

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

**QUARTERLY REPORT FOR THE
FINANCIAL PERIOD ENDED 31 JULY 2017**

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	<u>INDIVIDUAL QUARTER</u>		%	<u>CUMULATIVE QUARTER</u>		%
	<u>QUARTER</u>	<u>QUARTER</u>		<u>PERIOD</u>	<u>PERIOD</u>	
	<u>ENDED</u>	<u>ENDED</u>		<u>ENDED</u>	<u>ENDED</u>	
Note	<u>31/07/2017</u>	<u>31/07/2016</u>		<u>31/07/2017</u>	<u>31/07/2016</u>	
	RM'm	RM'm		RM'm	RM'm	
Revenue	1,419.7	1,428.3	-1	2,745.8	2,791.1	-2
Cost of sales	(758.4)	(897.6)		(1,541.0)	(1,730.6)	
Gross profit	661.3	530.7	+25	1,204.8	1,060.5	+14
Other operating income	5.2	3.9		8.7	8.0	
Marketing and distribution costs	(130.4)	(121.0)		(243.5)	(237.8)	
Administrative expenses	(154.5)	(165.8)		(287.9)	(301.0)	
Profit from operations	381.6	247.8	+54	682.1	529.7	+29
Finance income	13.1	9.4		33.1	38.9	
Finance costs	(55.1)	(89.3)		(106.2)	(122.4)	
Share of post-tax results from investments accounted for using the equity method	(0.4)	1.1		(0.3)	2.8	
Profit before tax	339.2	169.0	+101	608.7	449.0	+35
Tax expense	(94.1)	(44.7)		(171.2)	(123.6)	
Profit for the financial period	245.1	124.3	+97	437.5	325.4	+34
Attributable to:						
Equity holders of the Company	246.3	125.5	+96	442.2	327.6	+35
Non-controlling interests	(1.2)	(1.2)		(4.7)	(2.2)	
	245.1	124.3	+97	437.5	325.4	+34
Earnings per share attributable to equity holders of the Company (RM):						
- Basic	0.047	0.024		0.085	0.063	
- Diluted	0.047	0.024		0.085	0.063	

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/07/2017 RM'm	QUARTER ENDED 31/07/2016 RM'm	PERIOD ENDED 31/07/2017 RM'm	PERIOD ENDED 31/07/2016 RM'm
Profit for the financial period	245.1	124.3	437.5	325.4
Other comprehensive (loss)/income:				
Items that will be reclassified subsequently to profit or loss:				
- Net change in cash flow hedge	(37.0)	60.4	(74.5)	(38.7)
- Net change in available-for-sale financial assets	0.1	0.5	0.3	0.3
Foreign currency translation	0.7	0.5	3.3	1.7
Taxation	8.4	-	17.4	-
Other comprehensive (loss)/income, net of tax	(27.8)	61.4	(53.5)	(36.7)
Total comprehensive income for the financial period	<u>217.3</u>	<u>185.7</u>	<u>384.0</u>	<u>288.7</u>
Attributable to:				
Equity holders of the Company	218.5	186.9	388.7	290.9
Non-controlling interests	(1.2)	(1.2)	(4.7)	(2.2)
	<u>217.3</u>	<u>185.7</u>	<u>384.0</u>	<u>288.7</u>

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/7/2017 <u>Unaudited</u> RM'm	AS AT 31/1/2017 <u>Audited</u> RM'm
Non-current assets			
Property, plant and equipment		2,497.9	1,817.9
Investments in associates		1.9	2.1
Investments in joint ventures		2.1	2.2
Receivables and prepayments	21	98.4	300.2
Deferred tax assets		132.2	119.5
Derivative financial instruments	20	203.3	272.4
Intangible assets		2,008.2	2,044.6
		<u>4,944.0</u>	<u>4,558.9</u>
Current assets			
Inventories		19.3	20.4
Other investment		354.4	275.4
Receivables and prepayments	21	1,016.5	858.5
Derivative financial instruments	20	71.3	175.4
Tax recoverable		1.0	1.0
Cash and bank balances		253.2	376.3
		<u>1,715.7</u>	<u>1,707.0</u>
Total assets		<u>6,659.7</u>	<u>6,265.9</u>
Current liabilities			
Payables	22	1,313.5	1,626.6
Derivative financial instruments	20	7.4	4.3
Borrowings	19	747.4	629.3
Tax liabilities		65.1	20.0
		<u>2,133.4</u>	<u>2,280.2</u>
Net current liabilities		<u>(417.7)</u>	<u>(573.2)</u>
Non-current liabilities			
Payables	22	562.9	490.0
Derivative financial instruments	20	6.8	8.1
Borrowings	19	3,196.7	2,776.3
Deferred tax liabilities		80.2	81.5
		<u>3,846.6</u>	<u>3,355.9</u>
Total liabilities		<u>5,980.0</u>	<u>5,636.1</u>
Net assets		<u>679.7</u>	<u>629.8</u>

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/7/2017 Unaudited RM'm	AS AT 31/1/2017 Audited RM'm
Capital and reserves attributable to equity holders of the Company			
Share capital		6,715.8	6,715.8
Exchange reserve		6.9	3.6
Capital reorganisation reserve		(5,470.2)	(5,470.2)
Hedging reserve		(2.9)	54.2
Fair value reserve		0.3	-
Share scheme reserve		29.5	25.0
Accumulated losses		(601.4)	(705.0)
		<u>678.0</u>	<u>623.4</u>
Non-controlling interests		1.7	6.4
Total equity		<u>679.7</u>	<u>629.8</u>

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to equity holders of the Company

Period ended 31/7/2017	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	-	-	-	-	-	-	442.2	442.2	(4.7)	437.5
Other comprehensive income/(loss) for the financial period	-	3.3	-	(57.1)	0.3	-	-	(53.5)	-	(53.5)
Total comprehensive income/(loss) for the financial period	-	3.3	-	(57.1)	0.3	-	442.2	388.7	(4.7)	384.0
Ordinary shares dividends	-	-	-	-	-	-	(338.6)	(338.6)	-	(338.6)
Share-based payment transaction	-	-	-	-	-	4.5	-	4.5	-	4.5
Transactions with owners	-	-	-	-	-	4.5	(338.6)	(334.1)	-	(334.1)
At 31/7/2017	6,715.8 [^]	6.9	(5,470.2)	(2.9)	0.3	29.5	(601.4)	678.0	1.7	679.7

