m (31 January 2017: RM801.1m), comprising current portion of RM264.1m (31 January 2017: RM311.1m) and non-current portion of RM502.3m (31 January 2017: RM490.0m).

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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 30/4/2017 RM'm</u>	<u>As at 31/1/2017 RM'm</u>
Total (accumulated losses)/retained profits of the Company and its subsidiaries:		
- Realised	(258.4)	(246.2)
- Unrealised ^{N1}	(33.9)	(83.2)
	<u>(292.3)</u>	<u>(329.4)</u>
Total retained profits from associates and joint ventures:		
- Realised	2.6	2.5
- Unrealised	-	-
	<u>(289.7)</u>	<u>(326.9)</u>
Less: Consolidation adjustments	(375.7)	(378.1)
Total accumulated losses as per consolidated balance sheets	<u>(665.4)</u>	<u>(705.0)</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 2018 amounting to approximately RM156,285,666, to be paid on 14 July 2017. The entitlement date for the dividend payment is 4 July 2017.

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 4 July 2017 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
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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 0.5 sen per ordinary share in respect of the financial year ended 31 January 2017 amounting to approximately RM26,047,611. The entitlement date for the final dividend has now been fixed on 4 July 2017 and will be paid on 14 July 2017.

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 4 July 2017 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 2017 is 3.00 sen per share, based on 5,209,522,200 ordinary shares (30 April 2016: 3.00 sen per share, based on 5,205,015,600 ordinary shares).

25 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share at 30 April 2017 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 2017 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 2017:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER	QUARTER	PERIOD	PERIOD
	ENDED	ENDED	ENDED	ENDED
	30/4/2017	30/4/2016	30/4/2017	30/4/2016
Profit attributable to the equity holders of the Company (RM'm)	195.9	202.1	195.9	202.1
(i) Basic EPS				
Weighted average number of issued ordinary shares ('m)	5,209.5	5,205.0	5,209.5	5,205.0
Basic earnings per share (RM)	0.038	0.039	0.038	0.039

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
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25 EARNINGS PER SHARE (continued)

(ii) Diluted EPS

	<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>30/4/2017</u>	<u>30/4/2016</u>	<u>30/4/2017</u>	<u>30/4/2016</u>
Weighted average number of issued ordinary shares ('m)	5,209.5	5,205.0	5,209.5	5,205.0
Effect of dilution:				
Grant of share awards under the management share scheme ('m)	9.7	12.9	9.7	12.9
	<u>5,219.2</u>	<u>5,217.9</u>	<u>5,219.2</u>	<u>5,217.9</u>
Diluted earnings per share (RM)	<u>0.038</u>	<u>0.039</u>	<u>0.038</u>	<u>0.039</u>

26 MATERIAL EVENTS SUBSEQUENT TO END OF THE FINANCIAL PERIOD

On 9 June 2017, a wholly-owned subsidiary of the Company, Measat Broadcast Network Systems Sdn Bhd ("MBNS"), has received the acknowledgement receipt from the Securities Commission Malaysia ("SC") pursuant to MBNS' lodgement of the required information and documents relating to the proposed establishment of a medium term notes programme of up to RM3.0 billion in nominal value with the SC under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC.

Other than the above, there were no material subsequent events during the period from the end of the quarter review to 14 June 2017.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON
(License No. LS0007908)

Company Secretary
14 June 2017