# ASTRO MALAYSIA HOLDINGS BERHAD

(932533-V) (Incorporated in Malaysia)

# QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 OCTOBER 2018

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 OCTOBER 2018

The Board of Directors of Astro Malaysia Holdings Berhad ("AMH" or "the Company") presents the following unaudited condensed consolidated financial statements for the third quarter ended 31 October 2018 which should be read in conjunction with the audited financial statements for the financial year ended 31 January 2018 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

| | | INDIVIDUAL QUARTER | | | CUMULATIVE QUARTER | | |
|---|---|---|---|---|---|---|---|
| | Note | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/10/2017 | | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 | |
| | | RM'm | RM'm | % | RM'm | RM'm | % |
| **Revenue** | 9 | 1,383.8 | 1,396.7 | -1 | 4,111.2 | 4,142.5 | -1 |
| Cost of sales | | (853.6) | (879.6) | | (2,664.4) | (2,420.6) | |
| **Gross profit** | | 530.2 | 517.1 | +3 | 1,446.8 | 1,721.9 | -16 |
| **Other operating income** | | 4.6 | 3.2 | | 9.2 | 11.9 | |
| Marketing and distribution costs | | (115.1) | (122.0) | | (368.7) | (365.5) | |
| Administrative expenses | | (112.0) | (151.1) | | (358.7) | (439.0) | |
| **Profit from operations** | | 307.7 | 247.2 | +24 | 728.6 | 929.3 | -22 |
| Finance income | | 10.5 | 24.4 | | 30.7 | 56.7 | |
| Finance costs | | (102.2) | (65.2) | | (280.1) | (170.6) | |
| Share of post-tax results from investments accounted for using the equity method | | (0.3) | (0.4) | | 0.6 | (0.7) | |
| **Profit before tax** | 19 | 215.7 | 206.0 | +5 | 479.8 | 814.7 | -41 |
| Tax expense | 20 | (62.1) | (60.1) | | (137.6) | (231.3) | |
| **Profit for the financial period** | | 153.6 | 145.9 | +5 | 342.2 | 583.4 | -41 |
| **Attributable to:** | | | | | | | |
| Equity holders of the Company | | 153.2 | 146.6 | +5 | 344.5 | 588.8 | -41 |
| Non-controlling interests | | 0.4 | (0.7) | | (2.3) | (5.4) | |
| | | 153.6 | 145.9 | +5 | 342.2 | 583.4 | -41 |
| Earnings per share attributable to equity holders of the Company (RM): | | | | | | | |
| - Basic | 28 | 0.029 | 0.028 | | 0.066 | 0.113 | |
| - Diluted | 28 | 0.029 | 0.028 | | 0.066 | 0.113 | |

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 OCTOBER 2018

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | **QUARTER ENDED 31/10/2018** | **QUARTER ENDED 31/10/2017** | **PERIOD ENDED 31/10/2018** | **PERIOD ENDED 31/10/2017** |
| | **RM'm** | **RM'm** | **RM'm** | **RM'm** |
| **Profit for the financial period** | 153.6 | 145.9 | 342.2 | 583.4 |
| **Other comprehensive income/(loss):** | | | | |
| Items that will be reclassified subsequently to profit or loss: | | | | |
| - Net change in cash flow hedge | 18.3 | (6.9) | 94.5 | (81.4) |
| - Net change in available-for-sale financial assets | - | (0.2) | - | 0.1 |
| Foreign currency translation | (3.3) | 0.6 | (12.1) | 3.9 |
| Taxation | (3.7) | 2.2 | (23.3) | 19.6 |
| Other comprehensive income/(loss), net of tax | 11.3 | (4.3) | 59.1 | (57.8) |
| **Total comprehensive income for the financial period** | 164.9 | 141.6 | 401.3 | 525.6 |
| **Attributable to:** | | | | |
| Equity holders of the Company | 164.5 | 142.3 | 403.6 | 531.0 |
| Non-controlling interests | 0.4 | (0.7) | (2.3) | (5.4) |
| | 164.9 | 141.6 | 401.3 | 525.6 |

ASTRO MALAYSIA HOLDINGS BERHAD (932533-V)
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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 OCTOBER 2018

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

| | Note | AS AT 31/10/2018 Unaudited RM'm | AS AT 31/1/2018 Audited RM'm |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | 2,246.7 | 2,400.8 |
| Investments in associates | | 1.8 | 0.7 |
| Investments in joint ventures | | 2.3 | 2.0 |
| Other investment | | 4.1 | 4.1 |
| Receivables, prepayments and contract assets | 23 | 151.9 | 136.1 |
| Deferred tax assets | | 130.7 | 106.9 |
| Derivative financial instruments | 22 | 118.8 | 116.9 |
| Intangible assets | | 2,099.0 | 2,039.3 |
| | | 4,755.3 | 4,806.8 |
| **Current assets** | | | |
| Inventories | | 21.5 | 19.7 |
| Other investment | | 881.7 | 728.4 |
| Receivables, prepayments and contract assets | 23 | 701.0 | 1,011.5 |
| Derivative financial instruments | 22 | 94.2 | 45.7 |
| Tax recoverable | | 10.2 | 2.2 |
| Cash and bank balances | | 319.9 | 233.6 |
| | | 2,028.5 | 2,041.1 |
| **Total assets** | | 6,783.8 | 6,847.9 |
| **Current liabilities** | | | |
| Payables and contract liabilities | 24 | 1,422.2 | 1,652.5 |
| Derivative financial instruments | 22 | 0.7 | 88.6 |
| Borrowings | 21 | 602.0 | 645.8 |
| Tax liabilities | | 48.8 | 16.8 |
| | | 2,073.7 | 2,403.7 |
| **Net current liabilities** | | (45.2) | (362.6) |
| **Non-current liabilities** | | | |
| Payables and contract liabilities | 24 | 429.9 | 389.5 |
| Derivative financial instruments | 22 | 1.0 | 2.7 |
| Borrowings | 21 | 3,489.9 | 3,319.4 |
| Deferred tax liabilities | | 81.1 | 79.3 |
| | | 4,001.9 | 3,790.9 |
| **Total liabilities** | | 6,075.6 | 6,194.6 |
| **Net assets** | | 708.2 | 653.3 |

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

| | Note | AS AT 31/10/2018 Unaudited RM'm | AS AT 31/1/2018 Audited RM'm |
|---|---|---|---|
| **Capital and reserves attributable to equity holders of the Company** | | | |
| Share capital | | 6,727.9 | 6,726.9 |
| Exchange reserve | | 0.9 | 13.0 |
| Capital reorganisation reserve | | (5,470.2) | (5,470.2) |
| Hedging reserve | | 22.0 | (49.2) |
| Fair value reserve | | - | (0.4) |
| Share scheme reserve | | 0.3 | 10.4 |
| Accumulated losses | | (666.1) | (576.9) |
| | | 614.8 | 653.6 |
| Non-controlling interests | | 93.4 | (0.3) |
| **Total equity** | | 708.2 | 653.3 |

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 OCTOBER 2018

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Attributable to equity holders of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Period ended 31/10/2018** | 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 31/1/2018, as reported | 6,726.9^ | 13.0 | (5,470.2) | (49.2) | (0.4) | 10.4 | (576.9) | 653.6 | (0.3) | 653.3 |
| Impacts arising from application of: | | | | | | | | | | |
| - MFRS 15 (part A, Note 1) | - | - | - | - | - | - | 5.1 | 5.1 | - | 5.1 |
| - MFRS 9 (part A, Note 1) | - | - | - | - | 0.4 | - | (6.6) | (6.2) | - | (6.2) |
| At 1/2/2018, as adjusted | 6,726.9 | 13.0 | (5,470.2) | (49.2) | - | 10.4 | (578.4) | 652.5 | (0.3) | 652.2 |
| Profit/(loss) for the financial period | - | - | - | - | - | - | 344.5 | 344.5 | (2.3) | 342.2 |
| Other comprehensive (loss)/income for the financial period | - | (12.1) | - | 71.2 | - | - | - | 59.1 | - | 59.1 |
| **Total comprehensive (loss)/income for the financial period** | - | (12.1) | - | 71.2 | - | - | 344.5 | 403.6 | (2.3) | 401.3 |
| Ordinary shares dividends | - | - | - | - | - | - | (443.2) | (443.2) | - | (443.2) |
| Transfer of lapsed share options | - | - | - | - | - | (11.0) | 11.0 | - | - | - |
| Share grant exercised | 1.0 | - | - | - | - | (1.0) | - | - | - | - |
| Issuance of shares to non-controlling interests (Note 10 (c)) | - | - | - | - | - | - | - | - | 96.0 | 96.0 |
| Share-based payment transaction | - | - | - | - | - | 1.9 | - | 1.9 | - | 1.9 |
| **Transactions with owners** | - | - | - | - | - | (10.1) | (432.2) | (441.3) | 96.0 | (345.3) |
| At 31/10/2018 | 6,727.9^ | 0.9 | (5,470.2) | 22.0 | - | 0.3 | (666.1) | 614.8 | 93.4 | 708.2 |

^ 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 issued and fully paid up ordinary shares as at 31 October 2018 is 5,214,314,500.

