

ASTRO MALAYSIA HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No. 201101004392 (932533-V))

**QUARTERLY REPORT FOR THE
FINANCIAL PERIOD ENDED 30 APRIL 2020**

ASTRO MALAYSIA HOLDINGS BERHAD
(Incorporated in Malaysia)
(Company No. 201101004392 (932533-V))

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2020

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2020

The Board of Directors of Astro Malaysia Holdings Berhad (“AMH” or “the Company”) presents the following unaudited condensed consolidated financial statements for the first quarter ended 30 April 2020 which should be read in conjunction with the audited financial statements for the financial year ended 31 January 2020 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	<u>INDIVIDUAL QUARTER</u>		%	<u>CUMULATIVE QUARTER</u>		%
		<u>QUARTER ENDED Unaudited 30/4/2020</u> RM'm	<u>QUARTER ENDED Unaudited 30/4/2019</u> RM'm		<u>PERIOD ENDED Unaudited 30/4/2020</u> RM'm	<u>PERIOD ENDED Unaudited 30/4/2019</u> RM'm	
Revenue	8	1,052.9	1,234.4	-15	1,052.9	1,234.4	-15
Cost of sales		<u>(686.1)</u>	<u>(729.1)</u>		<u>(686.1)</u>	<u>(729.1)</u>	
Gross profit		366.8	505.3	-27	366.8	505.3	-27
Other operating income		0.9	2.0		0.9	2.0	
Marketing and distribution costs		(69.4)	(92.4)		(69.4)	(92.4)	
Administrative expenses		<u>(112.8)</u>	<u>(130.3)</u>		<u>(112.8)</u>	<u>(130.3)</u>	
Profit from operations		185.5	284.6	-35	185.5	284.6	-35
Finance income		7.2	6.7		7.2	6.7	
Finance costs		(96.2)	(64.9)		(96.2)	(64.9)	
Share of post-tax results from investments accounted for using the equity method		<u>0.3</u>	<u>0.1</u>		<u>0.3</u>	<u>0.1</u>	
Profit before tax	18	96.8	226.5	-57	96.8	226.5	-57
Tax expense	19	<u>(23.9)</u>	<u>(57.2)</u>		<u>(23.9)</u>	<u>(57.2)</u>	
Profit for the financial period		<u>72.9</u>	<u>169.3</u>	-57	<u>72.9</u>	<u>169.3</u>	-57
Attributable to:							
Equity holders of the Company		73.8	176.2	-58	73.8	176.2	-58
Non-controlling interests		<u>(0.9)</u>	<u>(6.9)</u>		<u>(0.9)</u>	<u>(6.9)</u>	
		<u>72.9</u>	<u>169.3</u>	-57	<u>72.9</u>	<u>169.3</u>	-57
Earnings per share attributable to equity holders of the Company (RM):							
- Basic	27	<u>0.014</u>	<u>0.034</u>		<u>0.014</u>	<u>0.034</u>	
- Diluted	27	<u>0.014</u>	<u>0.034</u>		<u>0.014</u>	<u>0.034</u>	

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED Unaudited 30/4/2020</u>	<u>QUARTER ENDED Unaudited 30/4/2019</u>	<u>PERIOD ENDED Unaudited 30/4/2020</u>	<u>PERIOD ENDED Unaudited 30/4/2019</u>
	RM'm	RM'm	RM'm	RM'm
Profit for the financial period	72.9	169.3	72.9	169.3
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
- Net change in derivatives used for hedging	42.1	5.6	42.1	5.6
- Net change in fair value for financial assets	-	6.6	-	6.6
Foreign currency translation	(1.1)	(1.1)	(1.1)	(1.1)
Taxation	(12.1)	(1.4)	(12.1)	(1.4)
Other comprehensive income, net of tax	28.9	9.7	28.9	9.7
Total comprehensive income for the financial period	<u>101.8</u>	<u>179.0</u>	<u>101.8</u>	<u>179.0</u>
Attributable to:				
Equity holders of the Company	102.7	185.9	102.7	185.9
Non-controlling interests	(0.9)	(6.9)	(0.9)	(6.9)
	<u>101.8</u>	<u>179.0</u>	<u>101.8</u>	<u>179.0</u>

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2020

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 30/4/2020 Unaudited RM'm	AS AT 31/1/2020 Audited RM'm
Non-current assets			
Property, plant and equipment		660.7	720.5
Right-of-use assets		1,270.7	1,316.4
Investments in joint ventures		2.5	2.2
Other investment		10.7	10.7
Receivables	22	246.5	218.9
Deferred tax assets		130.2	128.7
Derivative financial instruments	21	56.5	33.6
Intangible assets		2,013.6	2,023.7
		4,391.4	4,454.7
Current assets			
Inventories		16.4	13.1
Other investment		774.7	647.1
Receivables	22	548.2	669.0
Contract assets		11.8	8.6
Derivative financial instruments	21	112.5	58.3
Tax recoverable		8.0	9.5
Cash and bank balances		297.6	338.1
		1,769.2	1,743.7
Total assets		6,160.6	6,198.4
Current liabilities			
Payables	23	1,056.5	1,103.9
Contract liabilities		178.0	174.2
Derivative financial instruments	21	1.1	14.8
Borrowings	20	500.3	478.7
Tax liabilities		20.1	33.1
		1,756.0	1,804.7
Net current assets/(liabilities)		13.2	(61.0)
Non-current liabilities			
Payables	23	280.3	319.4
Derivative financial instruments	21	3.4	3.4
Borrowings	20	3,069.1	3,042.9
Deferred tax liabilities		89.5	89.3
		3,442.3	3,455.0
Total liabilities		5,198.3	5,259.7
Net assets		962.3	938.7

