ASTRO MALAYSIA HOLDINGS BERHAD

(932533-V) (Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2016

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2016

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2016

The Board of Directors of Astro Malaysia Holdings Berhad ("AMH" or "the Company") is pleased to announce the following unaudited condensed consolidated financial statements for the fourth quarter ended 31 January 2016 which should be read in conjunction with the audited financial statements for the financial year ended 31 January 2015 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

		INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Note	QUARTER ENDED 31/1/2016	QUARTER ENDED 31/1/2015		YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015	
		RM'm	RM'm	%	RM'm	RM'm	%
Revenue		1,401.8	1,348.2	+4	5,475.4	5,231.4	+5
Cost of sales		(855.9)	(833.8)		(3,376.0)	(3,341.2)	
Gross profit		545.9	514.4	+6	2,099.4	1,890.2	+11
Other operating income		8.1	8.2		37.4	47.3	
Marketing and distribution costs		(138.8)	(133.9)		(528.4)	(514.7)	
Administrative expenses		(117.8)	(124.7)		(493.5)	(502.6)	
Profit from operations		297.4	264.0	+13	1,114.9	920.2	+21
Finance income		55.7	15.6		52.5	56.9	
Finance costs							
- Net unrealised foreign exchange losses		-	(10.3)		(57.2)	(6.2)	
- Others		(78.0)	(57.6)		(289.1)	(243.4)	
Share of post-tax results from investments accounted for using the equity method		3.0	(9.9)		8.3	(6.6)	
Profit before tax	18	278.1	201.8	+38	829.4	720.9	+15
Tax expense	19	(75.3)	(64.1)		(221.4)	(207.2)	
Profit for the financial year		202.8	137.7	+47	608.0	513.7	+18
Attributable to:							
Equity holders of the Company		203.8	140.0	+46	615.3	519.4	+18
Non-controlling interests		(1.0)	(2.3)		(7.3)	(5.7)	
		202.8	137.7	+47	608.0	513.7	+18
Earnings per share attributable to equity holders of the Company (RM):							
- Basic	27	0.039	0.027		0.118	0.100	
- Diluted	27	0.039	0.027		0.118	0.100	

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/1/2016	QUARTER ENDED 31/1/2015	YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015
	RM'm	RM'm	RM'm	RM'm
Profit for the financial year	202.8	137.7	608.0	513.7
Other comprehensive (loss)/income:				
Items that will be reclassified subsequently to profit or loss:				
- Net change in cash flow hedge	(106.4)	74.7	(75.0)	50.3
- Net change in available-for-sale financial assets	(0.3)	-	(0.3)	(0.2)
Foreign currency translation	(1.0)	0.4	2.6	0.3
Other comprehensive (loss)/income, net of tax	(107.7)	75.1	(72.7)	50.4
Total comprehensive income for the financial year	95.1	212.8	535.3	564.1
Attributable to:				
Equity holders of the Company	96.1	215.1	542.6	569.8
Non-controlling interests	(1.0)	(2.3)	(7.3)	(5.7)
	95.1	212.8	535.3	564.1

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2016

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/1/2016 Unaudited RM'm	AS AT 31/1/2015 Audited RM'm
Non-current assets			
Property, plant and equipment		2,129.4	1,880.9
Investments in associates		27.9	48.9
Investments in joint ventures		2.2	-
Other investment		5.0	57.4
Receivables and prepayments		239.3	242.4
Deferred tax assets		116.5	54.1
Derivative financial instruments	22	290.8	185.1
Intangible assets		2,001.5	1,955.9
		4,812.6	4,424.7
Current assets			
Inventories		20.6	13.0
Other investment		383.2	-
Receivables and prepayments		955.3	826.7
Derivative financial instruments	22	93.1	112.2
Tax recoverable		0.5	1.2
Cash and bank balances		635.7	1,353.6
		2,088.4	2,306.7
Total assets		6,901.0	6,731.4
Current liabilities			
Payables	23	1,658.3	1,735.8
Derivative financial instruments	22	32.7	2.9
Borrowings	21	519.5	400.1
Tax liabilities		70.9	68.9
		2,281.4	2,207.7
Net current (liabilities)/assets		(193.0)	99.0

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	Note	AS AT 31/1/2016 Unaudited RM'm	AS AT 31/1/2015 Audited RM'm
Non-current liabilities			
Payables	23	626.4	612.2
Derivative financial instruments	22	11.1	11.7
Borrowings	21	3,285.6	3,103.3
Deferred tax liabilities		82.7	82.2
		4,005.8	3,809.4
Total liabilities		6,287.2	6,017.1
Net assets		613.8	714.3
Capital and reserves attributable to equity holders of the Company			
Share capital		520.5	520.2
Share premium		6,183.3	6,174.7
Exchange reserve		2.9	0.3
Capital redemption reserve		0.0@	0.0@
Capital reorganisation reserve		(5,470.2)	(5,470.2)
Hedging reserve		3.1	78.1
Fair value reserve		(0.3)	-
Share scheme reserve		30.9	25.3
Accumulated losses		(669.5)	(634.5)
		600.7	693.9
Non-controlling interests		13.1	20.4
Total equity		613.8	714.3