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

| | Attributable to equity holders of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Period ended 31/10/2017** | 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 | - | - | - | - | - | - | 588.8 | 588.8 | (5.4) | 583.4 |
| Other comprehensive income/(loss) for the financial period | - | 3.9 | - | (61.8) | 0.1 | - | - | (57.8) | - | (57.8) |
| **Total comprehensive income/(loss) for the financial period** | - | 3.9 | - | (61.8) | 0.1 | - | 588.8 | 531.0 | (5.4) | 525.6 |
| Ordinary shares dividends | - | - | - | - | - | - | (494.9) | (494.9) | - | (494.9) |
| Cash settlement of share options | - | - | - | - | - | (3.2) | - | (3.2) | - | (3.2) |
| Transfer of lapsed share options | - | - | - | - | - | (8.7) | 8.7 | - | - | - |
| Share grant exercised | 11.1 | - | - | - | - | (11.1) | - | - | - | - |
| Share-based payment transaction | - | - | - | - | - | 7.3 | - | 7.3 | - | 7.3 |
| **Transactions with owners** | 11.1 | - | - | - | - | (15.7) | (486.2) | (490.8) | - | (490.8) |
| At 31/10/2017 | 6,726.9^ | 7.5 | (5,470.2) | (7.6) | 0.1 | 9.3 | (602.4) | 663.6 | 1.0 | 664.6 |

^ 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 issued and fully paid up ordinary shares as at 31 October 2017 is 5,213,883,600.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **RM'm** | **RM'm** |
| **Profit before tax** | 479.8 | 814.7 |
| Adjustments for: | | |
| Non-cash items^ | 923.0 | 816.6 |
| Interest expense | 184.1 | 155.6 |
| Interest income | (30.7) | (19.9) |
| **Operating cash flows before changes in working capital** | 1,556.2 | 1,767.0 |
| Changes in working capital | 89.4 | (14.6) |
| **Cash flows from operations** | 1,645.6 | 1,752.4 |
| Income tax paid | (158.4) | (180.7) |
| Interest received | 3.1 | 4.3 |
| **Net cash flows generated from operating activities** | 1,490.3 | 1,576.0 |
| | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Proceeds from disposal of property, plant and equipment and intangibles | 0.2 | 0.1 |
| Purchase of property, plant and equipment and intangibles | (377.1) | (420.7) |
| Purchase of unit trusts | (127.9) | (424.0) |
| (Placements)/maturities of fixed deposits | (18.1) | 95.0 |
| Maturities of bonds | - | 5.0 |
| Investment in associate | (0.8) | - |
| **Net cash flows used in investing activities** | (523.7) | (744.6) |
| | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Dividends paid | (443.2) | (494.9) |
| Interest paid | (90.5) | (69.6) |
| Payment for set-top boxes | (212.7) | (204.5) |
| Payment of finance lease liabilities | (201.5) | (156.9) |
| Net drawdown of borrowings | 61.7 | 75.3 |
| **Net cash flows used in financing activities** | (886.2) | (850.6) |
| | | |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | 80.4 | (19.2) |
| **EFFECTS OF FOREIGN EXCHANGE RATE CHANGES** | (12.1) | 3.8 |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD** | 233.6 | 263.3 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD#** | 301.9 | 247.9 |

^ Non-cash items mainly represent amortisation of intangible assets and depreciation of property, plant and equipment as disclosed in Note 19.

\# 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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

Material Non-Cash Transaction

During the financial period ended 31 October 2018, the Group acquired set-top boxes by means of vendor financing amounting to RM125.7m (31 October 2017: RM163.4m) and transponders by means of finance lease of RM76.6m (31 October 2017: RM806.2m). The Group repaid RM212.7m (31 October 2017: RM204.5m) in relation to vendor financing for set-top boxes and RM201.5m (31 October 2017: RM156.9m) 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 2018.

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 2018, except for changes arising from the adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers as described below:

**MFRS 9 Financial Instruments**

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement. The adoption of MFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

(i) Classification and measurement of financial instruments

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss ("FVPL") and fair value through other comprehensive income ("FVOCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at FVPL with the irrevocable option at inception to present changes in FVOCI (provided the instruments is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

MFRS 9 retains most of the MFRS 139 requirements for classification and measurement of financial liabilities. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of profit or loss, unless this creates an accounting mismatch.

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

**1 BASIS OF PREPARATION (continued)**

**MFRS 9 Financial Instruments (continued)**

(ii) Impairment of financial assets

MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

From 1 February 2018, the Group assesses on a forward-looking basis the ECLs associated with its financial assets classified at amortised costs and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus these adjustments were recognised in the opening retained earnings of the current period.

**MFRS 15 Revenue from Contracts with Customers**

MFRS 15 replaces MFRS 118 Revenue and MFRS 111 Construction contracts and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(i) Costs incurred to obtain or fulfil a contract

Under MFRS 15, the Group capitalises sales commissions (for newly-acquired customers) as costs to obtain or fulfil a contract with a customer when they are incremental and expected to be recovered over service period. These costs are included within receivables, prepayments and contract assets and are amortised consistently with the transfer of the service to the customer. Previously, these costs were recognised in the income statement.

(ii) Non-subscription based set-top boxes

Upon application of the five-step process under MFRS 15, sales of non-subscription based set top boxes is not a distinct performance obligation as consumers can only benefit from the usage of the set top boxes by viewing the channels transmitted by the Group over the life of the set top boxes. Consequently, the revenue and cost attributed by sale of non-subscription based set top boxes will be recognised over the obligated period of the set top boxes instead of it being recognised upon delivery.

The Group has adopted the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 February 2018 and that comparatives will not be restated.

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

## 1 BASIS OF PREPARATION (continued)

The impact from application of MFRS 9 and MFRS 15 to the Group's accumulated losses is as follows:

| | RM'm |
|---|---|
| **Closing accumulated losses 31 January 2018 – as reported** | **(576.9)** |
| Reclassification of investment in unit trust from available-for-sale to FVPL | (0.4) |
| Increase in impairment of receivables | (8.2) |
| Increase in deferred tax assets | 2.0 |
| **Adjustment to accumulated losses from adoption of MFRS 9** | **(6.6)** |
| Capitalisation of sales commissions | 7.8 |
| Recognition of contract liabilities from allocation of non-subscription based set-top boxes revenue over obligated period | (23.5) |
| Recognition of contract assets from allocation of non-subscription based set-top boxes costs over obligated period | 21.9 |
| Other MFRS 15 adjustment arising from change of timing of revenue | 0.4 |
| Decrease in deferred tax assets | (1.5) |
| **Adjustment to accumulated losses from adoption of MFRS 15** | **5.1** |
| **Opening accumulated losses 1 February 2018 – after MFRS 9 and 15** | **(578.4)** |

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2018 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- 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)

**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 2019:

- MFRS 16 Leases (effective from 1 January 2019)
- IC Interpretation 23 Uncertainty over Income Tax Treatments (effective from 1 January 2019)
- 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)
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures (effective from 1 January 2019)
- Amendments to MFRS 9 Prepayment Features with Negative Compensation (effective from1 January 2019)
- Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement (effective from 1 January 2019)
- Annual improvements to MFRS Standards 2015-2017 cycle (effective from 1 January 2019)
- Amendments to References to the Conceptual Framework in MFRS Standards (effective from 1 January 2020)

**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 financial period ended 31 October 2018.

**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 31 October 2018.

**5 DEBT AND EQUITY SECURITIES**

Save as below items, there were no other issuance, repurchase and repayment of debt and equity securities during the financial period ended 31 October 2018.

(i) On 28 February 2018, a wholly-owned subsidiary of the Company, MEASAT Broadcast Network Systems Sdn Bhd ("MBNS") had drawndown the second tranche of Synthetic Foreign Currency Loan Facility amounting to RM306.4 million in nominal value maturing on 29 November 2022 at interest rate of 4.8% per annum. The interest is payable quarterly.

(ii) On 9 August 2018, MBNS accepted a term loan of RM380 million from Sumitomo Mitsui Banking Corporation Malaysia Berhad ("Term Loan Facility"). The Term Loan Facility was granted to MBNS on a clean basis and shall be fully repaid on or before the expiry of 5 years from the date of the first drawdown. The purpose of the Term Loan is to finance MBNS's:-

(a) costs relating to the production, purchase and licensing of content, program or channels and its purchase of set-top boxes, including the settlement of the vendor financing thereof; and
(b) operating and capital expenditure, including asset acquisition for broadcast and transmission and acquisition of software and platforms.

On 23 August 2018, MBNS had drawn down RM380 million, with RM50 million maturing on 23 February 2023 and RM330 million maturing on 23 August 2023, at interest rate of 5.18% per annum. The interest is payable quarterly.

(iii) On 20 August 2018, AMH prepaid RM400 million of its Ringgit term loan.

(iv) On 19 October 2018, the Company issued and allotted 430,900 new ordinary shares in the Company, to eligible executives and eligible employees, pursuant to the terms of the Offer Letters dated 19 October 2015 and 19 October 2016 respectively, in accordance with the By-laws of the Management Share Scheme of the Company.

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

## 6 DIVIDENDS PAID

During the financial period ended 31 October 2018, the following dividend payments were made:

| In respect of the financial year ended 31 January 2018: | RM'm |
|---|---|
| Fourth interim single-tier dividend of 3.0 sen per ordinary share, declared on 28 March 2018 and paid on 27 April 2018 | 156.4 |
| Final single-tier dividend of 0.5 sen per ordinary share, approved by shareholders at the Annual General Meeting on 7 June 2018 and paid on 6 July 2018 | 26.1 |
| | 182.5 |

| In respect of the financial year ending 31 January 2019: | RM'm |
|---|---|
| First interim single-tier dividend of 2.5 sen per ordinary share, declared on 6 June 2018 and paid on 6 July 2018 | 130.3 |
| Second interim single-tier dividend of 2.5 sen per ordinary share, declared on 26 September 2018 and paid on 26 October 2018 | 130.4 |
| | 260.7 |

Refer to Note 27 for dividends declared during third quarter ended 31 October 2018.