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 30/4/2020 Unaudited RM'm	AS AT 31/1/2020 Audited RM'm
Capital and reserves attributable to equity holders of the Company			
Share capital		6,728.4	6,728.4
Exchange reserve		3.0	4.1
Capital reorganisation reserve		(5,470.2)	(5,470.2)
Hedging reserve		30.7	0.7
Fair value reserve		6.6	6.6
Share scheme reserve		-	-
Accumulated losses		(418.2)	(413.8)
		880.3	855.8
Non-controlling interests		82.0	82.9
Total equity		962.3	938.7

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to equity holders of the Company

Period ended 30/4/2020	Share capital	Exchange reserve	Capital reorganisation reserve	Hedging reserve	Fair value 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
At 1/2/2020	6,728.4	4.1	(5,470.2)	0.7	6.6	(413.8)	855.8	82.9	938.7
Profit/(loss) for the financial period	-	-	-	-	-	73.8	73.8	(0.9)	72.9
Other comprehensive (loss)/income for the financial period	-	(1.1)	-	30.0	-	-	28.9	-	28.9
Total comprehensive (loss)/income for the financial period	-	(1.1)	-	30.0	-	73.8	102.7	(0.9)	101.8
Ordinary shares dividends	-	-	-	-	-	(78.2)	(78.2)	-	(78.2)
Transactions with owners	-	-	-	-	-	(78.2)	(78.2)	-	(78.2)
At 30/4/2020	6,728.4	3.0	(5,470.2)	30.7	6.6	(418.2)	880.3	82.0	962.3

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

Period ended 30/4/2019	Attributable to equity holders of the Company							Total	Non-controlling interests	Total
	Share capital	Exchange reserve	Capital reorganisation reserve	Hedging reserve	Fair value Reserve	Share scheme reserve	Accumulated losses			
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm			
At 1/2/2019	6,727.9	3.4	(5,470.2)	1.9	-	0.3	(678.0)	585.3	93.6	678.9
Profit/(loss) for the financial period	-	-	-	-	-	-	176.2	176.2	(6.9)	169.3
Other comprehensive (loss)/income for the financial period	-	(1.1)	-	4.2	6.6	-	-	9.7	-	9.7
Total comprehensive (loss)/ income for the financial period	-	(1.1)	-	4.2	6.6	-	176.2	185.9	(6.9)	179.0
Ordinary shares dividends	-	-	-	-	-	-	(78.2)	(78.2)	-	(78.2)
Transactions with owners	-	-	-	-	-	-	(78.2)	(78.2)	-	(78.2)
At 30/4/2019	6,727.9	2.3	(5,470.2)	6.1	6.6	0.3	(580.0)	693.0	86.7	779.7

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED 30/4/2020	PERIOD ENDED 30/4/2019
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	96.8	226.5
<u>Adjustments for:</u>		
Non-cash items [^]	296.3	288.2
Interest expense	51.7	55.7
Interest income	(7.2)	(6.2)
Operating cash flows before changes in working capital	437.6	564.2
Changes in working capital	19.1	(165.6)
Cash flows from operations	456.7	398.6
Income tax paid	(48.8)	(43.3)
Interest received	1.2	2.3
Net cash flows generated from operating activities	409.1	357.6
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment and intangibles	-	0.1
Purchase of property, plant and equipment and intangibles	(85.8)	(106.2)
(Purchase)/disposal of unit trusts	(122.7)	27.8
Withdrawal/(placements) of fixed deposits	9.5	(3.6)
Net cash flows used in investing activities	(199.0)	(81.9)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(78.2)	(78.2)
Interest paid	(25.6)	(22.7)
Payment for set-top boxes	(71.8)	(12.0)
Payment of lease liabilities	(64.4)	(61.5)
Net drawdown of borrowings	-	50.0
Net cash flows used in financing activities	(240.0)	(124.4)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(29.9)	151.3
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(1.1)	(1.1)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	295.6	240.5
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD[#]	264.6	390.7

[^] Non-cash items mainly represent amortisation of intangible assets, depreciation of property, plant and equipment and depreciation of right-of-use assets as disclosed in Note 18.

[#] The difference between the cash and cash equivalents and cash and bank balances represent deposits with banks that have maturity periods of more than 3 months.

Material Non-Cash Transaction

During the financial period ended 30 April 2020, the Group acquired set-top boxes by means of vendor financing amounting to RM9.6m (30 April 2019: RM22.4m). The Group repaid RM71.8m (30 April 2019: RM12.0m) in relation to vendor financing for set-top boxes and RM61.3m (30 April 2019: RM58.5m) in relation to lease for transponders.

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**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 2020.

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 2020.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2020 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Amendments to References to the Conceptual Framework in MFRS Standards (effective from 1 January 2020)
- Definitions of a Business (Amendments to MFRS 3 Business Combinations) (effective from 1 January 2020)
- Definition of Material (Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors) (effective from 1 January 2020)
- Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7) (effective from 1 January 2020)

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 2020:

- 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)
- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101) (effective from 1 January 2022)

2 SEASONAL/CYCLICAL FACTORS

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

3 UNUSUAL ITEMS

The COVID-19 pandemic is disrupting business environments, dampening consumer and business sentiments, and dismantling global supply chains and financial markets. To curb the spread of COVID-19 virus in Malaysia, the Movement Control Order (“MCO”) was implemented since 18 March 2020. As an essential service provider, Astro continued to operate during the MCO. The Group was impacted by lower advertising spends and restrictions in operations pertaining to upselling and installations. With most commercial establishments not allowed to operate, the Group proactively introduced flexible subscription and payment arrangements. Collectively, these have impacted the Group in terms of revenue recognised during the period and increased impairment of trade receivables.