@ Denotes RM677.50

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company											
Year ended 31/1/2016	Share capital	Share premium	Exchange reserve	Capital redemption reserve	Capital reorganisation reserve	Hedging reserve	Fair value reserve	Share scheme reserve	Accumulated losses	Total	Non-controlling interests	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
At 1/2/2015	520.2	6,174.7	0.3	0.0@	(5,470.2)	78.1	-	25.3	(634.5)	693.9	20.4	714.3
Profit/(loss) for the financial year	-	-	-	-	-	-	-	-	615.3	615.3	(7.3)	608.0
Other comprehensive income/(loss) for the financial year	-	-	2.6	-	-	(75.0)	(0.3)	-	-	(72.7)	-	(72.7)
Total comprehensive income/(loss) for the financial year	-	-	2.6	-	-	(75.0)	(0.3)	-	615.3	542.6	(7.3)	535.3
Ordinary shares dividends	-	-	-	-	-	-	-	-	(650.3)	(650.3)	-	(650.3)
Share grant exercised	0.3	8.6	-	-	-	-	-	(8.9)	-	-	-	-
Share-based payment transaction	-	-	-	-	-	-	-	14.5	-	14.5	-	14.5
Transactions with owners	0.3	8.6	-	-	-	-	-	5.6	(650.3)	(635.8)	-	(635.8)
At 31/1/2016	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

@ Denotes RM677.50

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

	Attributable to equity holders of the Company											
Year ended 31/1/2015	Share capital	Share premium	Exchange reserve	Capital redemption reserve	Capital reorganisation reserve	Hedging reserve	Fair value reserve	Share scheme reserve	Accumulated losses	Total	Non-controlling interests	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
At 1/2/2014	519.8	6,165.4	0.0$	0.0@	(5,470.2)	27.8	0.2	16.9	(647.0)	612.9	4.1	617.0
Profit/(loss) for the financial year	-	-	-	-	-	-	-	-	519.4	519.4	(5.7)	513.7
Other comprehensive income/(loss) for the financial year	-	-	0.3	-	-	50.3	(0.2)	-	-	50.4	-	50.4
Total comprehensive income/(loss) for the financial year	-	-	0.3	-	-	50.3	(0.2)	-	519.4	569.8	(5.7)	564.1
Ordinary shares dividends	-	-	-	-	-	-	-	-	(506.9)	(506.9)	-	(506.9)
Share grant exercised	0.4	9.3	-	-	-	-	-	(9.7)	-	-	-	-
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	-	22.0	22.0
Share-based payment transaction	-	-	-	-	-	-	-	18.1	-	18.1	-	18.1
Transactions with owners	0.4	9.3	-	-	-	-	-	8.4	(506.9)	(488.8)	22.0	(466.8)
At 31/1/2015	520.2	6,174.7	0.3	0.0@	(5,470.2)	78.1	-	25.3	(634.5)	693.9	20.4	714.3

$ Denotes RM27,000
@ Denotes RM677.50

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015
CASH FLOWS FROM OPERATING ACTIVITIES	**RM'm**	**RM'm**
Profit before tax	829.4	720.9
Adjustments for:		
Non-cash items^	1,235.7	1,359.6
Interest expense	227.3	201.4
Interest income	(52.5)	(56.9)
Fair value gain on measuring equity interest in a joint venture	-	(9.0)
Operating cash flows before changes in working capital	2,239.9	2,216.0
Changes in working capital	(59.4)	4.1
Cash flows from operations	2,180.5	2,220.1
Income tax paid	(281.3)	(197.2)
Interest received	44.5	48.3
Net cash flows generated from operating activities	1,943.7	2,071.2
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment and intangibles	3.2	1.1
Purchase of property, plant and equipment and intangibles	(671.8)	(719.7)
(Purchase)/Disposal of unit trusts	(338.0)	529.0
Acquisition of other investment	-	(16.6)
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(11.3)
Maturities of fixed deposits	696.3	(13.2)
Interest received on advances to associate	2.1	2.3
Proceeds from disposal of investment in a joint venture	1.0	-
Investment in joint venture	(2.1)	(2.2)
Net cash flows used in investing activities	(309.3)	(230.6)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(650.3)	(506.9)
Interest paid	(131.2)	(141.7)
Issuance of shares to non-controlling interests	-	22.0
Payment for set-top boxes	(434.7)	(650.9)
Payment of finance lease liabilities	(142.8)	(103.4)
Repayment of borrowings	(299.6)	(224.7)
Net cash flows used in financing activities	(1,658.6)	(1,605.6)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(24.2)	235.0
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	2.5	0.3
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	588.5	353.2
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR#	566.8	588.5

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

^ Non-cash items mainly represent amortisation of intangible assets and depreciation of property, plant and equipment as disclosed in Note 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 year ended 31 January 2016, the Group acquired set-top boxes by means of vendor financing of RM316.3m (31 January 2015: RM244.2m) and transponders by means of finance lease of RM495.8m (31 January 2015: nil). During the financial year ended 31 January 2016, the Group had repaid RM434.7m (31 January 2015: RM650.9m) in relation to vendor financing for set-top boxes capitalised in prior financial years and RM142.8m (31 January 2015: RM103.4m) in relation to finance lease for transponders.