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

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

Period ended 31/7/2016	Attributable to equity holders of the Company										Non-controlling interests	Total
	Share capital	Share premium	Exchange reserve	Capital redemption reserve	Capital reorganisation reserve	Hedging reserve	Fair value reserve	Share scheme reserve	Accumulated losses	Total		
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm		
At 1/2/2016	520.5	6,183.3	2.9	0.0 [@]	(5,470.2)	3.1	(0.3)	30.9	(669.5)	600.7	13.1	613.8
Profit/(loss) for the financial period	-	-	-	-	-	-	-	-	327.6	327.6	(2.2)	325.4
Other comprehensive income/(loss) for the financial period	-	-	1.7	-	-	(38.7)	0.3	-	-	(36.7)	-	(36.7)
Total comprehensive income/(loss) for the financial period	-	-	1.7	-	-	(38.7)	0.3	-	327.6	290.9	(2.2)	288.7
Ordinary shares dividends	-	-	-	-	-	-	-	-	(351.3)	(351.3)	-	(351.3)
Share-based payment transaction	-	-	-	-	-	-	-	7.3	-	7.3	-	7.3
Transactions with owners	-	-	-	-	-	-	-	7.3	(351.3)	(344.0)	-	(344.0)
At 31/7/2016	520.5	6,183.3	4.6	0.0 [@]	(5,470.2)	(35.6)	-	38.2	(693.2)	547.6	10.9	558.5

[@] Denotes RM677.50

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED 31/7/2017	PERIOD ENDED 31/7/2016
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	608.7	449.0
<u>Adjustments for:</u>		
Non-cash items [^]	537.2	615.2
Interest expense	95.2	103.9
Interest income	(12.6)	(20.4)
Operating cash flows before changes in working capital	1,228.5	1,147.7
Changes in working capital	(130.6)	(268.8)
Cash flows from operations	1,097.9	878.9
Income tax paid	(122.7)	(119.4)
Interest received	3.4	11.0
Net cash flows generated from operating activities	978.6	770.5
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment and intangibles	0.1	0.7
Purchase of property, plant and equipment and intangibles	(256.0)	(245.2)
(Purchase)/disposal of unit trusts	(70.5)	244.3
Maturities/(placements) of fixed deposits	95.0	(144.6)
Maturities of bonds	-	5.0
Net cash flows used in investing activities	(231.4)	(139.8)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(338.6)	(351.3)
Interest paid	(51.5)	(60.2)
Payment for set-top boxes	(155.8)	(94.0)
Payment of finance lease liabilities	(98.2)	(78.0)
Net repayment of borrowings	(134.5)	(149.8)
Net cash flows used in financing activities	(778.6)	(733.3)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(31.4)	(102.6)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	3.2	1.7
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	263.3	566.8
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD[#]	235.1	465.9

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

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

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

Material Non-Cash Transaction

During the financial period ended 31 July 2017, the Group acquired set-top boxes by means of vendor financing of RM103.5m (31 July 2016: RM62.3m) and transponders by means of finance lease of RM806.2m (31 July 2016: Nil), the Group had repaid RM155.8m (31 July 2016: RM94.0m) in relation to vendor financing for set-top boxes and RM91.2m (31 July 2016: RM76.8m) in relation to finance lease for transponders, both capitalised in prior financial years.

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

1 BASIS OF PREPARATION

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting”, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ended 31 January 2017.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2017.

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

- Amendments to MFRS 107 Disclosure Initiative (effective from 1 January 2017)
- Amendments to MFRS 112 Recognition of Deferred Tax Asset for Unrealised Losses (effective from 1 January 2017)
- Amendments to MFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2017)

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

The Group has not early adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) as these are effective for the financial periods beginning on or after 1 February 2018:

- MFRS 9 Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities (effective from 1 January 2018)
- MFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018)
- MFRS 16 Leases (effective from 1 January 2019)
- Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions (effective from 1 January 2018)
- Amendments to MFRS 128 Investments in Associates and Joint Ventures (effective from 1 January 2018)
- Amendments to MFRS 140 Transfers of Investment Property (effective from 1 January 2018)
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration (effective from 1 January 2018)
- 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)

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

1 BASIS OF PREPARATION (continued)

The initial application of the aforementioned accounting standards and amendments to published standards are not expected to have any material impacts to the financial statements of the Group, except as mentioned below:

MFRS 9 Financial Instruments

This complete version of MFRS 9 replaces all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. The approach for classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held of which financial assets such as investment in debt instruments can be classified into three categories; amortised costs, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”), equity instrument shall be measured at fair value while classification and measurement of financial liabilities have been retained: FVTPL and amortised cost. For impairment, MFRS 9 introduces an expected-loss impairment model which will require more timely recognition of expected credit losses to reflect changes of credit risk of financial instruments. For hedge accounting, the general hedge accounting requirements have been simplified for hedge effectiveness testing and permit hedge accounting to be applied to a greater variety of hedging instruments and risks. MFRS 9 is to be applied retrospectively but comparative are not required to be restated.

The Group is currently assessing the financial impact of adopting MFRS 9.

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 customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group is currently assessing the financial impact of adopting MFRS 15.

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 second quarter ended 31 July 2017.

4 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the financial period ended 31 July 2017.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

5 DEBT AND EQUITY SECURITIES

Save for below items, there were no other issuance, repurchase and repayment of debt and equity securities during the six-month ended 31 July 2017:

On 9 June 2017, a wholly-owned subsidiary of the Company, MEASAT Broadcast Network Systems Sdn Bhd (“MBNS” or the “Issuer”) has established an Unrated Medium Term Notes (“MTNs”) Programme of up to RM3.0 billion in nominal value (“MTN Programme”). The MTN Programme has a tenure of 15 years from the date of the first issuance of MTNs under the MTN Programme. MBNS intends to utilise the proceeds for the following purposes:

- (i) financing the Issuer’s cost relating to the production, purchase and licensing of content/ programme/ channels;
- (ii) financing the Issuer’s purchase of set-top boxes, including the settlement of vendor financing;
- (iii) capital expenditure of the Issuer including asset acquisition for broadcast and transmission and acquisition of software and platforms;
- (iv) refinancing of any maturing MTNs issued under the MTN Programme; and/or
- (v) on-lending (at a mutually agreed interest) to Astro Malaysia Holdings Berhad and its subsidiaries.

Subsequent to end of the financial period, on 10 August 2017, MBNS issued the first series of MTNs amounting to RM300.0 million in nominal value (“First Series MTNs”), for a tenure of 5 years.

6 DIVIDENDS PAID

During the financial period ended 31 July 2017, the following dividend payments were made:

- (i) fourth interim single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 January 2017 amounting to RM156,285,666.00 was paid on 27 April 2017;
- (ii) final single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 January 2017 amounting to RM26,047,612.09 was paid on 14 July 2017;
- (iii) first interim single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ending 31 January 2018 amounting to RM156,285,666.00 was paid on 14 July 2017.