Save as disclosed above, there were no other significant unusual items affecting the assets, liabilities, equity, net income or cash flows for the first quarter ended 30 April 2020.

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

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 first quarter ended 30 April 2020 except for the change in expected loss rates used to derive the impairment of trade receivables. As mentioned in Note 3, the Directors are of the view that the COVID-19 pandemic and its impact on economies worldwide has caused a significant increase in credit risk. Consequently, the expected loss rates are now determined based on the historical ageing profile and the corresponding historical credit losses experienced since the implementation of MCO in Malaysia. The financial impact of this change is as disclosed in Note 14.

5 DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities during the first quarter ended 30 April 2020.

6 DIVIDENDS PAID

The fourth interim single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 January 2020 amounting to RM78,217,602 was paid on 24 April 2020.

Refer to Note 26 for dividends declared during first quarter ended 30 April 2020.

7 SEGMENT RESULTS AND REPORTING

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

- (i) The television segment is a provider of television services including television content creation, aggregation and distribution, talent management, multimedia interactive services and digital media;
- (ii) The radio segment is a provider of radio broadcasting services and media sales services effective 1 February 2020, prior to 1 February 2020, it is a provider of radio broadcasting services only;
- (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.

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.

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

7 SEGMENT RESULTS AND REPORTING (continued)

Quarter ended 30/4/2020	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	920.4	37.2	95.3	-	-	-	1,052.9
Segment profit/(loss) – Profit/(loss) before tax	88.0	5.8	0.6	(0.5)	(2.5)	5.4	96.8

Quarter ended (Based on segment classification prior to 1 February 2020)

30/4/2020	Television^{N1} RM'm	Radio^{N1} RM'm	Home- shopping RM'm	Others RM'm	Corporate Function RM'm	Elimination RM'm	Total RM'm
External revenue	920.4	37.2	95.3	-	-	-	1,052.9
Segment profit/(loss) – Profit/(loss) before tax	88.3	5.5	0.6	(0.5)	(2.5)	5.4	96.8

N1 Media sales business was presented in Television segment.

Quarter ended 30/4/2019	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	1,091.4	59.5	83.5	-	-	-	1,234.4
Segment profit/(loss) – Profit/(loss) before tax	203.1	28.9	(4.5)	(1.7)	(7.7)	8.4	226.5

8 REVENUE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/4/2020 RM'm	QUARTER ENDED 30/4/2019 RM'm	PERIOD ENDED 30/4/2020 RM'm	PERIOD ENDED 30/4/2019 RM'm
Subscription	821.5	928.1	821.5	928.1
Advertising	90.3	144.6	90.3	144.6
Merchandise sales	95.1	82.9	95.1	82.9
Others	46.0	78.8	46.0	78.8
	<u>1,052.9</u>	<u>1,234.4</u>	<u>1,052.9</u>	<u>1,234.4</u>

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

9 CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the financial period ended 30 April 2020.

10 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS

a. Indemnity and guarantees

Details of the indemnity and guarantees of the Group as at 30 April 2020, for which no provision has been made in the interim financial statements, are as set out below:

	Group	
	30/4/2020	31/1/2020
	RM'm	RM'm
Indemnity given to financial institutions in respect of bank guarantees issued (unsecured):		
- Programme rights vendors ¹	-	27.1
- Others ²	2.7	3.1
Other indemnities:		
- Guarantee to programme rights vendor provided by AMH ¹	763.8	718.8
	766.5	749.0

Notes:

¹ Included as part of the programming commitments for programme rights as set out in Note 11.

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 30 April 2020 (31 January 2020: Nil).

11 COMMITMENTS

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

	Group	
	30/4/2020	31/1/2020
Approved and contracted for:	RM'm	RM'm
Property, plant and equipment*	1,655.2	1,475.6
Software	30.8	51.7
Film library and programme rights	774.3	744.9
	2,460.3	2,272.2

* Included in approved and contracted for is the supply of transponder capacity to MBNS by MEASAT Communication Systems Sdn Bhd (“MCSSB”) (formerly known as MEASAT Management Sdn Bhd) on MEASAT 3d satellite of RM1,525.3m (31 January 2020: RM1,435.4m). MCSSB is an indirect subsidiary of a company in which, a substantial shareholder, Ananda Krishnan Tatparanandam (“TAK”) has a 100% direct equity interest.

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

12 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 TAK or in which he is deemed to have an interest, both of whom are deemed substantial shareholders of the Company.

UTSB has a 23.95% 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.

Listed below are the significant transactions and balances with related parties of the Group during the current financial period. The related party transactions described below were carried out on agreed terms with the related parties.