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

1 BASIS OF PREPARATION

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting", Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements") and should be read in conjunction with the audited financial statements for the financial year ended 31 January 2015.

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 2015.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2015 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- MFRS 119 Defined Benefit Plans: Employee Contributions (effective from 1 July 2014)
- Annual Improvements to MFRS 2011 – 2013 Cycle (effective from 1 July 2014)
- Annual Improvements to MFRS 2010 – 2012 Cycle (effective from 1 July 2014)

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 2016:

- 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)
- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)
- Annual Improvements to MFRS 2012 – 2014 Cycle (effective from 1 January 2016)
- Amendments to MFRS 101 Disclosure Initiative (effective from 1 January 2016)
- Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations (effective from 1 January 2016)
- Amendments to MFRS 127 Equity Method in Separate Financial Statements (effective from 1 January 2016)
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1 January 2016)
- Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception (effective from 1 January 2016)

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

2 SEASONAL/CYCLICAL FACTORS

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

3 UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the fourth quarter ended 31 January 2016.

4 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the financial year ended 31 January 2016.

5 DEBT AND EQUITY SECURITIES

On 19 October 2015, the Company issued and allotted 3,287,200 new ordinary shares of RM0.10 each, to eligible executive or eligible employees, pursuant to the terms of the Offer Letter dated 11 October 2012 and in accordance with the By-laws of the Management Share Scheme of the Company.

During the financial year to date, the Company offered Share Awards in respect of new ordinary shares of RM0.10 each of the Company under the Management Share Scheme to eligible executive and eligible employees, in accordance with the By-laws of the Management Share Scheme of the Company, details of which are as below:

(i) 9,093,900 new ordinary shares of RM0.10 each on 7 August 2015; and
(ii) 629,200 new ordinary shares of RM0.10 each on 19 October 2015.

Details of the Share Awards are set out in the Company’s announcements dated 7 August 2015 and 19 October 2015.

Save as disclosed above, there were no other issuance, repurchase and repayment of debt and equity securities by the Group during the financial year ended 31 January 2016.

6 DIVIDENDS PAID

During the financial year ended 31 January 2016, the following dividend payments were made:

(i) fourth interim single-tier dividend of 2.25 sen per ordinary share in respect of the financial year ended 31 January 2015 amounting to RM117,038,889.73 was paid on 29 April 2015;

(ii) first interim single-tier dividend of 2.75 sen per ordinary share in respect of the financial year ending 31 January 2016 amounting to RM143,047,532.18 was paid on 15 July 2015;

(iii) final single-tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 January 2015 amounting to RM104,034,568 was paid on 16 July 2015; and

(iv) second interim single-tier dividend of 2.75 sen per ordinary share in respect of the financial year ending 31 January 2016 amounting to RM143,047,532.23 was paid on 13 October 2015

6 DIVIDENDS PAID (continued)

(v) third interim single-tier dividend of 2.75 sen per ordinary share in respect of the financial year ending 31 January 2016 amounting to RM143,137,930.32 was paid on 7 January 2016.

Refer to Note 26 for dividends declared during the financial year ended 31 January 2016.

7 SEGMENT RESULTS AND REPORTING

For management purposes, the Group is organised into business units based on their services and has two 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; and
(iii) Others mainly comprise of home-shopping business.

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.

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

7 SEGMENT RESULTS AND REPORTING (continued)

Year ended 31/1/2016	Television RM'm	Radio RM'm	Others RM'm	Corporate Function RM'm	Elimination RM'm	Total RM'm
External revenue	4,987.2	296.0	189.4	2.8	-	5,475.4
Interest income	39.0	2.7	3.9	116.8	(109.9)	52.5
Interest expense	(224.6)	(0.2)	(4.0)	(108.4)	109.9	(227.3)
Depreciation and amortisation	(1,203.0)	(5.3)	(4.8)	(6.7)	43.7	(1,176.1)
Share of post-tax results from investments accounted for using the equity method	0.1	-	8.2	-	-	8.3
Segment profit/(loss) – Profit/(loss) before tax	691.1	169.9	(21.6)	(24.7)	14.7	829.4

As at 31/1/2016	Television RM'm	Radio RM'm	Others RM'm	Corporate Function RM'm	Elimination RM'm	Total RM'm
Segment assets	5,346.0	1,648.1	106.6	810.9	(1,127.1)	6,784.5
Segment liabilities	3,891.4	552.9	55.7	2,735.2	(1,101.6)	6,133.6