## 7 SIGNIFICANT EVENT DURING THE PERIOD

MBNS had on 12 April 2018 entered into an agreement with MEASAT International (South Asia) Ltd ("MISAL"), a wholly-owned subsidiary of MEASAT Global Berhad ("MGB"), for the utilisation of transponder capacity on the MEASAT-3b ("M3b") satellite for a fee of United States Dollar ("USD") 22.5 million ("Fees") to be satisfied in cash. The Agreement became unconditional upon approval of board of directors of MBNS and the Company which have been obtained on 12 April 2018 and approval of the shareholders of AMH on 7 June 2018. The M3b transponders were delivered to MBNS on 8 June 2018, correspondingly the present value of all future payments for the Fees (net of executory costs) amounting USD19.2 million were recognised in the balance sheet.

## 8 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) Other non-reportable segments.

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.

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

## 8 SEGMENT RESULTS AND REPORTING (continued)

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.

| **Period ended 31/10/2018** | **Television** | **Radio** | **Home-shopping** | **Others** | **Corporate Function** | **Elimination** | **Total** |
|---|---|---|---|---|---|---|---|
| | **RM'm** | **RM'm** | **RM'm** | **RM'm** | **RM'm** | **RM'm** | **RM'm** |
| External revenue | 3,622.1 | 213.2 | 275.2 | - | 0.7 | - | 4,111.2 |
| Interest income | 21.4 | 4.0 | 0.9 | 0.3 | 41.3 | (37.2) | 30.7 |
| Interest expense | (169.5) | - | (0.2) | (1.4) | (50.2) | 37.2 | (184.1) |
| Depreciation and amortisation | (800.3) | (3.4) | (2.9) | - | (2.3) | 38.8 | (770.1) |
| Share of post-tax results from investments accounted for using the equity method | 0.6 | - | - | - | - | - | 0.6 |
| Segment profit/(loss) – Profit/(loss) before tax | 380.1 | 113.6 | (6.5) | (8.6) | (26.8) | 28.0 | 479.8 |
| **As at 31/10/2018** | | | | | | | |
| Segment assets | 5,847.1 | 1,501.2 | 54.9 | 17.6 | 406.9 | (1,174.6) | 6,653.1 |
| Segment liabilities | 5,326.2 | 344.7 | 90.4 | 13.8 | 1,168.9 | (998.3) | 5,945.7 |

| **Period ended 31/10/2017** | **Television** | **Radio** | **Home-shopping** | **Others** | **Corporate Function** | **Elimination** | **Total** |
|---|---|---|---|---|---|---|---|
| | **RM'm** | **RM'm** | **RM'm** | **RM'm** | **RM'm** | **RM'm** | **RM'm** |
| External revenue | 3,696.8 | 239.5 | 205.0 | - | 1.2 | - | 4,142.5 |
| Interest income | 13.0 | 3.1 | 0.6 | 0.9 | 56.9 | (54.6) | 19.9 |
| Interest expense | (145.3) | (0.1) | - | (1.5) | (63.3) | 54.6 | (155.6) |
| Depreciation and amortisation | (798.7) | (4.2) | (4.1) | (0.1) | (3.8) | 23.9 | (787.0) |
| Share of post-tax results from investments accounted for using the equity method | (0.7) | - | - | - | - | - | (0.7) |
| Segment profit/(loss) – Profit/(loss) before tax | 725.0 | 127.1 | (12.1) | (7.6) | (26.5) | 8.8 | 814.7 |

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

## 8 SEGMENT RESULTS AND REPORTING (continued)

| As at 31/1/2018 | | | | | | | |
|---|---|---|---|---|---|---|---|
| Segment assets | 5,533.1 | 1,258.6 | 54.2 | 24.8 | 461.1 | (590.8) | 6,741.0 |
| Segment liabilities | 4,695.2 | 184.9 | 83.1 | 12.6 | 1,793.0 | (670.3) | 6,098.5 |

| Quarter ended 31/10/2018 | Television RM'm | Radio RM'm | Home-shopping RM'm | Others RM'm | Corporate Function RM'm | Elimination RM'm | Total RM'm |
|---|---|---|---|---|---|---|---|
| External revenue | 1,215.0 | 70.5 | 98.2 | - | 0.1 | - | 1,383.8 |
| Interest income | 6.9 | 1.8 | 0.3 | 0.1 | 9.8 | (8.4) | 10.5 |
| Interest expense | (55.6) | - | (0.1) | (0.4) | (16.2) | 8.4 | (63.9) |
| Depreciation and amortisation | (261.6) | (1.1) | (0.6) | - | (0.7) | 6.6 | (257.4) |
| Share of post-tax results from investments accounted for using the equity method | (0.3) | - | - | - | - | - | (0.3) |
| Segment profit/(loss) – Profit/(loss) before tax | 188.9 | 41.1 | 0.5 | (2.6) | (10.4) | (1.8) | 215.7 |

| Quarter ended 31/10/2017 | Television RM'm | Radio RM'm | Home-shopping RM'm | Others RM'm | Corporate Function RM'm | Elimination RM'm | Total RM'm |
|---|---|---|---|---|---|---|---|
| External revenue | 1,245.2 | 79.3 | 72.7 | (0.9) | 0.4 | - | 1,396.7 |
| Interest income | 4.7 | 1.0 | 0.2 | 0.2 | 17.8 | (16.6) | 7.3 |
| Interest expense | (56.0) | (0.1) | - | 0.5 | (21.4) | 16.6 | (60.4) |
| Depreciation and amortisation | (275.0) | (1.4) | (1.4) | (0.1) | (1.0) | 9.6 | (269.3) |
| Share of post-tax results from investments accounted for using the equity method | (0.4) | - | - | - | - | - | (0.4) |
| Segment profit/(loss) – Profit/(loss) before tax | 169.9 | 43.6 | (2.8) | (0.4) | (10.1) | 5.8 | 206.0 |

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

## 9 REVENUE

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/10/2017 | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 |
| | RM'm | RM'm | RM'm | RM'm |
| Subscription | 1,002.4 | 1,043.1 | 3,034.1 | 3,171.4 |
| Advertising | 178.7 | 175.1 | 490.7 | 526.4 |
| Merchandise sales | 97.7 | 72.2 | 274.2 | 202.8 |
| Others | 105.0 | 106.3 | 312.2 | 241.9 |
| | 1,383.8 | 1,396.7 | 4,111.2 | 4,142.5 |

## 10 CHANGES IN THE COMPOSITION OF THE GROUP

(a) On 5 April 2018, Spark Asia TV Pte Ltd, a 30% owned joint venture company of Astro Entertainment Sdn Bhd ("AESB"), a wholly-owned subsidiary of the Company, was officially struck off from the Register of the Accounting and Corporate Regulatory Authority of Singapore. The striking off was carried out in accordance with the Settlement Agreement entered into between AESB, Spark GmbH and Moving Visuals International Pte Ltd dated 20 February 2017.

(b) On 25 April 2018, AESB subscribed additional 200,000 ordinary shares in Turner Astro Limited ("TAL"), a 20% owned associate company principally engaged in provision of television services, for cash consideration of USD200,000. Following the subscription, the Company's shareholding interest of 20% in TAL remains unchanged.

(c) On 2 May 2018, the proposed joint venture between a wholly-owned subsidiary of the Company, Astro Digital Sdn Bhd ("ADSB") and Grup Majalah Karangkraf Sdn Bhd became unconditional and was completed in accordance with the terms of the joint venture agreement. Following the completion of the proposed joint venture, Nu Ideaktiv Sdn Bhd (formerly known as Karangkraf Digital 360 Sdn Bhd) ("NISB") became a 51%-held indirect subsidiary of the Company. On the same day, ADSB subscribed for 104 new Class A Ordinary Shares and 50,000,000 new Class B Ordinary Shares in NISB for cash consideration of RM50,000,104. Please refer to the announcements dated 6 December 2017, 8 February 2018 and 2 May 2018 for details.

Details of the identifiable assets arising from the acquisition of the subsidiary are as follows:

| | Fair Value RM'm |
|---|---|
| Intangible assets | 96.0 |
| Less: Non controlling interest | (96.0) |
| Fair value of purchase consideration | - |

The fair value at date of acquisition is provisional until the purchase price allocation is concluded. This includes the assessment of the fair value of all identifiable assets and liabilities assumed, which is reasonably expected to be concluded within 12 months from date of acquisition. Intangible assets arising from this acquisition will be adjusted accordingly on a retrospective basis when the assessment and valuation of all identifiable assets and liabilities assumed are finalised.

Save as disclosed above, there were no changes in the composition of the Group during the financial period ended 31 October 2018.

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

## 11 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS

### a. Indemnity and guarantees

Details of the indemnity and guarantees of the Group as at 31 October 2018, for which no provision has been made in the interim financial statements, are as set out below:

| | Group | |
|---|---|---|
| | **31/10/2018** | **31/1/2018** |
| | **RM'm** | **RM'm** |
| Indemnity given to financial institutions in respect of bank guarantees issued (unsecured): | | |
| - Programme rights vendors[1] | 37.1 | 139.1 |
| - Others[2] | 7.2 | 8.2 |
| Other indemnities: | | |
| - Guarantee to programme rights vendor provided by AMH[1] | 757.6 | 706.0 |
| | 801.9 | 853.3 |

Notes:

[1] Included as part of the programming commitments for programme rights as set out in Note 12.