Refer to Note 26 for dividends declared for the second quarter ended 31 July 2017.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

7 SEGMENT RESULTS AND REPORTING

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

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

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

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

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

Segment assets

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

Segment liabilities

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

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

7 SEGMENT RESULTS AND REPORTING (continued)

<u>Period ended</u> <u>31/7/2017</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
External revenue	2,451.6	160.2	132.3	0.9	0.8	-	2,745.8
Interest income	8.3	2.1	0.4	0.7	39.1	(38.0)	12.6
Interest expense	(89.3)	-	-	(2.0)	(41.9)	38.0	(95.2)
Depreciation and amortisation	(523.7)	(2.8)	(2.7)	-	(2.8)	14.3	(517.7)
Share of post-tax results from investments accounted for using the equity method	(0.3)	-	-	-	-	-	(0.3)
Segment profit/(loss) – Profit/(loss) before tax	<u>555.1</u>	<u>83.5</u>	<u>(9.3)</u>	<u>(7.2)</u>	<u>(16.4)</u>	<u>3.0</u>	<u>608.7</u>
<u>As at</u> <u>31/7/2017</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
Segment assets	<u>5,610.2</u>	<u>1,286.1</u>	<u>53.6</u>	<u>53.6</u>	<u>389.0</u>	<u>(865.0)</u>	<u>6,527.5</u>
Segment liabilities	<u>4,346.6</u>	<u>197.3</u>	<u>76.5</u>	<u>18.7</u>	<u>2,100.9</u>	<u>(905.3)</u>	<u>5,834.7</u>
<u>Period ended</u> <u>31/7/2016</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
External revenue	<u>2,493.3</u>	<u>158.5</u>	<u>138.2</u>	<u>-</u>	<u>1.1</u>	<u>-</u>	<u>2,791.1</u>
Interest income	10.6	1.7	0.7	1.6	47.5	(41.7)	20.4
Interest expense	(92.5)	(0.1)	-	(2.0)	(51.0)	41.7	(103.9)
Depreciation and amortisation	(565.8)	(2.7)	(2.7)	-	(3.7)	17.5	(557.4)
Share of post-tax results from investments accounted for using the equity method	-	-	-	2.8	-	-	2.8
Segment profit/(loss) – Profit/(loss) before tax	<u>380.3</u>	<u>89.4</u>	<u>(5.7)</u>	<u>1.0</u>	<u>(22.7)</u>	<u>6.7</u>	<u>449.0</u>
<u>As at</u> <u>31/1/2017</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
Segment assets	<u>4,911.9</u>	<u>1,840.6</u>	<u>57.7</u>	<u>68.7</u>	<u>535.1</u>	<u>(1,267.6)</u>	<u>6,146.4</u>
Segment liabilities	<u>3,620.3</u>	<u>763.2</u>	<u>60.2</u>	<u>9.3</u>	<u>2,389.3</u>	<u>(1,307.7)</u>	<u>5,534.6</u>

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

7 SEGMENT RESULTS AND REPORTING (continued)

<u>Quarter ended</u> <u>31/7/2017</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
External revenue	1,259.5	88.7	70.3	0.9	0.3	-	1,419.7
Interest income	4.6	1.1	0.2	0.3	18.5	(18.7)	6.0
Interest expense	(47.2)	-	-	(1.0)	(18.7)	18.7	(48.2)
Depreciation and amortisation	(265.7)	(0.8)	(1.4)	-	(1.4)	3.1	(266.2)
Share of post-tax results from investments accounted for using the equity method	(0.4)	-	-	-	-	-	(0.4)
Segment profit/(loss) – Profit/(loss) before tax	<u>310.4</u>	<u>48.1</u>	<u>(3.2)</u>	<u>(3.7)</u>	<u>(11.9)</u>	<u>(0.5)</u>	<u>339.2</u>
<u>Quarter ended</u> <u>31/7/2016</u>	<u>Television</u> <u>RM'm</u>	<u>Radio</u> <u>RM'm</u>	<u>Home-</u> <u>shopping</u> <u>RM'm</u>	<u>Others</u> <u>RM'm</u>	<u>Corporate</u> <u>Function</u> <u>RM'm</u>	<u>Elimination</u> <u>RM'm</u>	<u>Total</u> <u>RM'm</u>
External revenue	1,266.9	86.5	74.3	-	0.6	-	1,428.3
Interest income	5.1	1.0	0.4	0.7	23.0	(20.8)	9.4
Interest expense	(46.0)	-	-	(1.0)	(24.4)	20.8	(50.6)
Depreciation and amortisation	(272.7)	(1.3)	(1.4)	-	(1.7)	8.5	(268.6)
Share of post-tax results from investments accounted for using the equity method	-	-	-	1.1	-	-	1.1
Segment profit/(loss) – Profit/(loss) before tax	<u>126.7</u>	<u>51.8</u>	<u>(2.8)</u>	<u>3.2</u>	<u>(13.2)</u>	<u>3.3</u>	<u>169.0</u>

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

8 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the second quarter ended 31 July 2017.

9 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS

a. Indemnity and guarantees

Details of the indemnity and guarantees of the Group as at 31 July 2017, for which no provision has been made in the interim financial statements, are as set out below:

	Group	
	31/7/2017	31/1/2017
	RM'm	RM'm
Indemnity given to financial institutions in respect of bank guarantees issued (unsecured):		
- Programme rights vendors ¹	121.3	125.5
- Others ²	9.8	7.5
Other indemnities:		
- Guarantee to programme rights vendor provided by AMH ¹	775.2	949.6
	906.3	1,082.6

Notes:

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

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

b. Contingent assets

There were no significant contingent assets as at 31 July 2017 (31 January 2017: Nil).

10 COMMITMENTS

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

	31/7/2017			31/1/2017		
	Approved and contracted for	Approved and not contracted for	Total	Approved and contracted for	Approved and not contracted for	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Property, plant and equipment*	856.4	99.0	955.4	2,326.2	84.8	2,411.0
Software	48.5	189.7	238.2	79.1	96.4	175.5
Film library and programme rights	860.8	434.9	1,295.7	1,065.4	742.6	1,808.0
	1,765.7	723.6	2,489.3	3,470.7	923.8	4,394.5

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

10 COMMITMENTS (continued)

- * Included in approved and contracted for is the supply of transponder capacity with MEASAT International (South Asia) Ltd. (“MISAL”) and MEASAT Satellite Systems Sdn. Bhd. (“MSS”), both related parties, on MEASAT-3B and MEASAT-3C satellites, of RM NIL (31 January 2017: RM1,325.0m) and RM712.4m (31 January 2017: RM736.9m) respectively. MISAL and MSS are both subsidiaries of a company in which, a substantial shareholder, Ananda Krishnan Tatparanandam (“TAK”) has a 99.999% direct equity interest.

11 SIGNIFICANT RELATED PARTY DISCLOSURES

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

UTSB has a 23.98% indirect interest in the Company through its wholly-owned subsidiaries All Asia Media Equities Limited and Usaha Tegas Entertainment Systems Sdn Bhd. The ultimate holding company of UTSB is PanOcean Management Limited (“PanOcean”). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company, they do not have any economic or beneficial interest over such shares as such interest is held subject to the terms of the discretionary trust.