Year ended 31/1/2015	Television RM'm	Radio RM'm	Others RM'm	Corporate Function RM'm	Elimination RM'm	Total RM'm
External revenue	4,931.3	261.3	25.1	13.7	-	5,231.4
Interest income	32.4	2.1	3.5	127.9	(109.0)	56.9
Interest expense	(195.8)	(0.2)	(3.4)	(111.0)	109.0	(201.4)
Depreciation and amortisation	(1,228.7)	(5.5)	(1.6)	(5.2)	30.6	(1,210.4)
Share of post-tax results from investments accounted for using the equity method	(11.4)	-	4.8	-	-	(6.6)
Segment profit/(loss) – Profit/(loss) before tax	616.1	142.2	(17.1)	(29.4)	9.1	720.9

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

7 SEGMENT RESULTS AND REPORTING (continued)

As at 31/1/2015	**Television**	**Radio**	**Others**	**Corporate Function**	**Elimination**	**Total**
	RM'm	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**
Segment assets	5,383.3	1,402.7	124.6	529.7	(763.0)	6,677.3
Segment liabilities	3,370.9	277.1	52.2	2,892.8	(727.0)	5,866.0

Quarter ended 31/01/2016	**Television**	**Radio**	**Others**	**Corporate Function**	**Elimination**	**Total**
	RM'm	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**
External revenue	1,259.6	78.2	63.0	1.0	-	1,401.8
Interest income	9.1	0.7	0.8	27.0	(26.3)	11.3
Interest expense	(52.4)	-	(1.0)	(25.0)	26.3	(52.1)
Depreciation and amortisation	(295.7)	(1.3)	(1.3)	(1.8)	10.4	(289.7)
Share of post-tax results from investments accounted for using the equity method	0.1	-	2.9	-	-	3.0
Segment profit/(loss) – Profit/(loss) before tax	235.8	53.0	(1.9)	(6.1)	(2.7)	278.1

Quarter ended 31/01/2015	**Television**	**Radio**	**Others**	**Corporate Function**	**Elimination**	**Total**
	RM'm	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**
External revenue	1,251.6	69.3	25.1	2.2	-	1,348.2
Interest income	11.3	0.7	1.0	31.4	(28.8)	15.6
Interest expense	(47.9)	-	(1.0)	(28.3)	28.8	(48.4)
Depreciation and amortisation	(305.1)	(1.3)	(1.1)	(1.3)	12.0	(296.8)
Share of post-tax results from investments accounted for using the equity method	(4.8)	-	(5.1)	-	-	(9.9)
Segment profit/(loss) – Profit/(loss) before tax	173.5	43.8	(1.7)	(7.9)	(5.9)	201.8

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

8 CHANGES IN THE COMPOSITION OF THE GROUP

Pursuant to a Share Purchase Agreement ("SPA") and Shareholders' Agreement ("SHA") both dated 2 July 2015, Astro Entertainment Sdn Bhd ("AESB"), a wholly-owned subsidiary of the Company acquired 70,000 ordinary shares of RM1.00 each in Red Communications Sdn Bhd ("RCSB") representing 20% of the total issued and paid-up share capital of RCSB for a purchase consideration of RM1.25 million. RCSB is a company principally engaged in the business of providing television and film production services. There were no other changes in the composition of the Group during the fourth quarter ended 31 January 2016.

9. PROVISION OF FINANCIAL ASSISTANCE TO JOINT VENTURE COMPANY

AESB had on 2 July 2015 provided a shareholder's loan of RM750,000 to RCSB for the purpose of part financing the working capital, operating and capital expenditure of RCSB ("Loan") pursuant to the ordinary course of business of the Company and its subsidiaries ("Group"), which is convertible into equity shares upon fulfilment of certain conditions as provided in the SHA. On 29 February 2016, AESB converted the shareholder's loan of RM750,000 into 44,000 ordinary shares of RM1.00 in RCSB. Following the conversion, AESB's shareholding interest in RCSB has been increased from 20% to 28.9%.

10 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS

a. Indemnity and guarantees

Details of the indemnity and guarantees of the Group as at 31 January 2016, for which no provision has been made in the interim financial statements, are as set out below:

	Group	
	31/1/2016	**31/1/2015**
	RM'm	**RM'm**
Indemnity given to financial institutions in respect of bank guarantees issued (unsecured):		
- Programme rights vendors[1]	132.2	166.5
- Others[2]	10.8	15.7
Other indemnities:		
- Guarantee to programme rights vendor provided by AMH[1]	1,233.0	1,072.5
- Indemnity to Maxis Berhad ("Maxis") pursuant to shareholders' obligations in respect of Advanced Wireless Technologies Sdn. Bhd.	6.3	6.3
	1,382.3	1,261.0

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 Perbadanan Tabung Pendidikan Tinggi Nasional.

b. Contingent assets

There were no significant contingent assets as at 31 January 2016. As at 31 January 2015, the Group was in negotiations with MEASAT Satellite Systems Sdn. Bhd. ("MSS") on a settlement amount receivable for the delay in the return of the T-11 transponder from the original return date of 31 July 2014. The said transponder was returned to the Group in January 2015. In Third Quarter FY16, the Group has recognised a settlement amount receivable of RM12 million.