<u>Related Parties</u>	<u>Relationship</u>
ASTRO Overseas Limited (“AOL”)	Subsidiary of Astro Holdings Sdn Bhd (“AHSB”), a company jointly controlled by UTSB and Khazanah Nasional Berhad, pursuant to a shareholders’ agreement in relation to AHSB
Maxis Broadband Sdn. Bhd. (“Maxis Broadband”)	Subsidiary of a joint venture of UTSB
MEASAT International (South Asia) Ltd. (“MISAL”)	Indirect subsidiary of a company in which TAK has a 100% direct equity interest
Sun TV Network Limited (“Sun TV”)	Joint venture partner of AOL
UTSB Management Sdn. Bhd.	Subsidiary of UTSB
Celestial Movie Channel Limited	Associate of AOL

	Transaction for the period ended 30/4/2020 RM’m	Transaction for the period ended 30/4/2019 RM’m	Balances due (to)/from as at 30/4/2020 RM’m	Balances due (to)/from as at 31/1/2020 RM’m
(i) Purchases of goods and services				
- Maxis Broadband (Telecommunication services)	12.2	14.2	(8.6)	(11.4)
- MISAL (Deposit paid on transponder lease)	-	-	59.1	58.5
- Sun TV (Programme broadcast rights)	10.9	10.2	(10.8)	(19.5)

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

12 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the period ended <u>30/4/2020</u> RM'm	Transaction for the period ended <u>30/4/2019</u> RM'm	Balances due (to)/from as at <u>30/4/2020</u> RM'm	Balances due (to)/from as at <u>31/1/2020</u> RM'm
(i) Purchases of goods and services (continued)				
- UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services)	4.1	4.0	(4.1)	(1.3)
- Celestial Movie Channel Limited (Programme broadcast rights)	3.5	5.6	(2.4)	(2.4)

13 FAIR VALUE MEASUREMENTS

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

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

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group as at 30 April 2020 approximated their fair values except as set out below:

Liabilities measured at amortised cost:

	Carrying amount RM'm	Fair Value		
		Level 1 RM'm	Level 2 RM'm	Level 3 RM'm
<u>30 April 2020</u>				
Borrowings – lease liabilities	(1,530.1)	-	(1,647.6)	-
<u>31 January 2020</u>				
Borrowings – lease liabilities	(1,499.9)	-	(1,605.2)	-

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

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

13 FAIR VALUE MEASUREMENTS (continued)

(b) Financial instruments carried at fair value

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

Assets/(Liabilities) measured at fair value:

<u>Recurring fair value measurements</u>	<u>Carrying amount</u> RM'm	<u>Level 1</u> RM'm	<u>Level 2</u> RM'm	<u>Level 3</u> RM'm
<u>30 April 2020</u>				
Other investment – preference shares in unquoted company	10.7	-	10.7	-
Other investment- investment in unit trusts	774.7	774.7	-	-
Forward foreign currency exchange contracts – cash flow hedges	66.4	-	66.4	-
Foreign currency options	7.9	-	7.9	-
Interest rate swaps – cash flow hedges	(4.5)	-	(4.5)	-
Cross-currency interest rate swaps – cash flow hedges	94.7	-	94.7	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>31 January 2020</u>				
Other investment – preference shares in unquoted company	10.7	-	10.7	-
Other investment- investment in unit trusts	647.1	647.1	-	-
Forward foreign currency exchange contracts – cash flow hedges	(11.7)	-	(11.7)	-
Foreign currency option	8.4	-	8.4	-
Interest rate swaps – cash flow hedges	(2.3)	-	(2.3)	-
Cross-currency interest rate swaps – cash flow hedges	79.3	-	79.3	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The valuation technique used to derive the Level 2 fair value for derivative financial instruments is as disclosed in Note 21.

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

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

14 ANALYSIS OF PERFORMANCE

- (a) Performance of the current quarter (First Quarter FY21) against the corresponding quarter (First Quarter FY20):

All amounts in RM'm unless otherwise stated

	Financial Highlights		%	Key Operating Indicators	
	QUARTER	QUARTER		QUARTER	QUARTER
	ENDED	ENDED		ENDED	ENDED
	30/4/2020	30/4/2019		30/4/2020	30/4/2019
<u>Consolidated Performance</u>					
Total revenue	1,052.9	1,234.4	-15		
EBITDA ¹	330.2	443.5	-26		
EBITDA margin (%)	31.4	35.9	-5		
Profit from operations	185.5	284.6	-35		
Profit before tax	96.8	226.5	-57		
Net profit	72.9	169.3	-57		
Profit attributable to ordinary equity holders of the Company	73.8	176.2	-58		
<u>(i) Television</u>					
Subscription revenue	821.5	928.1	-11		
Advertising revenue	53.1	85.1	-38		
Other revenue	45.8	78.2	-41		
Total revenue	920.4	1,091.4	-16		
EBITDA ¹	319.0	416.1	-23		
EBITDA margin (%)	34.7	38.1	-3		
Profit before tax	88.0	203.1	-57		
Pay-TV residential ARPU ² (RM)				99.1	100.4

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

14 ANALYSIS OF PERFORMANCE (continued)

- (a) Performance of the current quarter (First Quarter FY21) against the corresponding quarter (First Quarter FY20) (continued):

All amounts in RM'm unless otherwise stated

	Financial Highlights		%	Key Operating Indicators	
	QUARTER	QUARTER		QUARTER	QUARTER
	ENDED	ENDED		ENDED	ENDED
	30/4/2020	30/4/2019		30/4/2020	30/4/2019
<u>(ii) Radio</u>					
Revenue	37.2	59.5	-37		
EBITDA ¹	7.9	29.7	-73		
EBITDA margin (%)	21.2	49.9	-29		
Profit before tax	5.8	28.9	-80		
Listeners ('mil)				16.9 ³	16.2 ⁴
<u>(iii) Home-shopping</u>					
Revenue	95.3	83.5	+14		
EBITDA ¹	1.8	(3.4)	+153		
EBITDA margin (%)	1.9	(4.1)	+6		
Profit/(loss) before tax	0.6	(4.5)	+113		

Notes:

- Earnings before interest, tax, depreciation and amortisation (“EBITDA”) represent profit/(loss) before net finance costs, tax, impairment, write-off and depreciation of property, plant and equipment and amortisation of intangible assets such as software (but excluding amortisation of film library and program rights which are expensed as part of cost of sales), impairment of investments and share of post-tax results from investments accounted for using the equity method.
- Average Revenue Per User (“ARPU”) is the monthly average revenue per residential subscriber. ARPU is calculated by dividing the total subscription revenue derived from residential subscribers over the last twelve months with average number of residential subscribers over the same period.
- Based on the Radio Listenership Survey by GFK dated 12 November 2019 for Peninsular Malaysia and 19 November 2019 for East Malaysia.
- Based on the Radio Listenership Survey by GFK dated 13 November 2018 for Peninsular Malaysia and 29 November 2018 for East Malaysia.