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

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

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

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the period ended <u>31/7/2017</u> RM'm	Transaction for the period ended <u>31/7/2016</u> RM'm	Balances due from/(to) as at <u>31/7/2017*</u> RM'm	Balances due from/(to) as at <u>31/1/2017*</u> RM'm	Commitments as at <u>31/7/2017</u> RM'm	Commitments as at <u>31/1/2017</u> RM'm
(i) Sales of goods and services						
- Maxis Mobile Services Sdn. Bhd. (Multimedia, interactive and airtime sales)	3.5	4.6	2.2	2.2	-	-
- Maxis Broadband Sdn. Bhd. (Licensing income)	-	-	0.9	1.0	-	-
- Kristal-Astro Sdn. Bhd. (Programme services and right sales, technical support, smartcard rental, and sales of set-top boxes and accessories)	10.3	15.0	29.8	28.2	-	-
- MEASAT Satellite Systems Sdn. Bhd. (Compensation for T11)	-	-	1.5	4.5	-	-
- ASTRO Overseas Limited (Management fees)	0.9	1.4	-	3.5	-	-
(ii) Purchases of goods and services						
- UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services)	6.7	5.6	(2.2)	(1.1)	-	-
- Maxis Broadband Sdn. Bhd. (Telecommunication services)	44.7	43.7	(16.8)	(13.7)	-	-
- MISAL (Deposit paid on transponder lease)	-	-	53.2	52.2	-	1,325.0
- MSS (Transponder lease)	-	-	-	-	712.4	736.9
- Sun TV Network Limited (Programme broadcast rights)	19.9	18.5	(11.1)	(13.3)	-	-
- Celestial Movie Channel Limited (Programme broadcast rights)	11.8	11.1	(2.5)	(2.4)	-	-

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the period ended <u>31/7/2017</u> RM'm	Transaction for the period ended <u>31/7/2016</u> RM'm	Balances due from/(to) as at <u>31/7/2017*</u> RM'm	Balances due from/(to) as at <u>31/1/2017*</u> RM'm	Commitments as at <u>31/7/2017</u> RM'm	Commitments as at <u>31/1/2017</u> RM'm
(ii) Purchases of goods and services (continued)						
- Tiger Gate Entertainment Limited (Programming rights)	7.9	7.7	(3.7)	(3.5)	-	-
- GS Home Shopping Inc. (Development of software system, purchase of retail products)	0.3	2.6	(0.1)	(0.9)	-	-
(iii) Key management personnel compensation						
- Salaries, bonus and allowances and other staff related costs	20.1	19.9				
- Directors fees	1.1	1.0				
- Defined contribution plans	3.1	2.9				

* Balances are stated at gross

(iv) Government-related entities

Khazanah Nasional Berhad (“KNB”) is deemed interested in 20.69% equity interest in the Company held by its wholly-owned subsidiary, Pantai Cahaya Bulan Ventures Sdn Bhd (“PCBV”). KNB is the strategic investment fund of the Government of Malaysia. Save for one (1) share owned by the Federal Lands Commissioner, a body corporate incorporated under the Federal Lands Commissioner (Incorporation) Act, 1957, all of the ordinary shares of KNB are owned by the Minister of Finance Incorporated, a body corporate incorporated under the Minister of Finance, (Incorporation) Act, 1957 (“MoF Inc.”).

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

For the financial period ended 31 July 2017, management estimates that the aggregate amounts of the Group significant transactions with KNB Group are at 2.6% of its total administrative expenses and nil of its total revenue.

12 FAIR VALUE MEASUREMENTS

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

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

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

12 FAIR VALUE MEASUREMENTS (continued)

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group as at 31 July 2017 approximated their fair values except as set out below:

Assets/(Liabilities) measured at amortised cost:

	Carrying amount	Level 1	Level 2	Level 3
	RM'm	RM'm	RM'm	RM'm
<u>31 July 2017</u>				
Other investments - bonds	5.0	-	5.0	-
Borrowings – finance lease liabilities	(1,801.6)	-	(1,870.4)	-
<u>31 January 2017</u>				
Other investments - bonds	5.0	-	5.0	-
Borrowings – finance lease liabilities	(1,066.4)	-	(1,126.3)	-

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

(b) Financial instruments carried at fair value

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

Assets/(Liabilities) measured at fair value:

	Carrying amount	Level 1	Level 2	Level 3
	RM'm	RM'm	RM'm	RM'm
<u>Recurring fair value measurements</u>				
<u>31 July 2017</u>				
Other investment- investment in unit trusts	349.4	349.4	-	-
Forward foreign currency exchange contracts – cash flow hedges	(1.7)	-	(1.7)	-
Foreign currency option	4.2	-	4.2	-
Interest rate swaps – cash flow hedges	(9.8)	-	(9.8)	-
Cross-currency interest rate swaps – cash flow hedges	267.7	-	267.7	-
<u>31 January 2017</u>				
Other investment- investment in unit trusts	270.4	270.4	-	-
Forward foreign currency exchange contracts – cash flow hedges	64.2	-	64.2	-
Foreign currency option	10.5	-	10.5	-
Interest rate swaps – cash flow hedges	(11.3)	-	(11.3)	-
Cross-currency interest rate swaps – cash flow hedges	372.0	-	372.0	-

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

12 FAIR VALUE MEASUREMENTS (continued)

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

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

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

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

13 ANALYSIS OF PERFORMANCE

- (a) Performance of the current quarter (Second Quarter FY18) against the corresponding quarter (Second Quarter FY17):

All amounts in RM'm unless otherwise stated

	Financial Highlights		%	Key Operating Indicators	
	QUARTER	QUARTER		QUARTER	QUARTER
	ENDED	ENDED		ENDED	ENDED
	31/7/2017	31/7/2016		31/7/2017	31/7/2016
<u>Consolidated Performance</u>					
Total revenue	1,419.7	1,428.3	-1		
EBITDA ¹	550.8	426.3	+29		
EBITDA margin (%)	38.8	29.8	+9		
Profit from operations	381.6	247.8	+54		
Profit before tax	339.2	169.0	+101		
Net profit	245.1	124.3	+97		
Profit attributable to ordinary equity holders of the Company	246.3	125.5	+96		
<u>(i) Television</u>					
Subscription revenue	1,063.4	1,095.3	-3		
Advertising revenue	119.6	99.4	+20		
Other revenue	76.5	72.2	+6		
Total revenue	1,259.5	1,266.9	-1		
EBITDA ¹	512.1	376.5	+36		
EBITDA margin (%)	40.7	29.7	+11		
Profit before tax	310.4	126.7	+145		
Pay-TV residential ARPU ² (RM)				100.8	99.2

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

- (a) Performance of the current quarter (Second Quarter FY18) against the corresponding quarter (Second Quarter FY17) (continued):

All amounts in RM'm unless otherwise stated

	Financial Highlights		%	Key Operating Indicators	
	QUARTER	QUARTER		QUARTER	QUARTER
	ENDED	ENDED		ENDED	ENDED
	31/7/2017	31/7/2016		31/7/2017	31/7/2016
<u>(ii) Radio</u>					
Revenue	88.7	86.5	+3		
EBITDA ¹	47.9	52.1	-8		
EBITDA margin (%)	54.0	60.2	-6		
Profit before tax	48.1	51.8	-7		
Listeners ('mil)				16.1 ³	12.8 ⁴
<u>(iii) Home-shopping</u>					
Revenue	70.3	74.3	-5		
EBITDA ¹	(2.0)	(1.9)	-5		
EBITDA margin (%)	(2.8)	(2.6)	-0		
Loss before tax	3.2	2.8	-14		

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 6 June 2017 for Peninsular Malaysia and 19 September 2016 for East Malaysia.
4. Based on the Radio Listenership Survey by Nielsen dated 11 November 2015.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

- (a) Performance of the current quarter (Second Quarter FY18) against the corresponding quarter (Second Quarter FY17) (continued):

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,419.7m was lower by RM8.6m or 0.6% against corresponding quarter of RM1,428.3m. This was mainly due to a decrease in subscription and licensing revenue. The decrease in licensing revenue was due to loss of content recovery for sports channel. The decrease in subscription revenue was mainly due to lower package take-up. The decrease was offset by an increase in advertising revenue. Higher advertising revenue in the current quarter contributed by higher Hari Raya advertisement spending recorded in the current quarter.