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

11 COMMITMENTS

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

	31/1/2016			31/1/2015		
	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*	1,994.9	72.6	2,067.5	2,874.7	275.1	3,149.8
Software	114.0	90.3	204.3	188.1	62.9	251.0
Film library and programme rights	619.7	725.6	1,345.3	907.9	796.5	1,704.4
	2,728.6	888.5	3,617.1	3,970.7	1,134.5	5,105.2

***** Included in approved and contracted for is the supply of transponder capacity with MEASAT International (South Asia) Ltd. and MEASAT Satellite Systems Sdn. Bhd. ("MSS"), both related parties, on MEASAT-3B and MEASAT-3C satellites, of RM1,241.1m and RM690.2m respectively. MSS is a subsidiary of a company in which Ananda Krishnan Tatparanandam ("TAK") has a 99% direct equity interest.

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 Ananda Krishnan Tatparanandam ("TAK") or in which he is deemed to have an interest, both of whom are deemed substantial shareholders of the Company.

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

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

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

Related Parties	Relationship
Maxis Mobile Services Sdn. Bhd.	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

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

12 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

Related Parties	Relationship
UTSB Management Sdn. Bhd.	Subsidiary of UTSB
Kristal-Astro Sdn. Bhd.	Associate of the Company
Celestial Movie Channel Limited	Associate of AOL
Sun TV Network Limited	Joint venture partner of AOL
Media Innovations Pty Ltd	Subsidiary of AOL
Tiger Gate Entertainment Limited	Associate of AOL
MEASAT International (South Asia) Ltd.	Subsidiary of a company in which TAK has a 99.999% direct equity interest
MEASAT Satellite Systems Sdn. Bhd.	Subsidiary of a company in which TAK has a 99.999% direct equity interest
GS Home Shopping Inc.	Major shareholder of Astro GS Shop Sdn. Bhd., a 60% owned subsidiary of the Company

	Transaction for the year ended 31/1/2016 RM'm	Transaction for the year ended 31/1/2015 RM'm	Balances due from/(to) as at 31/1/2016 RM'm	Balances due from/(to) as at 31/1/2015 RM'm	Commitments as at 31/1/2016 RM'm	Commitments as at 31/1/2015 RM'm
(i) Sales of goods and services						
- Maxis Mobile Services Sdn. Bhd. (Multimedia, interactive and airtime sales)	11.3	15.6	3.5	5.2	-	-
- Maxis Broadband Sdn. Bhd. (Licensing income)	3.9	17.1	0.8	4.1	-	-
- Kristal-Astro Sdn. Bhd. (Programme services and right sales, technical support, smartcard rental, and sales of set-top boxes and accessories)	32.3	29.7	9.6	6.0	-	-
- MEASAT Satellite Systems Sdn. Bhd. (Compensation for T11)	12.0	29.3	17.3	20.2	-	-
- ASTRO Overseas Limited (Management fees)	3.0	13.0	3.6	-	-	-
(ii) Purchases of goods and services						
- UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services)	10.1	12.1	(0.8)	(1.8)	-	-
- Maxis Broadband Sdn. Bhd. (Telecommunication services)	57.7	69.5	(9.2)	(21.1)	-	-
- MEASAT International (South Asia) Ltd. (Deposit paid on transponder lease)	10.5	-	50.2	72.2	1,241.1	1,941.1

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

12 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the year ended 31/1/2016 RM'm	Transaction for the year ended 31/1/2015 RM'm	Balances due from/(to) as at 31/1/2016 RM'm	Balances due from/(to) as at 31/1/2015 RM'm	Commitments as at 31/1/2016 RM'm	Commitments as at 31/1/2015 RM'm
(ii) Purchases of goods and services (continued)						
- MEASAT Satellite Systems Sdn. Bhd. (Transponder lease)	-	-	-	-	690.2	600.4
- Sun TV Network Limited (Programme broadcast rights)	38.0	32.7	(15.5)	(7.7)	-	-
- Celestial Movie Channel Limited (Programme broadcast rights)	21.1	17.1	(2.2)	(1.7)	-	-
- Media Innovations Pty Ltd (Design, build and commissio of Over-the-Top solution)	16.1	10.9	(2.9)	(11.2)	-	-
- Tiger Gate Entertainment Limited (Programming rights)	15.1	12.0	(1.6)	(2.3)	-	-
- GS Home Shopping Inc. (Development of software system, purchase of retail products)	8.6	6.6	(0.8)	(5.5)	-	2.1
(iii) Key management personnel compensation						
- Salaries, bonus and allowances and other staff related costs	20.7	20.6				
- Directors fees	2.0	2.9				
- Defined contribution plans	3.1	2.0				
- Share-based payments	2.7	2.7				

(iv) Government-related entities

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

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

The Group has transactions that are collectively, but not individually significant with other government-related entities in respect of public utilities. For the financial year ended 31 January 2016, management estimates that the aggregate amounts of the Group significant transactions with government-related entities are at 2.9% of its total administrative expenses and 2.1% of its total revenue.