[2] Consist of bank guarantees issued mainly to Royal Malaysian Customs, utility companies and other statutory bodies.

### b. Contingent assets

There were no significant contingent assets as at 31 October 2018 (31 January 2018: Nil).

## 12 COMMITMENTS

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

| | 31/10/2018 | | | 31/1/2018 | | |
|---|---|---|---|---|---|---|
| | **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 | 85.9 | 78.9 | 164.8 | 113.7 | 60.3 | 174.0 |
| Software | 14.0 | 99.5 | 113.5 | 17.5 | 123.6 | 141.1 |
| Film library and programme rights | 395.4 | 574.5 | 970.5 | 544.2 | 883.5 | 1,427.7 |
| | 495.3 | 753.0 | 1,248.8 | 675.4 | 1,067.4 | 1,742.8 |

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

## 13 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 23.955% 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.

| **Related Parties** | **Relationship** |
|---|---|
| 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 |
| Tiger Gate Entertainment Limited | Associate of AOL |
| MISAL | Subsidiary of a company in which TAK has a 100% direct equity interest |
| GS Home Shopping Inc. | Major shareholder of Astro GS Shop Sdn. Bhd., a 60% owned subsidiary of the Company |

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

## 13 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

| | Transaction for the period ended 31/10/2018 RM'm | Transaction for the period ended 31/10/2017 RM'm | Balances due from/(to) as at 31/10/2018* RM'm | Balances due from/(to) as at 31/1/2018* RM'm | Commitments as at 31/10/2018 RM'm | Commitments as at 31/1/2018 RM'm |
|---|---|---|---|---|---|---|
| (i) Sales of goods and services | | | | | | |
| - Maxis Mobile Services Sdn. Bhd. (Multimedia, interactive and airtime sales) | 5.2 | 5.3 | 1.6 | 1.6 | - | - |
| - Kristal-Astro Sdn. Bhd. (Programme services and right sales, technical support, smartcard rental, and sales of set-top boxes and accessories) | 22.6 | 15.1 | 39.9 | 32.1 | - | - |
| - ASTRO Overseas Limited (Management fees) | 0.7 | 1.2 | - | - | - | - |
| (ii) Purchases of goods and services | | | | | | |
| - UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services) | 10.5 | 10.1 | (2.3) | (1.1) | - | - |
| - Maxis Broadband Sdn. Bhd. (Telecommunication services) | 63.8 | 69.4 | (20.4) | (12.2) | - | - |
| - MISAL (Deposit paid on transponder lease) | - | - | 55.8 | 54.2 | - | - |
| - Sun TV Network Limited (Programme broadcast rights) | 30.6 | 29.8 | (19.9) | (11.7) | - | - |
| - Celestial Movie Channel Limited (Programme broadcast rights) | 16.3 | 17.5 | (3.7) | (2.5) | - | - |
| - Tiger Gate Entertainment Limited (Programme broadcast rights) | 9.1 | 10.3 | (3.0) | (2.0) | - | - |
| - GS Home Shopping Inc. (Development of software system, purchase of retail products) | 1.4 | 0.4 | (0.2) | (0.1) | - | - |

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

## 13 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

| | Transaction for the period ended 31/10/2018 RM'm | Transaction for the period ended 31/10/2017 RM'm | Balances due from/(to) as at 31/10/2018* RM'm | Balances due from/(to) as at 31/1/2018* RM'm | Commitments as at 31/10/2018 RM'm | Commitments as at 31/1/2018 RM'm |
|---|---|---|---|---|---|---|
| (iii) Key management personnel compensation | | | | | | |
| - Salaries, bonus and allowances and other staff related costs | 27.4 | 28.0 | | | | |
| - Directors fees | 1.5 | 1.6 | | | | |
| - Defined contribution plans | 4.1 | 3.9 | | | | |
| - Share-based payments | 0.2 | 4.4 | | | | |

* Balances are stated at gross

(iv) Government-related entities

Khazanah Nasional Berhad ("KNB") is deemed interested in 20.67% 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 pursuant to 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 pursuant to the Minister of Finance, (Incorporation) Act, 1957 ("MoF Inc.") and 1,000,000 Redeemable Cumulative Convertible Preference Shares are owned by GovCo Holdings Berhad (wholly-owned by 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 31 October 2018, the estimated aggregate value of significant transactions between the Group and KNB Group is at 3.1% of its total administrative expenses.

## 14 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.

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

**14 FAIR VALUE MEASUREMENTS (continued)**

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

The carrying amounts of financial assets and liabilities of the Group as at 31 October 2018 approximated their fair values except as set out below:

Liabilities measured at amortised cost:

| | Carrying amount | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | RM'm | RM'm | RM'm | RM'm |
| 31 October 2018 | | | | |
| Borrowings – finance lease liabilities | (1,660.2) | - | (1,716.4) | - |
| 31 January 2018 | | | | |
| Borrowings – finance lease liabilities | (1,618.7) | - | (1,682.7) | - |

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:

| Recurring fair value measurements | Carrying amount RM'm | Level 1 RM'm | Level 2 RM'm | Level 3 RM'm |
|---|---|---|---|---|
| 31 October 2018 | | | | |
| Other investment – preference shares in unquoted company | 4.1 | - | - | 4.1 |
| Other investment- investment in unit trusts | 881.7 | 881.7 | - | - |
| Forward foreign currency exchange contracts – cash flow hedges | 26.2 | - | 26.2 | - |
| Foreign currency options | 2.5 | - | 2.5 | - |
| Interest rate swaps – cash flow hedges | (0.9) | - | (0.9) | - |
| Cross-currency interest rate swaps – cash flow hedges | 183.5 | - | 183.5 | - |
| 31 January 2018 | | | | |
| Other investment – preference shares in unquoted company | 4.1 | - | 4.1 | - |
| Other investment- investment in unit trusts | 728.4 | 728.4 | - | - |
| Forward foreign currency exchange contracts – cash flow hedges | (86.2) | - | (86.2) | - |
| Foreign currency option | 1.6 | - | 1.6 | - |
| Interest rate swaps – cash flow hedges | (3.7) | - | (3.7) | - |
| Cross-currency interest rate swaps – cash flow hedges | 159.6 | - | 159.6 | - |

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

**14 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 22.

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**

**15 ANALYSIS OF PERFORMANCE**

(a) Performance of the current quarter (Third Quarter FY19) against the corresponding quarter (Third Quarter FY18):

*All amounts in RM'm unless otherwise stated*

| | Financial Highlights | | | Key Operating Indicators | |
|---|---|---|---|---|---|
| | **QUARTER ENDED 31/10/2018** | **QUARTER ENDED 31/10/2017** | **%** | **QUARTER ENDED 31/10/2018** | **QUARTER ENDED 31/10/2017** |
| **Consolidated Performance** | | | | | |
| Total revenue | 1,383.8 | 1,396.7 | -1 | | |
| EBITDA[1] | 472.6 | 417.5 | +13 | | |
| EBITDA margin (%) | 34.2 | 29.9 | +4 | | |
| Profit from operations | 307.7 | 247.2 | +24 | | |
| Profit before tax | 215.7 | 206.0 | +5 | | |
| Net profit | 153.6 | 145.9 | +5 | | |
| Profit attributable to ordinary equity holders of the Company | 153.2 | 146.6 | +5 | | |
| **(i) Television** | | | | | |
| Subscription revenue | 1,002.4 | 1,043.1 | -4 | | |
| Advertising revenue | 108.2 | 95.8 | +13 | | |
| Other revenue | 104.4 | 106.3 | -2 | | |
| Total revenue | 1,215.0 | 1,245.2 | -2 | | |
| EBITDA[1] | 434.2 | 376.6 | +15 | | |
| EBITDA margin (%) | 35.7 | 30.2 | +6 | | |
| Profit before tax | 188.9 | 169.9 | +11 | | |
| Pay-TV residential ARPU[2](RM) | | | | 99.9 | 100.7 |

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

**15 ANALYSIS OF PERFORMANCE (continued)**

(a) Performance of the current quarter (Third Quarter FY19) against the corresponding quarter (Third Quarter FY18) (continued):

*All amounts in RM'm unless otherwise stated*

| | Financial Highlights | | | Key Operating Indicators | |
|---|---|---|---|---|---|
| | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/10/2017 | % | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/10/2017 |
| **(ii) Radio** | | | | | |
| Revenue | 70.5 | 79.3 | -11 | | |
| EBITDA[1] | 40.4 | 44.0 | -8 | | |
| EBITDA margin (%) | 57.3 | 55.5 | +2 | | |
| Profit before tax | 41.1 | 43.6 | -6 | | |
| Listeners ('mil) | | | | 16.2[3] | 16.5[4] |
| **(iii) Home-shopping** | | | | | |
| Revenue | 98.2 | 72.7 | +35 | | |
| EBITDA[1] | 1.0 | (1.6) | +163 | | |
| EBITDA margin (%) | 1.0 | (2.2) | +3 | | |
| Profit/(loss) before tax | 0.5 | (2.8) | +118 | | |

Notes:

1. 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.
2. 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.
3. Based on the Radio Listenership Survey by GFK dated 13 November 2018 for Peninsular Malaysia and 29 November 2017 for East Malaysia.
4. Based on the Radio Listenership Survey by GFK dated 28 September 2017 for Peninsular Malaysia and 13 September 2017 for East Malaysia.