EBITDA margin

EBITDA margin increased by 9.0% against corresponding quarter mainly due to proportion of content costs against revenue has decreased.

Net Profit

Net profit increased by RM120.8m or 97.2% compared with the corresponding quarter due to increase in EBITDA and decrease in net finance costs, offset by higher tax expense. Lower net finance cost was due to favorable unrealised forex gain arising from unhedged non-current balance sheet liabilities comprising, finance lease liabilities and vendor financing.

Television

Revenue for the current quarter of RM1,259.5m was lower by RM7.4m or 0.6% against corresponding quarter of RM1,266.9m. This was mainly due to a decrease in subscription and licensing revenue, and offset by increase in advertising revenue. The decrease in subscription revenue was mainly due to lower package take-up. The decrease in licensing revenue was due to loss of content recovery for sports channel. Higher advertising revenue in the current quarter contributed by higher Hari Raya advertisement spending recorded in the current quarter.

Television EBITDA increased by RM135.6m or 36.0% against corresponding quarter mainly due to lower content costs, offset by decrease in revenue as highlighted above.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

- (a) Performance of the current quarter (Second Quarter FY18) against the corresponding quarter (Second Quarter FY17) (continued):

Consolidated Performance (continued)

Radio

Radio's revenue for the current quarter of RM88.7m was higher by RM2.2m or 2.5% compared with the corresponding quarter of RM86.5m. The higher revenue performance was driven by the yield and inventory management, supported by its continuous strong listenership ratings for its radio brands.

Radio EBITDA for the current quarter of RM47.9m, decreased by RM4.2m or 8.1% against the corresponding quarter, due to higher operating cost which were mainly marketing-related.

Home-shopping

Home-shopping's revenue for the current quarter of RM70.3m was lower by RM4.0m compared with the corresponding quarter of RM74.3m. The lower revenue performance was primarily due to additional tactical campaigns executed for the current quarter.

Home-shopping EBITDA recorded an unfavorable variance of RM0.1m against corresponding quarter, primarily due to costs for the Singapore operations.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

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

	<i>All amounts in RM'm unless otherwise stated</i>				
	Financial Highlights		%	Key Operating Indicators	
	QUARTER ENDED 31/7/2017	QUARTER ENDED 30/4/2017		QUARTER ENDED 31/7/2017	QUARTER ENDED 30/4/2017
<u>Consolidated Performance</u>					
Total revenue	1,419.7	1,326.1	+7		
EBITDA ¹	550.8	460.4	+20		
EBITDA margin (%)	38.8	34.7	+4		
Profit from operations	381.6	300.5	+27		
Profit before tax	339.2	269.5	+26		
Net profit	245.1	192.4	+27		
Profit attributable to ordinary equity holders of the Company	246.3	195.9	+26		
<u>(i) Television</u>					
Subscription revenue	1,063.4	1,064.9	-0		
Advertising revenue	119.6	71.2	+68		
Other revenue	76.5	56.0	+37		
Total revenue	1,259.5	1,192.1	+6		
EBITDA ¹	512.1	429.7	+19		
EBITDA margin (%)	40.7	36.0	+5		
Profit before tax	310.4	244.7	+27		
Pay-TV residential ARPU ² (RM)				100.8	100.8
<u>(ii) Radio</u>					
Revenue	88.7	71.5	+24		
EBITDA ¹	47.9	36.4	+32		
EBITDA margin (%)	54.0	50.9	+3		
Profit before tax	48.1	35.4	+36		
Listeners ('mil) ³				16.1	15.6

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

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

All amounts in RM'm unless otherwise stated

Financial Highlights			Key Operating Indicators	
QUARTER ENDED	QUARTER ENDED	%	QUARTER ENDED	QUARTER ENDED
31/7/2017	30/4/2017		31/7/2017	30/4/2017

(iii) Home-shopping

Revenue	70.3	62.0	+13
EBITDA ¹	(2.0)	(5.0)	+60
EBITDA margin (%)	(2.8)	(8.1)	+5
Loss before tax	3.2	6.1	+48

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 6 June 2017 (Quarter 1 FY18: 5 October 2016) for Peninsular Malaysia and 19 September 2016 for East Malaysia.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

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

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,419.7m was higher by RM93.6m or 7.1% against preceding quarter of RM1,326.1m. This was mainly due to an increase in advertising revenue. Higher advertising revenue contributed by Hari Raya advertisement spending recorded in the current quarter.

EBITDA margin

EBITDA margin increased by 4.1% against the preceding quarter mainly due to lower content costs, offset by higher impairment of receivables as a percentage of revenue.

Net Profit

Net profit increased by RM52.7m or 27.4% to RM245.1m during the quarter. The increase was mainly due to an increase in EBITDA, offset by increase in net finance costs, higher depreciation of property, plant and equipment and higher tax expense. Higher net finance costs was due to less favourable unrealised forex impact arising from unhedged non-current balance sheet liabilities comprising, finance lease liability and vendor financing.

Television

Revenue for the current quarter of RM1,259.5m was higher by RM67.4m or 5.7% against preceding quarter of RM1,192.1m. This was mainly due to an increase in advertising revenue. Higher advertising revenue contributed by Hari Raya advertisement spending recorded in the current quarter.

EBITDA increased by RM82.4m or 19.2% against the preceding quarter due to lower content costs and higher revenue, as highlighted above. The increase was offset by higher marketing and market research expenses, production expense and impairment of receivables.

Radio

Radio's revenue for the current quarter of RM88.7m was higher by RM17.2m or 24.1% compared with the preceding quarter of RM71.5m. The higher revenue performance for the quarter was due to the seasonality factors.

The higher revenue resulted in higher EBITDA of RM47.9m, an increase of RM11.5m or 31.6% compared with the preceding quarter.

Home-shopping

Home-shopping's revenue for the current quarter of RM70.3m was higher by RM8.3m compared with the preceding quarter of RM62.0m. The higher revenue performance was due to increase in number of products sold.