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

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 31 January 2016 approximated their fair values except as set out below:

(Assets)/Liabilities measured at amortised cost:

	Carrying amount	Level 1	Level 2	Level 3
31 January 2016	RM'm	RM'm	RM'm	RM'm
Other investments - bonds	(45.0)	-	(44.5)	-
Borrowings – finance lease liabilities	1,111.3	-	1,175.1	-
31 January 2015				
Other investments - bonds	(45.0)	-	(44.6)	-
Borrowings – finance lease liabilities	639.0	-	698.9	-

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
Recurring fair value measurements	RM'm	RM'm	RM'm	RM'm
31 January 2016				
Other investment- investment in unit trusts	(343.2)	(343.2)	-	-
Forward foreign currency exchange contracts – cash flow hedges	(3.5)	-	(3.5)	-
Foreign currency option	1.4	-	1.4	-
Interest rate swaps – cash flow hedges	13.4	-	13.4	-
Cross-currency interest rate swaps – cash flow hedges	(351.4)	-	(351.4)	-

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

13 FAIR VALUE MEASUREMENTS (continued)

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

Recurring fair value measurements	Carrying amount RM'm	Level 1 RM'm	Level 2 RM'm	Level 3 RM'm
31 January 2015				
Other investments – Preference shares in unquoted company	(12.4)	-	(12.4)	-
Forward foreign currency exchange contracts – cash flow hedges	(94.9)	-	(94.9)	-
Interest rate swaps – cash flow hedges	13.7	-	13.7	-
Cross-currency interest rate swaps – cash flow hedges	(201.5)	-	(201.5)	-

The valuation technique used to derive the Level 2 fair value for derivative financial instruments is as disclosed in Note 22.

The valuation technique used to derive the Level 2 fair value for other investment is determined by reference to recent sales price of a comparable transaction with a third party.

During the financial year, 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

14 ANALYSIS OF PERFORMANCE

(a) Performance of the current quarter (Fourth Quarter FY16) against the corresponding quarter (Fourth Quarter FY15):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	QUARTER ENDED 31/1/2016	**QUARTER ENDED 31/1/2015**	**QUARTER ENDED 31/1/2016**	**QUARTER ENDED 31/1/2015**
Consolidated Performance				
Total revenue	1,401.8	1,348.2		
EBITDA[1]	504.5	477.5		
EBITDA margin (%)	36.0	35.4		
Profit before tax	278.1	201.8		
Net profit	202.8	137.7		
Net decrease in cash	(303.7)	(117.0)		
(i) Television				
Subscription revenue	1,095.8	1,088.0		
Advertising revenue	95.6	79.7		
Other revenue	68.2	83.9		
Total revenue	1,259.6	1,251.6		
EBITDA	449.6	439.9		
EBITDA margin (%)	35.7	35.1		
Profit before tax	235.8	173.5		
Total residential subscribers-end of period ('000)			4,818.2	4,429.3
Pay-TV residential subscribers-end of period ('000)			3,550.0	3,509.6
Pay-TV residential subscribers-net additions ('000)			16.4	30.7
Non-subscription customers-end of period ('000)			1,268.2	919.7
Non-subscription customers-net additions ('000)			105.7	106.8
Pay-TV residential ARPU[2](RM)			99.3	99.0
MAT Churn[3](%)			9.5	9.9

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 (Fourth Quarter FY16) against the corresponding quarter (Fourth Quarter FY15) (continued):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/1/2016	**QUARTER ENDED 31/1/2015**	**QUARTER ENDED 31/1/2016**	**QUARTER ENDED 31/1/2015**
(ii) Radio				
Revenue	78.2	69.3		
EBITDA[1]	53.7	44.5		
EBITDA margin (%)	68.7	64.2		
Profit before tax	53.0	43.8		
Listeners ('000)[4]			12,758	12,935

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. MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last twelve months with the average residential customer base over the same period. Churn is the number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconnections within a given period.
4. Based on the Radio Listenership Survey by Nielsen dated 11 November 2015 (Quarter 4 FY15: 28 October 2014).

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 (Fourth Quarter FY16) against the corresponding quarter (Fourth Quarter FY15) (continued):

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,401.8m was higher by RM53.6m or 4.0% against corresponding quarter of RM1,348.2m. This was mainly due to an increase in subscription, advertising and other revenue of RM7.8m, RM24.8m and RM21.0m respectively.

The increase in subscription revenue is attributed by both an increase in ARPU for Pay-TV residential subscribers of RM0.30 (from RM99.00 to RM99.30) and an increase in the number of Pay-TV residential subscribers by 40,400 (from 3,509,600 to 3,550,000).

The increase in other revenue is due to an increase in merchandise sales of RM37.7m from home-shopping business, offset by a decrease in licensing income of RM6.7m and sales of decoders of RM4.4m.

Radio’s revenue for the current quarter of RM78.2m was higher by RM8.9m compared with the corresponding quarter of RM69.3m. The higher revenue performance was driven by continuous strong listenership ratings.

EBITDA margin

EBITDA margin increased by 0.6% against corresponding quarter mainly due to lower staff related costs, and lower impairment of receivables. This was offset by higher content costs and cost of merchandise sales.