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

## 15 ANALYSIS OF PERFORMANCE (continued)

(a) Performance of the current quarter (Third Quarter FY19) against the corresponding quarter (Third Quarter FY18) (continued):

**Consolidated Performance**

**Revenue**

Revenue for the current quarter of RM1,383.8m was marginally lower by RM12.9m or 0.9% against corresponding quarter of RM1,396.7m. This was mainly due to a decrease in subscription revenue, offset by higher merchandise sales and advertising revenue. The decrease in subscription revenue was mainly due to lower package take-up. The increase in advertising revenue was mainly contributed by advertising spend on telcos and new device launches. The increase in merchandise sales was due to increase in number of products sold, mainly driven by the tactical campaigns executed for the current quarter.

**EBITDA margin**

EBITDA margin increased by 4.3% against corresponding quarter mainly contributed by lower content costs, license, copyright and loyalty fees and impairment of receivables, offset by higher cost of merchandise sales.

**Net Profit**

Net profit increased by RM7.7m or 5.3% compared with the corresponding quarter due to increase in EBITDA as explained above, offset by higher net finance costs. Higher net finance cost was mainly due to unfavourable unrealised forex movement arising from unhedged finance lease liabilities and vendor financing and increase in interest expenses from borrowings.

**Television**

Revenue for the current quarter of RM1,215.0m was lower by RM30.2m or 2.4% against corresponding quarter of RM1,245.2m. This was mainly due to a decrease in subscription revenue, offset by increase in advertising revenue. The decrease in subscription revenue was mainly due to lower package take-up. The increase in advertising revenue was mainly contributed by advertising spend on telcos and new device launches.

The increase in Television EBITDA by RM57.6m or 15.3% against corresponding quarter mainly due to lower content costs, license, copyright and loyalty fees and impairment of receivables.

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

**15 ANALYSIS OF PERFORMANCE (continued)**

(a) Performance of the current quarter (Third Quarter FY19) against the corresponding quarter (Third Quarter FY18) (continued):

**Radio**

Radio's revenue for the current quarter of RM70.5m was lower by RM8.8m or 11.1% compared with the corresponding quarter of RM79.3m. The lower revenue performance was due to an unfavourable operating environment leading to lower client advertising spend.

The lower revenue resulted in lower EBITDA of RM40.4m, a decline of RM3.6m or 8.2% compared with the corresponding period of RM44.0m, partially offset by lower marketing cost.

**Home-shopping**

Home-shopping's revenue for the current quarter of RM98.2m was higher by RM25.5m or 35.1% compared with the corresponding quarter of RM72.7m. The higher revenue performance was due to an increase in the number of products sold and is mainly driven by the tactical campaigns executed for the current quarter to capitalise on the tax holiday and anniversary celebrations.

Home-shopping EBITDA recorded an improvement of RM2.6m against corresponding quarter, primarily due to the increase in revenue as highlighted above.

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

## 15 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Third Quarter FY19) against the preceding quarter (Second Quarter FY19):

| | *All amounts in RM'm unless otherwise stated* | | | | |
|---|---|---|---|---|---|
| | **Financial Highlights** | | | **Key Operating Indicators** | |
| | **QUARTER ENDED 31/10/2018** | **QUARTER ENDED 31/7/2018** | **%** | **QUARTER ENDED 31/10/2018** | **QUARTER ENDED 31/7/2018** |
| **Consolidated Performance** | | | | | |
| Total revenue | 1,383.8 | 1,416.5 | -2 | | |
| EBITDA[1] | 472.6 | 288.6 | +64 | | |
| EBITDA margin (%) | 34.2 | 20.4 | +14 | | |
| Profit from operations | 307.7 | 124.7 | +147 | | |
| Profit before tax | 215.7 | 29.2 | +639 | | |
| Net profit | 153.6 | 14.7 | +945 | | |
| Profit attributable to ordinary equity holders of the Company | 153.2 | 16.6 | +823 | | |
| **(i) Television** | | | | | |
| Subscription revenue | 1,002.4 | 1,029.2 | -3 | | |
| Advertising revenue | 108.2 | 86.2 | +26 | | |
| Other revenue | 104.4 | 132.1 | -21 | | |
| Total revenue | 1,215.0 | 1,247.5 | -3 | | |
| EBITDA[1] | 434.2 | 251.8 | +72 | | |
| EBITDA margin (%) | 35.7 | 20.2 | +16 | | |
| Profit/(loss) before tax | 188.9 | (13.5) | +1499 | | |
| Pay-TV residential ARPU[2](RM) | | | | 99.9 | 99.9 |
| **(ii) Radio** | | | | | |
| Revenue | 70.5 | 75.2 | -6 | | |
| EBITDA[1] | 40.4 | 39.6 | +2 | | |
| EBITDA margin (%) | 57.3 | 52.7 | +5 | | |
| Profit before tax | 41.4 | 39.5 | +5 | | |
| Listeners ('mil) | | | | 16.2[3] | 16.9[4] |

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

**15 ANALYSIS OF PERFORMANCE (continued)**

(b) Performance of the current quarter (Third Quarter FY19) against the preceding quarter (Second Quarter FY19) (continued):

*All amounts in RM'm unless otherwise stated*

| | Financial Highlights | | | Key Operating Indicators | |
|---|---|---|---|---|---|
| | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/7/2018 | % | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/7/2018 |
| **(iii) Home-shopping** | | | | | |
| Revenue | 98.2 | 93.5 | +5 | | |
| EBITDA[1] | 1.0 | (3.9) | +126 | | |
| EBITDA margin (%) | 1.0 | (4.2) | +5 | | |
| Profit/(loss) before tax | 0.5 | (4.6) | +111 | | |

Notes:

1. 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.
2. 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.
3. Based on the Radio Listenership Survey by GFK dated 13 November 2018 for Peninsular Malaysia and 29 November 2019 for East Malaysia.
4. Based on the Radio Listenership Survey by GFK dated 6 June 2018 for Peninsular Malaysia and 13 September 2017 for East Malaysia.

**Consolidated Performance**

**Revenue**

Revenue for the current quarter of RM1,383.8m was lower by RM32.7m or 2.3% against preceding quarter of RM1,416.5m. This was mainly due to decrease in subscription revenue and licensing income, offset by increase in advertising revenue and merchandise sales. The decrease in subscription revenue was mainly due to lower package take-up and sales of FIFA World Cup passes in the preceding quarter. The increase in advertising revenue was attributed primarily to advertising spend on telcos and new device launches. The increase in merchandise sales was due to increase in the number of products sold, mainly driven by the tactical campaigns executed for the current quarter.

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

**15 ANALYSIS OF PERFORMANCE (continued)**

(b) Performance of the current quarter (Third Quarter FY19) against the preceding quarter (Second Quarter FY19) (continued):

**Consolidated Performance (continued)**

**EBITDA margin**

EBITDA margin increased by 13.8% mainly due to higher content costs from FIFA World Cup in the preceding quarter.

**Net Profit**

Net profit increased by RM138.9m or 944.9% to RM153.6m during the quarter. The increase was mainly due to increase in EBITDA, as explained above and was offset by higher tax expenses.

**Television**

Revenue for the current quarter of RM1,215.0m was lower by RM32.5m or 2.6% against preceding quarter of RM1,247.5m. This was mainly due to decrease in subscription revenue and licensing income. The decrease in subscription revenue was mainly due to lower package take-up and sales of FIFA World Cup passes in the preceding quarter. This decrease was offset by increase in advertising revenue which was attributed primarily to advertising spend on telcos and new device launches.

EBITDA increased by RM182.4m or 72.4% against the preceding quarter mainly due to lower content costs and lower impairment of receivables. The increase was offset by lower revenue, as explained above.

**Radio**

Radio's revenue for the current quarter of RM70.5m was lower by RM4.7m or 6.3% compared with the preceding quarter of RM75.2m. The lower revenue performance for the quarter was due to the seasonality factors.

Radio EBITDA for the current quarter of RM40.4m, increased by RM0.8m or 2.0% compared with the preceding quarter.

**Home-shopping**

Home-shopping's revenue for the current quarter of RM98.2m was higher by RM4.7m or 5.0% compared with the preceding quarter of RM93.5m. The higher revenue performance was due to increase in the number of products sold, mainly driven by the tactical campaigns executed for the current quarter to capitalise on the tax holiday and anniversary celebrations.

Home-shopping EBITDA recorded an improvement of RM4.9m against the preceding quarter, which was mainly due to the increase in revenue as highlighted above.