Home-shopping EBITDA improved by RM3.0m or 60.0% against preceding quarter, which was mainly due to higher revenue as highlighted above.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current period (YTD July 2017) against the corresponding period (YTD July 2016):

All amounts in RM'm unless otherwise stated

	Financial Highlights		%	Key Operating Indicators	
	PERIOD	PERIOD		PERIOD	PERIOD
	ENDED	ENDED		ENDED	ENDED
	31/7/2017	31/7/2016		31/7/2017	31/7/2016
<u>Consolidated Performance</u>					
Total revenue	2,745.8	2,791.1	-2		
EBITDA ¹	1,011.2	903.3	+12		
EBITDA margin (%)	36.8	32.4	+4		
Profit from operations	682.1	529.7	+29		
Profit before tax	608.7	449.0	+36		
Net profit	437.5	325.4	+34		
Profit attributable to ordinary equity holders of the Company	442.2	327.6	+35		
<u>(i) Television</u>					
Subscription revenue	2,128.3	2,171.2	-2		
Advertising revenue	190.8	177.8	+7		
Other revenue	132.5	144.3	-8		
Total revenue	2,451.6	2,493.3	-2		
EBITDA ¹	941.8	820.4	+15		
EBITDA margin (%)	38.4	32.9	+6		
Profit before tax	555.1	380.3	+46		
Pay-TV residential ARPU ² (RM)				100.8	99.2
<u>(ii) Radio</u>					
Revenue	160.2	158.5	+1		
EBITDA ¹	84.3	90.4	-7		
EBITDA margin (%)	52.6	57.0	-4		
Profit before tax	83.5	89.4	-7		
Listeners ('mil)				16.1 ³	12.8 ⁴

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

- (c) Performance of the current period (YTD July 2017) against the corresponding period (YTD July 2016) (continued):

All amounts in RM 'm unless otherwise stated

Financial Highlights			Key Operating Indicators	
PERIOD	PERIOD		PERIOD	PERIOD
ENDED	ENDED		ENDED	ENDED
<u>31/7/2017</u>	<u>31/7/2016</u>	%	<u>31/7/2017</u>	<u>31/7/2016</u>

(iii) Home-shopping

Revenue	132.3	138.2	-4
EBITDA ¹	(7.0)	(3.7)	-89
EBITDA margin (%)	(5.3)	(2.7)	-3
Loss before tax	9.3	5.7	-63

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 6 June 2017 for Peninsular Malaysia and 19 September 2016 for East Malaysia.
- Based on the Radio Listenership Survey by Nielsen dated 11 November 2015.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

- (c) Performance of the current period (YTD July 2017) against the corresponding period (YTD July 2016) (continued):

Consolidated Performance

Revenue

Revenue for the current period of RM2,745.8m was lower by RM45.3m or 1.6% against corresponding period of RM2,791.1m. This was mainly due to a decrease in subscription and licensing revenue, offset by increase in advertising revenue. The decrease in subscription revenue was mainly due to lower package take-up. The decrease in licensing revenue was due to loss of content recovery for sports channel.

EBITDA margin

EBITDA margin increased by 4.4% against the corresponding period mainly due to higher operational efficiency contributed by lower content costs and lower cost to serve.

Net Profit

Net profit increased by RM112.1m or 34.4% to RM437.5m during the period. The increase was mainly due to an increase in EBITDA, decrease in depreciation of property, plant and equipment and decrease in net finance costs, offset by higher tax expense. Lower net finance costs was due to decrease in interest expense for vendor financing and borrowing costs.

Television

Revenue for the current period of RM2,451.6m was lower by RM41.7m or 1.7% against corresponding period of RM2,493.3m. This was mainly due to a decrease in subscription and licensing revenue. The decrease in subscription revenue was mainly due to lower package take-up. The decrease in licensing revenue was due to loss of content recovery for sports channel.

EBITDA increased by RM121.4m or 14.8% against the corresponding period due to decrease in content costs and marketing and market research expenses. The increase was offset by lower revenue, as highlighted above, higher production expenses and professional fees.

Radio

Radio's revenue for the current period of RM160.2m was higher by RM1.7m or 1.1% compared with the corresponding period of RM158.5m. The higher revenue performance was driven by the yield and inventory management in line with the strong listenership performance.

The higher advertising, marketing and promotion cost had impacted the EBITDA to decrease by RM6.1m or 6.7% compared with the corresponding period of RM90.4m.

Home-shopping

Home-shopping's revenue for the current period of RM132.3m was lower by RM5.9m compared with the corresponding period of RM138.2m, which was due to decrease in number of products sold.

Home-shopping EBITDA reduced by RM3.3m or 89.2% against corresponding period, which was mainly due to lower revenue as highlighted above.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

13 ANALYSIS OF PERFORMANCE (continued)

(d) Balance sheet review

Asset

As at 31 July 2017, the Group had total asset of RM6,659.7m against RM6,265.9m as at 31 January 2017, an increase of RM393.8m or 6.3%.

Total non-current assets of RM4,944.0m was higher by RM385.1m as compared to 31 January 2017. This was mainly due to increase in property, plant and equipment by RM680.0m mainly arising from additional transponder lease of RM806.2m and offset by depreciation charged of RM251.3m. This increase was offset by lower receivables and prepayments of RM201.8m, which were reclassified to current asset.

Total current assets of RM1,715.7m was higher by RM8.7m as compared to 31 January 2017. This was mainly due to increase in receivables and prepayment by RM158.0m arising from reclassification from non-current asset and increase in other investment by RM79.0m from investment in unit trust. The increase was offset by decrease in cash and bank balances by RM123.1m mainly due to dividend payment, repayment of borrowings and finance lease liabilities and purchase of property, plant and equipment, offset by increase in cash flow from operating activities.

Liabilities

As at 31 July 2017, the Group had total liabilities of RM5,980.0m against RM5,636.1m as at 31 January 2017, an increase of RM343.9 or 6.1%.

Total current liabilities decreased by RM146.8m, 6.4% to RM2,133.4m as at 31 July 2017, primarily arising from decrease in payables by RM313.1m, partially offset by an increase in borrowings by RM118.1m. The decrease in payables was mainly due to decrease in trade payables from vendor financing and program provider fees. The increase in borrowings was due to reclassification from non-current liabilities offset by repayment of borrowings during the period.

Total non-current liabilities increased by RM490.7m, 14.6% to RM3,846.6m as at 31 July 2017. The increase was mainly from increase in borrowings by RM420.4m due to additional transponder lease liabilities of RM806.2m offset by reclassification of current portion of term loan. The increase was also due to higher payables by RM72.9m from vendor financing.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

14 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2018

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

- (1) digitalising our legacy business via investments in technology to accelerate our digital transformation, launching OTT streaming services in Astro Go and Njoi Now, and providing differentiated products, services and content;
- (2) rapidly scaling our digital ventures via our e-commerce platform, Go Shop and our regional OTT streaming service, Tribe, with Tribe launched in Thailand recently in August 2017; and
- (3) deepening strength in verticals and building a robust innovation pipeline via collaborative partnerships with leading content players to drive revenue growth.