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

14 ANALYSIS OF PERFORMANCE (continued)

- (a) Performance of the current quarter (First Quarter FY21) against the corresponding quarter (First Quarter FY20) (continued):

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,052.9m was lower by RM181.5m or 14.7% against corresponding quarter of RM1,234.4m, mainly arising from a decrease in subscription and advertising revenues. Revenue during the quarter was impacted by COVID-19 pandemic as mentioned in Note 3 above.

EBITDA margin

EBITDA margin decrease by 4.5% against corresponding quarter. This is mainly due to higher content costs, merchandise costs and staff related costs, as a percentage of revenue.

Net Profit

In line with drop in EBITDA and higher net finance costs, net profit decreased by RM96.4m or 56.9% compared with the corresponding quarter, offset by lower tax expenses and lower amortisation of software.

Television

Revenue for the current quarter of RM920.4m was lower by RM171.0m or 15.7% against corresponding quarter of RM1,091.4m, mainly arising from a decrease in subscription and advertising revenues. Revenue during the quarter was impacted by COVID-19 pandemic as mentioned in Note 3 above.

Television EBITDA decreased by RM97.1m or 23.3% against corresponding quarter. This is due to lower revenue, as explained above, mitigated by lower content costs, staff related costs and selling and distribution expenses.

Radio

Radio's revenue for the current quarter of RM37.2m drop by RM22.3m or 37.5% compared with corresponding quarter of RM59.5m. The decrease in revenue was impacted by COVID-19 pandemic resulting in lower advertising spend as companies held back their advertising and promotional spend.

Albeit the drop-in revenue, operating costs for current quarter is on par with the corresponding quarter due to the increase in impairment of receivables as mentioned in Notes 3 and 4 above, which was mitigated by the reduction in other cost items.

Home-shopping

Home-shopping's revenue for the current quarter grew by RM11.8m or 14.1% to close at RM95.3m compared with the corresponding quarter of RM83.5m, primarily due to higher viewership and the festive season during the quarter.

The higher EBITDA during the quarter is due to the higher revenue during the quarter.

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

(b) Performance of the current quarter (First Quarter FY21) against the preceding quarter (Fourth Quarter FY20):

All amounts in RM'm unless otherwise stated

	Financial Highlights		%	Key Operating Indicators	
	QUARTER ENDED	QUARTER ENDED		QUARTER ENDED	QUARTER ENDED
	30/4/2020	31/1/2020		30/4/2020	31/1/2020
<u>Consolidated Performance</u>					
Total revenue	1,052.9	1,225.6	-14		
EBITDA ¹	330.2	384.3	-14		
EBITDA margin (%)	31.4	31.4	+0		
Profit from operations	185.5	227.4	-18		
Profit before tax	96.8	195.9	-51		
Net profit	72.9	137.7	-47		
Profit attributable to ordinary equity holders of the Company	73.8	138.9	-47		
<u>(i) Television</u>					
Subscription revenue	821.5	880.8	-7		
Advertising revenue	53.1	95.3	-44		
Other revenue	45.8	72.0	-36		
Total revenue	920.4	1,048.1	-12		
EBITDA ¹	319.0	340.9	-6		
EBITDA margin (%)	34.7	32.5	+2		
Profit before tax	88.0	155.1	-43		
Pay-TV residential ARPU ² (RM)				99.1	100.0
<u>(ii) Radio</u>					
Revenue	37.2	77.0	-52		
EBITDA ¹	7.9	48.7	-84		
EBITDA margin (%)	21.2	63.2	-42		
Profit before tax	5.8	47.1	-88		
Listeners ('mil)				16.9 ³	16.9 ³

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

- (b) Performance of the current quarter (First Quarter FY21) against the preceding quarter (Fourth Quarter FY20) (continued):

All amounts in RM'm unless otherwise stated

Financial Highlights			Key Operating Indicators	
QUARTER ENDED	QUARTER ENDED	%	QUARTER ENDED	QUARTER ENDED
<u>30/4/2020</u>	<u>31/1/2020</u>		<u>30/4/2020</u>	<u>31/1/2020</u>

(iii) Home-shopping

Revenue	95.3	100.4	-5
EBITDA ¹	1.8	(2.4)	+175
EBITDA margin (%)	1.9	(2.4)	+4
Profit/(loss) before tax	0.6	(4.2)	+114

Notes:

- Earnings before interest, tax, depreciation and amortisation (“EBITDA”) represent profit/(loss) before net finance costs, tax, impairment, write-off and depreciation of property, plant and equipment and amortisation of intangible assets such as software (but excluding amortisation of film library and program rights which are expensed as part of cost of sales), impairment of investments and share of post-tax results from investments accounted for using the equity method.
- Average Revenue Per User (“ARPU”) is the monthly average revenue per residential subscriber. ARPU is calculated by dividing the total subscription revenue derived from residential subscribers over the last twelve months with average number of residential subscribers over the same period.
- Based on the Radio Listenership Survey by GFK dated 12 November 2019 for Peninsular Malaysia and 19 November 2019 for East Malaysia.