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

**15 ANALYSIS OF PERFORMANCE (continued)**

(c) Performance of the current period (YTD October 2018) against the corresponding period (YTD October 2017):

| | *All amounts in RM'm unless otherwise stated* | | | | |
|---|---|---|---|---|---|
| | **Financial Highlights** | | | **Key Operating Indicators** | |
| | **PERIOD ENDED 31/10/2018** | **PERIOD ENDED 31/10/2017** | **%** | **PERIOD ENDED 31/10/2018** | **PERIOD ENDED 31/10/2017** |
| **Consolidated Performance** | | | | | |
| Total revenue | 4,111.2 | 4,142.5 | -1 | | |
| EBITDA[1] | 1,222.5 | 1,428.7 | -14 | | |
| EBITDA margin (%) | 29.7 | 34.5 | -5 | | |
| Profit from operations | 728.6 | 929.3 | -22 | | |
| Profit before tax | 479.8 | 814.7 | -41 | | |
| Net profit | 342.2 | 583.4 | -41 | | |
| Profit attributable to ordinary equity holders of the Company | 344.5 | 588.8 | -41 | | |
| **(i) Television** | | | | | |
| Subscription revenue | 3,034.1 | 3,171.4 | -4 | | |
| Advertising revenue | 277.5 | 286.6 | -3 | | |
| Other revenue | 310.5 | 238.8 | +30 | | |
| Total revenue | 3,622.1 | 3,696.8 | -2 | | |
| EBITDA[1] | 1,115.2 | 1,318.4 | -15 | | |
| EBITDA margin (%) | 30.8 | 35.7 | -5 | | |
| Profit before tax | 380.1 | 725.0 | -48 | | |
| Pay-TV residential ARPU[2](RM) | | | | 99.9 | 100.7 |
| **(ii) Radio** | | | | | |
| Revenue | 213.2 | 239.5 | -11 | | |
| EBITDA[1] | 113.1 | 128.3 | -12 | | |
| EBITDA margin (%) | 53.0 | 53.6 | -1 | | |
| Profit before tax | 113.6 | 127.1 | -11 | | |
| Listeners ('mil) | | | | 16.2[3] | 16.5[4] |

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

**15 ANALYSIS OF PERFORMANCE (continued)**

(c) Performance of the current period (YTD October 2018) against the corresponding period (YTD October 2017) (continued):

*All amounts in RM'm unless otherwise stated*

| | Financial Highlights | | | Key Operating Indicators | |
|---|---|---|---|---|---|
| | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 | % | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 |
| **(iii) Home-shopping** | | | | | |
| Revenue | 275.2 | 205.0 | +34 | | |
| EBITDA[1] | (5.2) | (8.6) | +40 | | |
| EBITDA margin (%) | (1.9) | (4.2) | +2 | | |
| Loss before tax | 6.5 | 12.1 | +46 | | |

Notes:

1. 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.
2. 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.
3. Based on the Radio Listenership Survey by GFK dated 13 November 2018 for Peninsular Malaysia and 29 November 2017 for East Malaysia.
4. Based on the Radio Listenership Survey by GFK dated 28 September 2017 for Peninsular Malaysia and 13 September 2017 for East Malaysia.

**Consolidated Performance**

**Revenue**

Revenue for the current period of RM4,111.2m was lower by RM31.3m or 0.8% against corresponding period of RM4,142.5m. This was mainly due to a decrease in subscription and advertising revenue, offset by increase in merchandise sales, licensing income and sales of programme broadcast rights. The decrease in subscription revenue was mainly due to lower package take-up and the decrease in advertising revenue was due to a slowing advertising market. The increase in merchandise sales was due to increase in the number of products sold, mainly driven by the tactical campaigns executed for the current period.

**15 ANALYSIS OF PERFORMANCE (continued)**

(c) Performance of the current period (YTD October 2018) against the corresponding period (YTD October 2017) (continued):

**Consolidated Performance (continued)**

**EBITDA margin**

EBITDA margin decreased by 4.8% against the corresponding period mainly due to higher content costs from FIFA World Cup and increase in merchandise costs.

**Net Profit**

Net profit decreased by RM241.2m or 41.3% to RM342.2m during the period. The decrease was mainly due to decrease in EBITDA and increase in net finance costs, offset by lower tax expenses. The increase in net finance costs was due to unfavourable forex movement arising from unhedged finance lease liabilities and increase in interest expenses for borrowings and finance lease liabilities.

**Television**

Revenue for the current period of RM3,622.1m was lower by RM74.7m or 2.0% against corresponding period of RM3,696.8m. This was mainly due to a decrease in subscription and advertising revenue, offset by increase in licensing income and sales of programme broadcast rights. The decrease in subscription revenue was mainly due to lower package take-up and the decrease in advertising revenue was due to a slowing advertising market.

EBITDA decreased by RM203.2m or 15.4% against the corresponding period due to lower revenue, as highlighted above and higher content costs arising from FIFA World Cup.

**Radio**

Radio's revenue for the current period of RM213.2m was lower by RM26.3m or 11.0% compared with the corresponding period of RM239.5m. The lower revenue performance was due to an unfavourable operating environment leading to lower client advertising spend.

The lower revenue resulted in lower EBITDA of RM113.1m which was lower by RM15.2m or 11.8% compared with the corresponding period of RM128.3m, offset by lower marketing and promotional costs.

**Home-shopping**

Home-shopping's revenue for the current period of RM275.2m was higher by RM70.2m or 34.2% compared with the corresponding period of RM205.0m, which was due to increase in the number of products sold, mainly driven by the tactical campaigns executed for the current period to capitalise on the tax holiday and anniversary celebrations.

Home-shopping EBITDA improved by RM3.4m or 39.5% against corresponding period, which was mainly due to higher revenue as highlighted above.

**15 ANALYSIS OF PERFORMANCE (continued)**

(d) Balance sheet review

**Asset**

As at 31 October 2018, the Group had total asset of RM6,783.8m against RM6,847.9m as at 31 January 2018, a decrease of RM64.1m or 0.9%.

Total non-current assets of RM4,755.3m was lower by RM51.5m as compared to 31 January 2018. This was due to decrease from property, plant and equipment by RM154.1m mainly arising from depreciation of RM386.1m and offset by additional lease transponder of RM76.6m and acquisition of set-top boxes by RM125.7m. The decrease was offset by increase in intangible assets by RM59.7m mainly arising from acquisition of intellectual properties of RM96.0m, receivables, prepayment and contract assets by RM15.8m and deferred tax assets by RM23.8m.

Total current assets of RM2,028.5m was lower by RM12.6m as compared to 31 January 2018. This was due to decrease in receivables, prepayment and contract assets by RM310.5m mainly arising from prepayment for FIFA World Cup being expensed to income statement. The decrease was offset by increase in other investment by RM153.3m from investment in unit trusts, increase in cash and bank balances by RM86.3m and derivative financial instruments by RM48.5m. Increase in cash and bank balances was due to cash flow from operating activities and drawdown of Synthetic Foreign Currency Loan (“SFCL”) and Term Loan, offset by dividend payment, repayment of borrowings and finance lease liabilities and purchase of property, plant and equipment. Increase in derivative financial instruments is due to RM20.8m increase in cross-currency interest rate swaps (“CCIRS”) and RM26.5m increase in forward foreign currency exchange contracts (“FX contracts). Increase in CCIRS and FX contracts was due to more favourable forward.

**Liabilities**

As at 31 October 2018, the Group had total liabilities of RM6,075.6m against RM6,194.6m as at 31 January 2018, a decrease of RM119.0 or 1.9%.

Total current liabilities decreased by RM330.0m, 13.7% to RM2,073.7m as at 31 October 2018, primarily arising from decrease in payables by RM230.3m, derivative financial liabilities by RM87.9m and borrowings by RM43.8m. The decrease in payables was mainly due to decrease in trade payables from vendor financing and programme provider fees. The decrease in derivative financial liabilities is due to decrease in FX contracts. The decrease in borrowings was due to repayment of borrowings during the period, offset by reclassification from non-current liabilities and additional transponder lease liabilities.

Total non-current liabilities increased by RM211.0m, 5.6% to RM4,001.9m as at 31 October 2018. The increase was due to higher borrowings by RM170.5m due to reclassification of current portion of term loan, offset by drawdown of SFCL of RM306.4m and Term loan of RM380.0m and higher payables by RM40.4m from vendor financing.

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

## 16 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2019

The Group is strengthening its business as a content and consumer company with emphasis towards personalisation, mobility, interactivity and customer engagement, and is focused on executing its key strategies on:

(1) Customer centricity, strengthening customer value proposition by providing OTT streaming services via Astro Go and Njoi Now, and offering differentiated products, services and content;
(2) Expanding Astro's ecosystem around the core business with the Group's commerce platform, advertising, theatrical sales, licensing; and
(3) Deepening strength in original content verticals and building a robust innovation pipeline via collaborative cross-border partnerships with leading content players to address a growing regional audience base.

In Q3FY19, we celebrated Go Shop's 4th Anniversary and record-breaking box office for local movies with Hantu Kak Limah and Paskal The Movie.

In the coming months, we will deepen our value proposition for customers by rolling out a new user interface featuring content portability, mobility and a seamless and enriched viewing experience across multiple devices, alongside improved content discovery.

Amid the global trend of structural change in the media industry, the Group is expecting to encounter some revenue challenges, which we are cushioning against revenue diversification efforts, strategic review of our business and deeper cost optimisation initiatives. We relentlessly activate our biggest asset - our customers; ride on our key differentiator - our content; and add on desirable synergistic services to redefine our value in the market.

On the basis of the above, the Board believes the prospects for the Group remain stable and cash generative allowing us to focus on our transformation initiatives.