Net Profit

Net profit increased by RM65.1m or 47.2% compared with the corresponding quarter. The increase in net profit is mainly due to increase in EBITDA of RM27m, lower net finance cost by RM30.0m due to lower unrealised forex loss arising from unhedged finance lease liability of RM19.4m and unhedged vendor financing of RM34.7m, offset by an increase in transponder’s lease interest of RM6.8m and increase in share of post-tax result from investment accounted for of RM12.9m, offset by higher tax expenses by RM11.2m.

Cash Flow

Decrease in cash of RM186.7m as compared with corresponding quarter is mainly due to lower operating cash flow of RM134.0m, higher payment for set-top boxes of RM82.1m and higher dividend payment of RM26.1m. This was offset by lower purchase of property, plant and equipment and intangibles of RM64.4m.

14 ANALYSIS OF PERFORMANCE (continued)

(a) Performance of the current quarter (Fourth Quarter FY16) against the corresponding quarter (Fourth Quarter FY15) (continued):

Television

Television registered an increase in total revenue of RM8.0m or 0.6% compared with corresponding quarter, which was mainly attributable to an increase in subscription and advertising revenue of RM7.8m and RM15.9m respectively, offset by a decrease in other revenue of RM15.7m.

The increase in subscription revenue is attributed to both an increase in ARPU for Pay-TV residential subscribers of RM0.30 (from RM99.00 to RM99.30) and an increase in the number of Pay-TV residential subscribers by 40,400 (from 3,509,600 to 3,550,000).

Television EBITDA increased by RM9.7m or 2.2% against corresponding quarter mainly due to increase in revenue as highlighted above and lower impairment of receivables. The increase was offset by higher content costs.

Radio

Radio's revenue for the current quarter of RM78.2m was higher by RM8.9m compared with the corresponding quarter of RM69.3m. The higher revenue performance was driven by effective yield and inventory management and the continuous strong listenership performance of its radio brands.

Radio EBITDA for the current quarter of RM53.7m, increased by RM9.2m or 20.7% against the corresponding quarter, driven by the positive revenue performance.

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

14 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Fourth Quarter FY16) against the preceding quarter (Third Quarter FY16):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	QUARTER ENDED 31/1/2016	QUARTER ENDED 31/10/2015	QUARTER ENDED 31/1/2016	QUARTER ENDED 31/10/2015
Consolidated Performance				
Total revenue	1,401.8	1,374.4		
EBITDA[1]	504.5	473.7		
EBITDA margin (%)	36.0	34.5		
Profit before tax	278.1	136.5		
Net profit	202.8	103.4		
Net decrease in cash	(303.7)	(142.6)		
(i) Television				
Subscription revenue	1,095.8	1,083.1		
Advertising revenue	95.6	86.0		
Other revenue	68.2	77.3		
Total revenue	1,259.6	1,246.4		
EBITDA	449.6	438.7		
EBITDA margin (%)	35.7	35.2		
Profit before tax	235.8	105.6		
Total residential subscribers-end of period ('000)			4,818.2	4,696.1
Pay-TV residential subscribers-end of period ('000)			3,550.0	3,533.6
Pay-TV residential subscribers-net additions ('000)			16.4	14.1
Non-subscription customers-end of period ('000)			1,268.2	1,162.5
Non-subscription customers-net additions ('000)			105.7	91.8
Pay-TV residential ARPU[2](RM)			99.3	99.3
MAT Churn[3](%)			9.5	9.4

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

14 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Fourth Quarter FY16) against the preceding quarter (Third Quarter FY16) (continued):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/1/2016	**QUARTER ENDED 31/10/2015**	**QUARTER ENDED 31/1/2016**	**QUARTER ENDED 31/10/2015**
(ii) Radio				
Revenue	78.2	75.1		
EBITDA[1]	53.7	40.9		
EBITDA margin (%)	68.7	54.5		
Profit before tax	53.0	40.3		
Listeners ('000)[4]			12,758	12,758

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. MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last twelve months with the average residential customer base over the same period. Churn is the number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconnections within a given period.
4. Based on the Radio Listenership Survey by Nielsen dated 11 November 2015 (Quarter 3 FY16: 11 November 2015).

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

14 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Fourth Quarter FY16) against the preceding quarter (Third Quarter FY16) (continued):

<u>Consolidated Performance</u>

Revenue

Revenue for the current quarter of RM1,401.8m was higher by RM27.4m or 2.0% against preceding quarter of RM1,374.4m. This was mainly due to an increase in subscription, advertising and other revenue of RM12.7m, RM12.7m and RM2.0m respectively.

The increase in other revenue is due to an increase in merchandise sales of RM10.7m from home-shopping business, and was offset by lower sales of programming rights of RM7.7m.

The increase in subscription revenue was due to an increase in the number of Pay-TV residential subscribers by 16,400 (from 3,533,600 to 3,550,000).

Radio’s revenue for the current quarter of RM78.2m was higher by RM3.1m or 4.1% compared with the preceding quarter of RM75.1m benefitting from the year-end festive celebration.