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,052.9m decrease by RM172.7m or 14.1% compared to the preceding quarter of RM1,225.6m. This was mainly due to drop in subscription revenue, advertising revenue and merchandise sales. Revenue during the quarter was impacted by COVID-19 pandemic as mentioned in Note 3 above.

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14 ANALYSIS OF PERFORMANCE (continued)

- (b) Performance of the current quarter (First Quarter FY21) against the preceding quarter (Fourth Quarter FY20) (continued):

Consolidated Performance (continued)

EBITDA margin

EBITDA remain constant at 31.4% mainly due to lower content costs and marketing and distribution costs, offset by higher impairment of receivables as mentioned in Notes 3 and 4 above and staff related costs, as a percentage of revenue.

Net Profit

Net profit decreased by RM64.8m or 47.1% to RM72.9m during the quarter. The decrease was in tandem with the decrease in EBITDA as mentioned above and higher net finance costs, offset by lower tax expenses and amortisation of software.

Television

Revenue for the current quarter of RM920.4m was lower by RM127.7m or 12.2% against preceding quarter of RM1,048.1m. This was mainly due to decrease in subscription revenue, advertising revenue, sales of programming rights and production service revenue. Revenue during the quarter was impacted by COVID-19 pandemic as mentioned in Note 3 above.

EBITDA decreased by RM21.9m or 6.4% against the preceding quarter mainly due to lower revenue and higher impairment of receivables as mentioned in Notes 3 and 4 above, mitigated by lower content costs, marketing and distribution expenses and staff related costs.

Radio

Radio's revenue for the current quarter of RM37.2m drop by RM39.8m or 51.7% as compared with the preceding quarter of RM77.0m, primarily due to seasonality factors and lower advertising spend as companies held back their advertising and promotional spend impacted by COVID-19 pandemic.

Albeit the drop-in revenue, operating costs for current quarter is on par with the preceding quarter due to the increase in impairment of receivables as mentioned in Notes 3 and 4 above, which was mitigated by the reduction in other cost items.

Home-shopping

Home-shopping's revenue for the current quarter of RM95.3m was lower by RM5.1m or 5.1% compared with the preceding quarter of RM100.4m. The decrease in revenue was due to the festive season and various tactical campaigns during the preceding quarter.

Home-shopping's EBITDA improved by RM4.2m against the preceding quarter, primarily due to less tactical campaigns and product mix with higher margin during the quarter.

- (c) Balance sheet review

As at 30 April 2020, the Group had total assets of RM6,160.6m against RM6,198.4m as at 31 January 2020, a decrease of RM37.8m or 0.6%. The Group's total liabilities reduced by RM61.4m or 1.2% to RM5,198.3m against RM5,259.7m as of 31 January 2020.

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

15 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2021

Households and businesses globally continue to face unprecedented social and economic disruption brought about by the COVID-19 pandemic. Astro is no exception to this and is braced for a challenging FY21, with uncertainties prevailing. The Group expects to face headwinds in its advertising and commercial revenue as well as elevated collection risk, and has accordingly raised provisions on receivables.

The Group has been agile in adapting to the new normal, allowing us to deepen our engagement with our customers, strengthen our value proposition and to seize opportunities for adjacencies in commerce, broadband, digital and OTT. Astro will proactively pursue disciplined cost optimisation and active capital management to further strengthen our financial position.

16 PROFIT FORECAST OR PROFIT GUARANTEE

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

17 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 2020.

18 PROFIT BEFORE TAX

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED 30/4/2020</u>	<u>QUARTER ENDED 30/4/2019</u>	<u>PERIOD ENDED 30/4/2020</u>	<u>PERIOD ENDED 30/4/2019</u>
	RM'm	RM'm	RM'm	RM'm
Amortisation of intangible assets	94.4	117.2	94.4	117.2
Depreciation of property, plant and equipment	71.2	76.1	71.2	76.1
Depreciation of right-of-use assets	47.7	46.6	47.7	46.6
Impairment of software	-	3.6	-	3.6
Impairment of film library and program rights	-	0.2	-	0.2
Impairment of receivables	30.9	29.1	30.9	29.1
Finance income:				
- Interest income	(2.3)	(3.1)	(2.3)	(3.1)
- Unit trust dividend income	(4.9)	(3.1)	(4.9)	(3.1)
- Realised foreign exchange losses	-	0.1	-	0.1
- Fair value gain on derivative recycled to income statement arising from foreign exchange risk	-	(0.6)	-	(0.6)
	(7.2)	(6.7)	(7.2)	(6.7)

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

18 PROFIT BEFORE TAX (continued)

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED 30/4/2020</u>	<u>QUARTER ENDED 30/4/2019</u>	<u>PERIOD ENDED 30/4/2020</u>	<u>PERIOD ENDED 30/4/2019</u>
	RM'm	RM'm	RM'm	RM'm
Finance costs:				
- Bank borrowings	23.2	23.4	23.2	23.4
- Lease liabilities	22.5	25.4	22.5	25.4
- Vendor financing	5.5	6.3	5.5	6.3
- Realised foreign exchange losses	1.6	-	1.6	-
- Unrealised foreign exchange losses	89.9	16.5	89.9	16.5
- Fair value loss/(income) on derivative recycled to income statement arising from:				
- Interest rate risk	0.4	(1.2)	0.4	(1.2)
- Foreign exchange risk	(47.4)	(6.1)	(47.4)	(6.1)
- Others	0.5	0.6	0.5	0.6
	<u>96.2</u>	<u>64.9</u>	<u>96.2</u>	<u>64.9</u>