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

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

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

15 PROFIT FORECAST OR PROFIT GUARANTEE

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

16 QUALIFICATION OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

There was no qualification to the preceding audited annual financial statements for the financial year ended 31 January 2017.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

17 PROFIT BEFORE TAX

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED 31/7/2017</u>	<u>QUARTER ENDED 31/7/2016</u>	<u>PERIOD ENDED 31/7/2017</u>	<u>PERIOD ENDED 31/7/2016</u>
	RM'm	RM'm	RM'm	RM'm
Amortisation of intangible assets	138.1	127.3	266.4	260.1
Depreciation of property, plant and equipment	128.1	141.3	251.3	297.3
Impairment of film library and program rights	-	-	4.4	-
Impairment of receivables	40.2	41.9	65.5	66.5
Finance income:				
- Interest income	(1.8)	(8.5)	(4.5)	(15.4)
- Unit trust dividend income	(4.2)	(0.9)	(8.1)	(5.0)
- Unrealised foreign exchange gains	(64.8)	-	(122.0)	(58.3)
- Realised foreign exchange (gains)/losses	(0.1)	-	0.6	-
- Fair value loss on derivative recycled to income statement arising from foreign exchange risk	57.8	-	100.9	39.8
	(13.1)	(9.4)	(33.1)	(38.9)
Finance costs:				
- Bank borrowings	17.2	22.4	38.5	47.0
- Finance lease liabilities	22.3	17.2	39.1	35.0
- Vendor financing	6.6	8.5	13.2	16.7
- Unrealised foreign exchange losses	-	64.7	-	-
- Realised foreign exchange losses	-	2.1	-	2.6
- Fair value loss/(gain) on derivative recycled to income statement arising from:				
- Interest rate risk	6.9	7.8	11.0	13.7
- Foreign exchange risk	-	(35.9)	-	2.2
- Others	2.1	2.5	4.4	5.2
	<u>55.1</u>	<u>89.3</u>	<u>106.2</u>	<u>122.4</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.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

18 TAXATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER</u>	<u>QUARTER</u>	<u>PERIOD</u>	<u>PERIOD</u>
	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>
	<u>31/7/2017</u>	<u>31/7/2016</u>	<u>31/7/2017</u>	<u>31/7/2016</u>
	RM'm	RM'm	RM'm	RM'm
Current tax	101.5	59.7	167.8	124.5
Deferred tax	(7.4)	(15.0)	3.4	(0.9)
	<u>94.1</u>	<u>44.7</u>	<u>171.2</u>	<u>123.6</u>

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER</u>	<u>QUARTER</u>	<u>PERIOD</u>	<u>PERIOD</u>
	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>	<u>ENDED</u>
	<u>31/7/2017</u>	<u>31/7/2016</u>	<u>31/7/2017</u>	<u>31/7/2016</u>
	RM'm	RM'm	RM'm	RM'm
Profit before taxation	339.2	169.0	608.7	449.0
Tax at Malaysian corporate tax rate of 24%	81.4	40.6	146.1	107.8
Tax effect of:				
Unrecognised deferred tax asset	2.8	2.3	7.4	4.2
Others (including expenses not deductible for tax purposes and income not subject to tax)	9.9	1.8	17.7	11.6
Taxation charge	<u>94.1</u>	<u>44.7</u>	<u>171.2</u>	<u>123.6</u>

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

19 GROUP BORROWINGS AND DEBT SECURITIES

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

As at 31 July 2017	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)	215.0	311.7	635.7	900.0	850.7	1,211.7
Less: Debt issuance costs	(1.2)	(3.9)	-	(5.1)	(1.2)	(9.0)
Term loans, net of debt issuance costs	213.8	307.8	635.7	894.9	849.5	1,202.7
Revolving credit ^(b)	-	90.3	-	-	-	90.3
Finance lease						
-Lease of transponders ^(c)	57.0	74.8	1,274.0	389.5	1,331.0	464.3
-Lease of equipment and software ^(d)	-	3.7	-	2.6	-	6.3
	57.0	78.5	1,274.0	392.1	1,331.0	470.6
	270.8	476.6	1,909.7	1,287.0	2,180.5	1,763.6
As at 31 July 2016						
	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)	204.4	315.5	806.0	1,200.0	1,010.4	1,515.5
Less: Debt issuance costs	(1.6)	(4.5)	(1.9)	(9.0)	(3.5)	(13.5)
Term loans, net of debt issuance costs	202.8	311.0	804.1	1,191.0	1,006.9	1,502.0
Finance lease						
-Lease of transponders ^(c)	18.6	69.5	503.5	464.3	522.1	533.8
-Lease of equipment and software ^(d)	-	2.2	-	1.9	-	4.1
	18.6	71.7	503.5	466.2	522.1	537.9
	221.4	382.7	1,307.6	1,657.2	1,529.0	2,039.9

Note:

- (a) USD Term loan with notional amount USD198.0m had been swapped into RM at an average exchange and fixed interest rate of USD/RM3.0189 (2016: USD/RM3.0189) and 4.19% (inclusive of margin of 1%) (2016: 4.19% (inclusive of margin of 1%)). RM Term loan with notional amount RM900.0m had been swapped into a fixed instrument at an average fixed rate of 4.15% (exclude margin of 1.0%) (2016: 4.15% (exclude margin of 1.0%)) and RM Term loan with notional amount RM300.0m remains unhedged, with average interest rates of 4.83% (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 RM300.0m respectively.
- (b) Drawdown of revolving credit with notional amount RM90.0m on 5 July 2017 with interest rate 4.03% per annum.
- (c) 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.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

19 GROUP BORROWINGS AND DEBT SECURITIES (continued)

Note (continued):

- (c) The effective interest rate of the finance lease as at 31 July 2017 is 6.2% (2016: 6.2%), 4.6% (2016: 4.6%), 12.5% (2016: 12.5%) and 5.6% (2016: 5.6%) per annum for M3, M3-T11, M3a and M3b respectively.

The increase is due to additional lease of MEASAT 3B satellite (“M3B”) from the lessor, MEASAT International (South Asia) Ltd on June 2017 amounting USD189.0m with effective interest rate of 5.6% per annum. For the additional lease of M3B, USD5.5m had been swapped into RM at an average exchange of USD/RM4.2956 and USD183.5m relating to lease rental, payment due beyond 12 months remains unhedged.

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

20 DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 31 July 2017 are set out below:

Types of derivatives	Contract/ Notional Amount RM'm	Fair Value Assets RM'm	Fair Value Liabilities RM'm
Foreign currency options (“FX Options”)			
- Less than 1 year	53.0	0.1	-
- 1 to 3 years	64.5	3.6	-
- More than 3 years	-	0.5	-
	117.5	4.2	-
Forward foreign currency exchange contracts (“FX Contracts”)			
- Less than 1 year	827.7	2.3	(4.0)
- 1 to 3 years	-	-	-
- More than 3 years	-	-	-
	827.7	2.3	(4.0)
Interest rate swaps (“IRS”)			
- Less than 1 year	388.1	-	(3.4)
- 1 to 3 years	835.4	0.4	(4.8)
- More than 3 years	225.0	-	(2.0)
	1,448.5	0.4	(10.2)
Cross-currency interest rate swaps (“CCIRS”)			
- Less than 1 year	169.0	68.9	-
- 1 to 3 years	381.1	135.1	-
- More than 3 years	149.4	63.7	-
	699.5	267.7	-

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

20 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Disclosure of derivatives (continued)

There have been no changes since the end of the previous financial year ended 31 January 2017 in respect of the following:

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

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

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

As at 31 July 2017, the Group recognised net total derivative financial assets of RM260.4m, a decrease of RM175.0m from the previous financial year ended 31 January 2017, on re-measuring the fair values of the derivative financial instruments. The corresponding decrease of RM175.5m has been included in equity in the hedging reserve and offset by increase in net accrued interest of RM0.5m.