## 17 PROFIT FORECAST OR PROFIT GUARANTEE

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

## 18 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 2018.

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

## 19 PROFIT BEFORE TAX

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/10/2017 | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 |
| | RM'm | RM'm | RM'm | RM'm |
| Amortisation of intangible assets | 130.3 | 133.8 | 384.0 | 400.2 |
| Depreciation of property, plant and equipment | 127.1 | 135.5 | 386.1 | 386.8 |
| Impairment of film library and program rights | - | - | - | 4.4 |
| Impairment of receivables | 5.3 | 17.4 | 25.6 | 82.9 |
| Finance income: | | | | |
| - Interest income | (2.1) | (1.3) | (5.1) | (5.8) |
| - Unit trust dividend income | (8.4) | (6.0) | (25.6) | (14.1) |
| - Unrealised foreign exchange gains | - | (33.3) | - | (155.3) |
| - Fair value loss on derivative recycled to income statement arising from foreign exchange risk | - | 16.2 | - | 118.5 |
| | (10.5) | (24.4) | (30.7) | (56.7) |
| Finance costs: | | | | |
| - Bank borrowings | 28.2 | 23.7 | 81.3 | 62.2 |
| - Finance lease liabilities | 25.3 | 26.7 | 75.8 | 65.8 |
| - Vendor financing | 7.1 | 6.8 | 20.8 | 20.0 |
| - Loss on disposal of unit trusts | 0.5 | - | 0.3 | - |
| - Fair value loss on unit trusts | 0.3 | - | 0.3 | - |
| - Realised foreign exchange losses | 0.6 | 0.3 | 10.5 | 0.9 |
| - Unrealised foreign exchange losses | 56.3 | - | 106.9 | - |
| - Fair value (gain)/loss on derivative recycled to income statement arising from: | | | | |
|   - Interest rate risk | 2.3 | 3.3 | 7.9 | 14.3 |
|   - Foreign exchange risk | (21.7) | 1.2 | (29.9) | (0.2) |
| - Others | 3.3 | 3.2 | 6.2 | 7.6 |
| | 102.2 | 65.2 | 280.1 | 170.6 |

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.

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

**20 TAXATION**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/10/2017 | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 |
| | RM'm | RM'm | RM'm | RM'm |
| Current tax | 76.7 | 57.2 | 182.4 | 225.0 |
| Deferred tax | (14.6) | 2.9 | (44.8) | 6.3 |
| | 62.1 | 60.1 | 137.6 | 231.3 |

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:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/10/2017 | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 |
| | RM'm | RM'm | RM'm | RM'm |
| Profit before taxation | 215.7 | 206.0 | 479.8 | 814.7 |
| Tax at Malaysian corporate tax rate of 24% | 51.8 | 49.4 | 115.2 | 195.5 |
| Tax effect of: | | | | |
| Unrecognised deferred tax asset | 2.7 | 3.4 | 12.7 | 10.8 |
| Others (including expenses not deductible for tax purposes and income not subject to tax) | 7.6 | 7.3 | 9.7 | 25.0 |
| Taxation charge | 62.1 | 60.1 | 137.6 | 231.3 |

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

## 21 GROUP BORROWINGS AND DEBT SECURITIES

The amount of Group borrowings and debt securities are as follows:

| As at 31 October 2018 | Current | | Non-current | | Total | |
|---|---|---|---|---|---|---|
| **Unsecured:** | **USD Denominated RM'm** | **RM Denominated RM'm** | **USD Denominated RM'm** | **RM Denominated RM'm** | **USD Denominated RM'm** | **RM Denominated RM'm** |
| Term loans [a] | 215.9 | 171.7 | 414.1 | 713.4 | 630.0 | 885.1 |
| Less: Debt issuance costs | - | (1.9) | - | (4.1) | - | (6.0) |
| Term loans, net of debt issuance costs | 215.9 | 169.8 | 414.1 | 709.3 | 630.0 | 879.1 |
| Synthetic Foreign Currency Loan[b] | - | 6.4 | - | 612.7 | - | 619.1 |
| Unrated Medium Term Note[c] | - | 3.5 | - | 300.0 | - | 303.5 |
| Finance lease | | | | | | |
| -Lease of transponders[d] | 122.1 | 82.5 | 1,166.4 | 287.2 | 1,288.5 | 369.7 |
| -Lease of equipment and software[e] | - | 1.8 | - | 0.2 | - | 2.0 |
| | 122.1 | 84.3 | 1,166.4 | 287.4 | 1,288.5 | 371.7 |
| | 338.0 | 264.0 | 1,580.5 | 1,909.4 | 1,918.5 | 2,173.4 |

| As at 31 October 2017 | Current | | Non-current | | Total | |
|---|---|---|---|---|---|---|
| **Unsecured:** | **USD Denominated RM'm** | **RM Denominated RM'm** | **USD Denominated RM'm** | **RM Denominated RM'm** | **USD Denominated RM'm** | **RM Denominated RM'm** |
| Term loans[a] | 217.6 | 311.4 | 628.4 | 900.0 | 846.0 | 1,211.4 |
| Less: Debt issuance costs | (0.7) | (3.5) | - | (4.4) | (0.7) | (7.9) |
| Term loans, net of debt issuance costs | 216.9 | 307.9 | 628.4 | 895.6 | 845.3 | 1,203.5 |
| Unrated Medium Term Note[c] | - | 3.6 | - | 300.0 | - | 303.6 |
| Finance lease | | | | | | |
| -Lease of transponders[d] | 57.1 | 76.4 | 1,244.7 | 369.7 | 1,301.8 | 446.1 |
| -Lease of equipment and software[e] | - | 3.7 | - | 1.8 | - | 5.5 |
| | 57.1 | 80.1 | 1,244.7 | 371.5 | 1,301.8 | 451.6 |
| | 274.0 | 391.6 | 1,873.1 | 1,567.1 | 2,147.1 | 1,958.7 |

Note:

(a) USD Term loan with notional amount USD148.5m had been swapped into RM at an average exchange and fixed interest rate of USD/RM3.0189 (31 October 2017: USD/RM3.0189) and 4.19% (inclusive of margin of 1%) (31 October 2017: 4.19% (inclusive of margin of 1%)). RM Term loan with notional amount RM275.0m had been swapped into a fixed instrument at an average fixed rate of 4.15% (exclude margin of 1.0%) (31 October 2017: 4.15% (exclude margin of 1.0%)) and RM Term loan with notional amount RM225.0m remains unhedged, with average interest rates of 5.13% (inclusive of margin of 1%) per annum. The decrease in Term loan arises from repayment of principal amount for USD Term Loan and RM Term Loan of USD49.5m and RM700.0m respectively, offset by drawdown by MBNS of RM380m on 23 August 2018 at fixed interest rate of 5.18% per annum.

(b) Drawdown of SFCL facility on 29 December 2017 and 28 February 2018 totaling RM612.7m in nominal value, maturing on 29 November 2022 at interest rate of 4.8% per annum.

## 21 GROUP BORROWINGS AND DEBT SECURITIES (continued)

Note (continued):

(c) First series of issuance of Unrated Medium-Term Notes on 10 August 2017 amounting RM300.0m in nominal value, for a tenure of 5 years at coupon rate of 5.3% per annum.

(d) Lease of transponders on the MEASAT 3 satellite (“M3”), MEASAT 3 T11 (“M3-T11”) satellite, MEASAT 3A satellite (“M3A”) from the lessor, MEASAT Satellite Systems Sdn. Bhd.(“MSS”), a related party and MEASAT 3B satellite (“M3B”) from the lessor, MEASAT International (South Asia) Ltd, a related party. The liabilities for M3, M3-T11 and M3A are denominated in RM, while M3B is denominated in USD.

The effective interest rate of the finance lease as at 31 October 2018 is 6.2% (31 October 2017: 6.2%), 4.6% (31 October 2017: 4.6%), 12.5% (31 October 2017: 12.5%) and 5.6% (31 October 2017: 5.6%) per annum for M3, M3-T11, M3a and M3b respectively.

The increase is due to additional lease of 6 transponders on M3B from the lessor, MEASAT International (South Asia) Ltd on June 2018 amounting USD19.2m with effective interest rate of 5.1% per annum. For the additional lease of transponders, payments due remains unhedged.

During the period, repayment of total finance lease liabilities is as disclosed in statement of cash flows, offsetting the increase described above.

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

## 22 DERIVATIVE FINANCIAL INSTRUMENTS

### (a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 31 October 2018 are set out below:

| Types of derivatives | Contract/ Notional Amount | Fair Value Assets | Fair Value Liabilities |
|---|---|---|---|
| | RM’m | RM’m | RM’m |
| Forward currency options (“FX Options”) | | | |
| - Less than 1 year | 58.0 | 2.2 | - |
| - 1 to 3 years | 13.4 | 0.3 | - |
| - More than 3 years | - | - | - |
| | 71.4 | 2.5 | - |
| Forward foreign currency exchange contracts (“FX Contracts”)* | | | |
| - Less than 1 year | 809.4 | 25.6 | (0.1) |
| - 1 to 3 years | 90.7 | 0.1 | (0.2) |
| - More than 3 years | 86.0 | 0.8 | - |
| | 986.1 | 26.5 | (0.3) |

***** Included is FX Contracts entered for payment of lease of transponder M3B with notional principal amounts of RM189.3m.

## 22 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

### (a) Disclosure of derivatives (continued)

| **Types of derivatives (continued)** | **Contract/ Notional Amount** | **Fair Value Assets** | **Fair Value Liabilities** |
|---|---|---|---|
| | **RM'm** | **RM'm** | **RM'm** |
| Interest rate swaps ("IRS") | | | |
| - Less than 1 year | 237.4 | 0.3 | (0.6) |
| - 1 to 3 years | 563.2 | 0.2 | (0.8) |
| - More than 3 years | - | - | - |
| | 800.6 | 0.5 | (1.4) |
| Cross-currency interest rate swaps ("CCIRS") | | | |
| - Less than 1 year | 229.2 | 66.1 | - |
| - 1 to 3 years | 298.9 | 117.4 | - |
| - More than 3 years | - | - | - |
| | 528.1 | 183.5 | - |

There have been no changes since the end of the previous financial year ended 31 January 2018 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 and FX options 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 and CCIRS, the fair values were obtained from the counterparty banks.

As at 31 October 2018, the Group recognised net total derivative financial assets of RM211.3m, an increase of RM140.0m from the previous financial year ended 31 January 2018, on re-measuring the fair values of the derivative financial instruments. The corresponding increase of RM137.4m has been included in equity in the hedging reserve and remaining RM2.6m were net accrued interest.