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

19 TAXATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED 30/4/2020</u>	<u>QUARTER ENDED 30/4/2019</u>	<u>PERIOD ENDED 30/4/2020</u>	<u>PERIOD ENDED 30/4/2019</u>
	RM'm	RM'm	RM'm	RM'm
Current tax	37.3	62.5	37.3	62.5
Deferred tax	(13.4)	(5.3)	(13.4)	(5.3)
	<u>23.9</u>	<u>57.2</u>	<u>23.9</u>	<u>57.2</u>

The Group's effective tax rate for the current quarter and financial period ended 30 April 2020 is higher than the statutory tax rate of 24% mainly due to expenses not deductible for tax purpose.

The Group's effective tax rate for the corresponding quarter and financial period ended 30 April 2019 is higher than the statutory tax rate of 24% principally due to unrecognised tax losses and expenses not deductible for tax purpose.

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

20 GROUP BORROWINGS AND DEBT SECURITIES

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

As at 30 April 2020	Current		Non-current		Total	
	USD Denominated RM'm	RM Denominated RM'm	USD Denominated RM'm	RM Denominated RM'm	USD Denominated RM'm	RM Denominated RM'm
Unsecured:						
Term loans ^(a)	218.8	80.8	107.6	717.5	326.4	798.3
Less: Debt issuance costs	-	(1.3)	-	(2.8)	-	(4.1)
Term loans, net of debt issuance costs	218.8	79.5	107.6	714.7	326.4	794.2
Synthetic Foreign Currency Loan	-	2.5	-	612.7	-	615.2
Unrated Medium Term Note	-	3.5	-	300.0	-	303.5
Lease liabilities						
- Lease of transponders ^(b)	83.6	92.1	1,121.3	151.6	1,204.9	243.7
- Other leases ^(c)	-	20.3	-	61.2	-	81.5
	83.6	112.4	1,121.3	212.8	1,204.9	325.2
	302.4	197.9	1,228.9	1,840.2	1,531.3	2,038.1
As at 30 April 2019						
Unsecured:						
Term loans ^(a)	212.5	80.5	306.9	542.5	519.4	623.0
Less: Debt issuance costs	-	(1.6)	-	(4.1)	-	(5.7)
Term loans, net of debt issuance costs	212.5	78.9	306.9	538.4	519.4	617.3
Synthetic Foreign Currency Loan	-	2.6	-	612.7	-	615.3
Unrated Medium Term Note	-	3.4	-	300.0	-	303.4
Lease liabilities						
- Lease of transponders ^(b)	98.7	85.6	1,117.1	243.7	1,215.8	329.3
- Other leases ^(c)	-	18.2	-	69.5	-	87.7
	98.7	103.8	1,117.1	313.2	1,215.8	417.0
	311.2	188.7	1,424.0	1,764.3	1,735.2	1,953.0

Note:

- (a) USD Term loan with notional amount USD74.3m had been swapped into RM at an average exchange and fixed interest rate of USD/RM3.0189 (30 April 2019: USD/RM3.0189) and 4.19% (inclusive of margin of 1%) (30 April 2019: 4.19% (inclusive of margin of 1%)). RM Term loan with notional amount of RM112.5m and MBNS Term Loan of RM300m remains unhedged, with average interest rates of 4.83% (inclusive of margin of 1%) per annum and 4.27% (inclusive of margin of 1%) per annum respectively. The decrease in Term loan arising from repayment of principal amount for USD Term Loan and RM Term Loan of USD49.5m and RM75.0m respectively, offset by drawdown by MBNS of RM250m on 28 June 2019.

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

20 GROUP BORROWINGS AND DEBT SECURITIES (continued)

Note (continued):

- (b) 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, MISAL, 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 lease as at 30 April 2020 is 6.2% (30 April 2019: 6.2%), 4.6% (30 April 2019: 4.6%), 12.5% (30 April 2019: 12.5%) and 5.6% (30 April 2019: 5.6%) per annum for M3, M3-T11, M3a and M3b respectively.

The decrease is due to repayment of lease liabilities as disclosed in statement of cash flows.

- (c) Included in other leases are those leases previously classified as operating leases under MFRS 117 that are recognised on-balance sheet upon application of MFRS 16 on 1 February 2019.

21 DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 30 April 2020 are set out below:

Types of derivatives	Contract/ Notional Amount RM'm	Fair Value Assets RM'm	Fair Value Liabilities RM'm
Forward currency options (“FX Options”)			
- Less than 1 year	141.6	5.6	-
- 1 to 3 years	50.0	2.3	-
	191.6	7.9	-
Forward foreign currency exchange contracts (“FX Contracts”)*			
- Less than 1 year	954.9	43.8	-
- 1 to 3 years	290.9	16.7	-
- More than 3 years	82.9	5.9	-
	1,328.7	66.4	-

* Included is FX Contracts entered for payment of lease of transponder on M3b with notional principal amounts of RM454.9m.

ASTRO MALAYSIA HOLDINGS BERHAD
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(Company No. 201101004392 (932533-V))

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2020

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

21 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	175.9	-	(1.1)
- 1 to 3 years	163.7	-	(3.4)
	339.6	-	(4.5)
Cross-currency interest rate swaps (“CCIRS”)			
- Less than 1 year	149.4	63.1	-
- 1 to 3 years	74.7	31.6	-
	224.1	94.7	-

There have been no changes since the end of the previous financial year ended 31 January 2020 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 30 April 2020, the Group recognised net total derivative financial assets of RM164.5m, an increase of RM90.8m from the previous financial year ended 31 January 2020, on re-measuring the fair values of the derivative financial instruments. The corresponding decrease of RM90.8m has been included in equity in the hedging reserve.