Forward foreign currency exchange contracts and foreign currency options

Forward foreign currency exchange contracts are used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of the Group. The forward foreign currency exchange contracts have maturities of less than one year after the balance sheet date, while foreign currency options were entered into for a period of up to 6 years. As at 31 July 2017, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM827.7m (31 January 2017: RM971.0m) and foreign currency options were USD27.4m (31 January 2017: USD34.5m).

Interest rate swaps

Interest rate swaps are used to achieve an appropriate interest rate exposure within the Group. The Group entered into interest rate swaps to hedge the cash flow risk in relation to the floating interest rate of a bank loan, as disclosed in Note 19 with notional principal amounts of RM900.0m (31 January 2017: RM1,012.5m) and vendor financing, as disclosed in Note 22 with notional principal amounts of RM467.9m and USD18.8m (31 January 2017: RM397.2m and USD18.8m).

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

The Ringgit and USD dollar interest rate swaps for vendor financing were entered into for a period of up to 3 years with an average fixed swap rate of 3.71% p.a. (31 January 2017: 3.74% p.a.) and 1.89% p.a. (31 January 2017: 1.89% p.a.) respectively.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

20 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Cross-currency interest rate swaps

To mitigate financial risks arising from adverse fluctuations in interest and exchange rates, the Group entered into cross-currency interest rate swaps with notional principal amounts of USD198.0m (31 January 2017: USD222.8m) for bank loan and vendor financing of USD27.3m (31 January 2017: USD55.1m).

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

The cross-currency interest rate swap for vendor financing was entered up to a period of 3 years and had an average fixed swap rate and exchange rate of 4.45% p.a. (inclusive of interest margin of 1.0% p.a.) (31 January 2017: 4.36% p.a. (inclusive of interest margin of 1.0% p.a.)) and USD/RM3.7336 (31 January 2017: USD/RM3.4855).

21 RECEIVABLES AND PREPAYMENTS

Receivables and prepayments 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 July 2017 as follows:

	Current to 90 days RM'm	Over 90 days RM'm	Total RM'm
Neither past due nor impaired	367.4	-	367.4
Past due but not impaired	89.2	3.3	92.5
Past due and impaired	-	46.7	46.7
	<u>456.6</u>	<u>50.0</u>	<u>506.6</u>

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.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

22 PAYABLES

Included in payables are credit terms granted by vendors that generally range from 0 to 90 days (31 January 2017: 0 to 90 days). Vendors of set-top boxes and outdoor units have adopted an extended payment term of 36 months (“vendor financing”) on Usance Letter of Credit Payable at Sight (“ULCP”) and Promissory Notes (“PN”) basis to the Group.

The effective interest rates at the end of the financial period ranged between 2.2% p.a. and 4.6% p.a. (31 January 2017: 1.9% p.a. and 4.6% p.a.).

As at 31 July 2017, the vendor financing included in payables is RM745.1m (31 January 2017: RM801.1m), comprising current portion of RM182.2m (31 January 2017: RM311.1m) and non-current portion of RM562.9m (31 January 2017: RM490.0m).

23 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 July 2017 and CCIRS are set out in Note 20.

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

	As at 31/07/2017	As at 31/01/2017
	RM’m	RM’m
Deposits with licensed banks	2.1	44.1
Receivables	53.5	48.7
Payables	(600.0)	(846.1)
Borrowings	(2,181.7)	(1,548.6)

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

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

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

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

<u>Group</u>	<u>As at 31/7/2017 RM'm</u>	<u>As at 31/1/2017 RM'm</u>
Total (accumulated losses)/retained profits of the Company and its subsidiaries:		
- Realised	(240.6)	(246.2)
- Unrealised ^{N1}	4.1	(83.2)
	<u>(236.5)</u>	<u>(329.4)</u>
Total retained profits from associates and joint ventures:		
- Realised	2.2	2.5
- Unrealised	-	-
	<u>(234.3)</u>	<u>(326.9)</u>
Less: Consolidation adjustments	(367.1)	(378.1)
Total accumulated losses as per consolidated balance sheets	<u>(601.4)</u>	<u>(705.0)</u>

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

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 second interim single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ending 31 January 2018 amounting to approximately RM156,285,666, to be paid on 13 October 2017. The entitlement date for the dividend payment is 3 October 2017.

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

- (i) shares transferred to the depositor’s securities account before 4.00 pm on 3 October 2017 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

26 DIVIDENDS (continued)

- (b) The total dividends declared for the financial period ended 31 July 2017 is 6.00 sen per share, based on 5,209,522,200 ordinary shares (31 July 2016: 6.00 sen per share, based on 5,205,015,600 ordinary shares).

27 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share at 31 July 2017 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per ordinary shares at 31 July 2017 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share as at 31 July 2017:

	<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>31/7/2017</u>	<u>31/7/2016</u>	<u>31/7/2017</u>	<u>31/7/2016</u>
Profit attributable to the equity holders of the Company (RM'm)	<u>246.3</u>	<u>125.5</u>	<u>442.2</u>	<u>327.6</u>
(i) Basic EPS				
Weighted average number of issued ordinary shares ('m)	5,209.5	5,205.0	5,209.5	5,205.0
Basic earnings per share (RM)	<u>0.047</u>	<u>0.024</u>	<u>0.085</u>	<u>0.063</u>

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2017

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

27 EARNINGS PER SHARE (continued)

(ii) Diluted EPS

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED 31/7/2017</u>	<u>QUARTER ENDED 31/7/2016</u>	<u>PERIOD ENDED 31/7/2017</u>	<u>PERIOD ENDED 31/7/2016</u>
Weighted average number of issued ordinary shares ('m)	5,209.5	5,205.0	5,209.5	5,205.0
Effect of dilution:				
Grant of share awards under the management share scheme ('m)	10.0	14.1	10.1	14.1
	<u>5,219.5</u>	<u>5,219.1</u>	<u>5,219.6</u>	<u>5,219.1</u>
Diluted earnings per share (RM)	<u>0.047</u>	<u>0.024</u>	<u>0.085</u>	<u>0.063</u>

28 MATERIAL EVENTS SUBSEQUENT TO END OF THE FINANCIAL PERIOD

Other than as disclosed in Note 5, there were no material subsequent events during the period from the end of the quarter review to 14 September 2017.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON
(License No. LS0007908)

Company Secretary
14 September 2017