Forward foreign currency exchange contracts and foreign currency options

Forward foreign currency exchange contracts and foreign currency options 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 were entered into for a period of up to 3 years. As at 31 October 2018, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM986.1m (31 January 2018: RM1,331.2m) and foreign currency options were USD17.1m (31 January 2018: USD21.3m).

## 22 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

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 21 with notional principal amounts of RM275.0m (31 January 2018: RM787.5m) and vendor financing, as disclosed in Note 24 with notional principal amounts of RM503.8m and USD5.2m (31 January 2018: RM475.2m and USD14.3m).

The interest rate swaps for bank loan were entered for entire term of bank loan with an average fixed swap rate of 4.14% p.a. (31 January 2018: 4.15% p.a.).

The Ringgit and USD interest rate swaps for vendor financing were entered into for a period of up to 3 years with an average fixed swap rate of 3.68% p.a. (31 January 2018: 3.69% p.a.) and 1.06% p.a. (31 January 2018: 1.80% p.a.) respectively.

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 USD148.5m (31 January 2018: USD173.3m) for bank loan and vendor financing of USD20.6m (31 January 2018: USD21.3m).

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 2018: 4.19% p.a. (inclusive of interest margin of 1% p.a.)) and USD/RM3.0189 (31 January 2018: 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 4.52% p.a. (inclusive of interest margin of 1.0% p.a.) (31 January 2018: 4.52% p.a. (inclusive of interest margin of 1.0% p.a.) and USD/RM3.8670 (31 January 2018: USD/RM3.8670).

## 23 RECEIVABLES, PREPAYMENTS AND CONTRACT ASSETS

Receivables, prepayments and contract assets include trade receivables. Trade receivables including amounts owing from related party are generally granted credit term ranging from 0 to 60 days. Ageing analysis of trade receivables of the Group as at 31 October 2018 as follows:

| | Current to 90 days RM'm | Over 90 days RM'm | Total RM'm |
|---|---|---|---|
| Neither past due nor impaired | 343.1 | - | 343.1 |
| Not past due but impaired | 3.6 | - | 3.6 |
| Past due but not impaired | 100.9 | 22.9 | 123.8 |
| Past due and impaired | 7.9 | 32.7 | 40.6 |
| | 455.5 | 55.6 | 511.1 |

The above trade receivables are past due but not impaired as based on past collection trends, management believes that these balances are recoverable. Impairment of receivables has been made by considering the impact of the historical collection trend, credit terms, payment term and credit assessment towards the outstanding amount due.

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

## 24 PAYABLES AND CONTRACT LIABILITIES

Included in payables are credit terms granted by vendors that generally range from 0 to 90 days (31 January 2018: 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 year ranged between 2.2% p.a. and 4.9% p.a. (31 January 2018: 2.2% p.a. and 4.9% p.a.).

As at 31 October 2018, the vendor financing included in payables is RM634.1m (31 January 2018: RM710.1m), comprising current portion of RM204.2m (31 January 2018: RM320.6m) and non-current portion of RM429.9m (31 January 2018: RM389.5m).

## 25 FOREIGN EXCHANGE RISK

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. The currency giving rise to this risk is primarily USD.

The Group hedges its foreign currency denominated trade payables. The Group uses forward foreign currency exchange contracts and foreign currency options to hedge its foreign currency risk. Most of the forward foreign currency exchange contracts have maturities of less than one year after the end of the balance sheet date. Where necessary, the forward foreign currency exchange contracts are rolled over at maturity. The Group has also entered into Cross-Currency Interest Rate Swaps ("CCIRS") to mitigate financial risks arising from adverse fluctuations in interest and exchange rates.

The notional principal amount and maturity profiles of forward foreign currency exchange contracts outstanding as at 31 October 2018 and CCIRS are set out in Note 22.

The currency exposure of financial assets and financial liabilities of the Group that are denominated in USD are set out below:

| | **As at 31/10/2018** | **As at 31/1/2018** |
|---|---|---|
| | **RM'm** | **RM'm** |
| Deposits with licensed banks | 38.1 | 48.5 |
| Receivables | 8.3 | 16.0 |
| Payables | (460.6) | (632.7) |
| Borrowings | (1,918.5) | (1,864.5) |

## 26 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, except for the following:

(a) Civil Suit In Indonesia By PT DV

With regard to the claim by PT Direct Vision ("PT DV") against MEASAT Broadcast Network Systems Sdn Bhd ("MBNS"), a wholly-owned subsidiary of Astro Malaysia Holdings Berhad ("AMH" or the "Company"), and other defendants for losses of USD20 billion; arising from a dispute that arose in 2008 over a proposed DTH pay-TV business in Indonesia pursuant to a Subscription and Shareholders Agreement dated 11 March 2005 ("SSA") ("Case 533") where the SJDC determined that it did not have the jurisdiction to hear the case and accordingly dismissed PT DV's claim. PT DV subsequently appealed to the Jakarta High Court ("JHC") on the decision of the SJDC. The JHC upheld the decision of the SJDC in MBNS' favour. In August 2018, the South Jakarta District Court served MBNS notice that PT DV has appealed to the Supreme Court against JHC's decision.

By way of background, the SSA dispute has already been heard and finally determined by way of arbitration before the Singapore International Arbitration Centre ("SIAC") and several awards were made by the Arbitration Tribunal in favour of MBNS and the other Astro entities in 2009 and 2010 ("SIAC Awards"). The SIAC Awards have been registered in Malaysia, Singapore, Hong Kong, Indonesia and England.

(b) Application For Enforcement of the SIAC Awards in Singapore

In relation to the enforcement of the SIAC Awards, the Singapore Court Of Appeal ("Singapore COA") had allowed PT FM's appeal to the extent that enforcement of the SIAC Awards is refused in relation to orders made that purport to apply as between PT FM and the 6th, 7th and 8th Claimants. The judgment of the Singapore COA means that MBNS, Astro All Asia Networks Plc and All Asia Multimedia Networks FZ-LLC are not able to enforce the monetary compensation in their favour against PT FM pursuant to the SIAC Awards in Singapore. Notwithstanding the Singapore COA's judgement, the SIAC Awards remain valid as they have not been (and cannot be) set aside.

(c) Application For Enforcement of the SIAC Awards in Hong Kong

There was an interim stay of execution of the Garnishee Order Absolute dated 31 October 2013 whilst PT FM brought appeals seeking to set aside the various orders and judgments made against PT FM in the Hong Kong High Court and the Court of Appeal, to oppose MBNS' and various claimants' attempts to enforce the Hong Kong orders and judgments granted by various courts against PT FM ("Orders and Judgements").

PT FM applied to the Hong Kong Court of Final Appeal ("CFA") to appeal the Orders and Judgments. The CFA has handed down its judgment, allowing PT FM's appeal and granted an extension of time for PT FM to apply to set aside the Orders and Judgements. On 27 June 2018, the parties agreed, by consent, to (i) set aside the Orders and Judgment, to the same extent as allowed by the Singapore COA on 31 October 2013, and (ii) discharge the Garnishee Orders. There is accordingly no further action in Hong Kong to enforce the Garnishee Orders.

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

## 27 DIVIDENDS

(a) The Board of Directors has declared a third interim single-tier dividend of 2.5 sen per ordinary share in respect of the financial year ending 31 January 2019 amounting to approximately RM130,357,863, to be paid on 4 January 2019. The entitlement date for the dividend payment is 20 December 2018.

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

(ii) shares transferred to the depositor's securities account before 4.00 pm on 20 December 2018 in respect of transfers; and

(iii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

(b) Total dividend declared for the financial period ended 31 Oct 2018 is 7.5 sen comprising of 2.5 sen per share based on 5,214,314,500 ordinary shares for the third quarter ended 31 Oct 2018 and 5.0 sen per share based on 5,213,883,600 ordinary shares for the two quarters ended 30 April 2018 and 31 July 2018 (31 October 2017: 9.0 sen per share comprising 3.0 sen per share based on 5,213,883,600 ordinary shares and 6.0 sen per share based on 5,209,522,200 ordinary shares).

## 28 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share at 31 October 2018 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 31 October 2018 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 31 October 2018:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | QUARTER ENDED 31/10/2018 | QUARTER ENDED 31/10/2017 | PERIOD ENDED 31/10/2018 | PERIOD ENDED 31/10/2017 |
| Profit attributable to the equity holders | 153.2 | 146.6 | 344.5 | 588.8 |
| **(i) Basic EPS** | | | | |
| Weighted average number of issued ordinary shares ('m) | 5,213.9 | 5,210.1 | 5,213.9 | 5,209.7 |
| Basic earnings per share (RM) | 0.029 | 0.028 | 0.066 | 0.113 |
| **(ii) Diluted EPS** | | | | |
| Weighted average number of issued ordinary shares ('m) | 5,213.9 | 5,210.1 | 5,213.9 | 5,209.7 |
| Effect of dilution: | | | | |
| Grant of share awards under the management share scheme ('m) | 0.1 | 3.8 | 0.1 | 3.8 |
| | 5,214.0 | 5,213.9 | 5,214.0 | 5,213.5 |
| Diluted earnings per share (RM) | 0.029 | 0.028 | 0.066 | 0.113 |

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

On 19 November 2018, AMH prepaid RM275 million of its Ringgit Term Loan.

There were no other material subsequent events during the period from the end of the quarter review to 5 December 2018.

**BY ORDER OF THE BOARD**

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

Company Secretary
5 December 2018