Forward foreign currency exchange contracts (“FX Contracts”) and foreign currency options (“FX Options”)

FX Contracts and FX 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 FX Contracts were entered into for a period of up to 5 years, while FX Options were entered into for a period of up to 3 years.

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

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Interest rate swaps (“IRS”)

IRS are used to achieve an appropriate interest rate exposure within the Group. The Group entered into IRS to hedge the cash flow risk in relation to the floating interest rate of vendor financing, as disclosed in Note 23.

The IRS for vendor financing were entered into for a period of up to 3 years with an average fixed swap rate of 3.64% p.a. (31 January 2020: 3.66% p.a.).

Cross-currency interest rate swaps (“CCIRS”)

To mitigate financial risks arising from adverse fluctuations in interest and exchange rates on USD Term loan, the Group entered into CCIRS.

The CCIRS for USD Term Loan was entered for entire term of the 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 2020: 4.19% p.a. (inclusive of interest margin of 1% p.a.)) and USD/RM3.0189 (31 January 2020: USD/RM3.0189) respectively.

22 RECEIVABLES

Receivables 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 30 April 2020 as follows:

	Current to 90 days RM'm	Over 90 days RM'm	Total RM'm
Neither past due nor impaired	199.5	-	199.5
Not past due but impaired	14.8	-	14.8
Past due but not impaired	91.2	6.9	98.1
Past due and impaired	23.4	31.0	54.4
	328.9	37.9	366.8

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.

23 PAYABLES

Included in payables are credit terms granted by vendors that generally range from 0 to 90 days (31 January 2020: 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”) basis to the Group.

The effective interest rates at the end of the financial period ranged between 3.3% p.a. and 4.9% p.a. (31 January 2020: 3.7% p.a. and 4.9% p.a.).

As at 30 April 2020, the vendor financing included in payables is RM500.2m (31 January 2020: RM568.2m), comprising current portion of RM219.9m (31 January 2020: RM248.8m) and non-current portion of RM280.3m (31 January 2020: RM319.4m).

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

24 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 FX Contracts and FX Options to hedge its foreign currency risk. FX Contracts have maturities of up to 5 years after the end of the balance sheet date. The Group has also entered into CCIRS to mitigate financial risks arising from adverse fluctuations in interest and exchange rates.

The notional principal amount and maturity profiles of FX Contracts outstanding as at 30 April 2020 and CCIRS are set out in Note 21.

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

	As at 30/4/2020	As at 31/1/2020
	RM'm	RM'm
Receivables	9.6	9.8
Payables	(284.0)	(255.5)
Borrowings	(1,531.3)	(1,456.4)

25 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.

26 DIVIDENDS

- (a) The Board of Directors has declared a first interim single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 January 2021 amounting to approximately RM52,145,067, to be paid on 17 July 2020. The entitlement date for the dividend payment is 3 July 2020.

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

- (i) shares transferred to the depositor’s securities account before 4.30 pm on 3 July 2020 in respect of transfers; and
 - (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis.
- (b) Total dividend declared for the financial period ended 30 April 2020 is 1.0 sen per share, based on 5,214,506,700 ordinary shares (30 April 2019: 2.0 sen per share based on 5,214,314,500 ordinary shares).

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

27 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share at 30 April 2020 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per ordinary shares at 30 April 2020 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share as at 30 April 2020:

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER</u>	<u>QUARTER</u>	<u>PERIOD</u>	<u>PERIOD</u>
	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>
	<u>30/4/2020</u>	<u>30/4/2019</u>	<u>30/4/2020</u>	<u>30/4/2019</u>
Profit attributable to the equity holders (RM'm)	73.8	176.2	73.8	176.2
(i) Basic EPS				
Weighted average number of issued ordinary shares ('m)	5,214.5	5,214.3	5,214.5	5,214.3
Basic earnings per share (RM)	0.014	0.034	0.014	0.034
(ii) Diluted EPS				
Weighted average number of issued ordinary shares ('m)	5,214.5	5,214.3	5,214.5	5,214.3
Effect of dilution:				
Grant of share awards under the management share scheme ('m)	-	0.2	-	0.2
	5,214.5	5,214.5	5,214.5	5,214.5
Diluted earnings per share (RM)	0.014	0.034	0.014	0.034

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

28. MATERIAL EVENTS SUBSEQUENT TO END OF THE FINANCIAL PERIOD

Supplemental Letter dated 15 May 2019 and Supplemental Letter dated 9 April 2020 to the joint venture agreement ("JVA") dated 8 February 2018 entered into between AMH's wholly-owned subsidiary, Astro Digital Sdn Bhd ("ADSB"), GMK and NISB, in relation to a joint venture for the creation and monetization of content verticals in Malaysia and Nusantara region. Pursuant to the JVA, ADSB's total subscription consideration for its 51% interest in NISB is RM100,000,104 ("Investment Amount") to be paid in tranches. The JVA became unconditional and was completed on 2 May 2018 in accordance with the terms of the JVA. Pursuant to the Supplemental Letters above, the parties have agreed to extend the date for ADSB to carry out its first two investment tranches in NISB to 2 May 2021.

There were no other material subsequent events during the period from the end of the quarter review to 18 June 2020.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON

Company Secretary

License No. LS0007908

SSM Practising Cert. No. 201908003488

18 June 2020