EBITDA margin

EBITDA margin increased by 1.5% against the preceding quarter mainly due to lower content costs, marketing and market research expenses and selling and distribution expenses and lower impairment of receivables. This was offset by compensation for the delay in the return of the transponder in the preceding quarter.

Net Profit

Net profit increased by RM99.4m or 96.1% to RM202.8m during the quarter. The increase was mainly due to increase in EBITDA of RM30.8m, lower net finance costs by RM112.7m due to lower unrealised forex loss from unhedged finance lease liability of RM83.1m and unhedged vendor financing of RM38.7m. The increase is offset by higher tax expenses of RM42.2m.

Cash Flow

Decrease in cash of RM303.7m as compared with preceding quarter was mainly due to acquisition of property, plant and equipment and intangibles of RM195.4m, payment for set-top boxes of RM131.1m, payment of interest of RM41.0m, dividend payment of RM143.1m, purchase of unit trust of RM7.3m, payment of finance lease liabilities of RM38.0m and repayment of borrowings of RM149.8m. This was offset by higher operating cash flows of RM399.9m.

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

14 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Fourth Quarter FY16) against the preceding quarter (Third Quarter FY16) (continued):

Television

Television registered an increase in total revenue in the current quarter of RM13.2m or 1.1%, which was attributed to an increase in subscription and advertising revenue of RM12.7m and RM9.6m respectively. This was offset by a decrease in other revenue of RM9.1m.

The increase in subscription revenue was due to an increase in the number of Pay-TV residential subscribers by 16,400 (from 3,533,600 to 3,550,000). The increase in advertising revenue was due to festive season. The decrease in other revenue was due to a decrease in sales of programming rights.

EBITDA increased by RM10.9m or 2.5% against the preceding quarter due to increase in revenue, as highlighted above, lower staff related costs and lower content costs. This was offset by compensation for the delay in the return of the transponder the preceding quarter.

Radio

Radio’s revenue for the current quarter of RM78.2m was higher by RM3.1m or 4.1% compared with the preceding quarter of RM75.1m benefitting from the year-end festive celebration.

The EBITDA of RM53.7m was higher by RM12.8m compared with the preceding quarter of RM40.9m due to higher revenue and lower marketing and promotion costs.

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

14 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current year (YTD January 2016) against the corresponding year (YTD January 2015):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015	YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015
Consolidated Performance				
Total revenue	5,475.4	5,231.4		
EBITDA[1]	1,940.6	1,808.3		
EBITDA margin (%)	35.4	34.6		
Profit before tax	829.4	720.9		
Net profit	608.0	513.7		
Net (decrease)/increase in cash	(717.9)	248.4		
(i) Television				
Subscription revenue	4,359.6	4,278.9		
Advertising revenue	343.5	327.2		
Other revenue	284.1	325.2		
Total revenue	4,987.2	4,931.3		
EBITDA	1,781.7	1,682.9		
EBITDA margin (%)	35.7	34.1		
Profit before tax	691.1	616.1		
Total residential subscribers-end of period ('000)			4,818.2	4,429.3
Pay-TV residential subscribers-end of period ('000)			3,550.0	3,509.6
Pay-TV residential subscribers-net additions ('000)			40.4	69.5
Non-subscription customers-end of period ('000)			1,268.2	919.7
Non-subscription customers-net additions ('000)			348.5	477.8
Pay-TV residential ARPU[2](RM)			99.3	99.0
MAT Churn[3](%)			9.5	9.9

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

14 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current year (YTD January 2016) against the corresponding year (YTD January 2015) (continued):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	YEAR ENDED 31/1/2016	**YEAR ENDED 31/1/2015**	**YEAR ENDED 31/1/2016**	**YEAR ENDED 31/1/2015**
(ii) Radio				
Revenue	296.0	261.3		
EBITDA[1]	172.7	145.9		
EBITDA margin (%)	58.3	55.8		
Profit before tax	169.9	142.2		
Listeners ('000)[4]			12,758	12,935

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. MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last twelve months with the average residential customer base over the same period. Churn is the number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconnections within a given period.
4. Based on the Radio Listenership Survey by Nielsen dated 11 November 2015 (YTD January 2015: 28 October 2014).

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

14 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current year (YTD January 2016) against the corresponding year (YTD January 2015) (continued):

<u>Consolidated Performance</u>

Revenue

Revenue for the current year of RM5,475.4m was higher by RM244.0m or 4.7% against corresponding year of RM5,231.4m. This was mainly due to an increase in subscription, advertising and other revenue of RM80.7m, RM51.0m and RM112.3m respectively.

The increase in subscription revenue was due to higher ARPU for Pay-TV residential subscribers of RM0.30 (from RM99.00 to RM99.30) and higher Pay-TV residential subscribers of 40,400 (from 3,509,600 to 3,550,000).

The increase in other revenue is due to an increase in merchandise sales of RM164.4m, offset by a decrease in licensing income of RM33.9m.

Radio's revenue for the current year of RM296.0m was higher by RM34.7m or 13.3% compared with the corresponding year of RM261.3m. The higher revenue performance was driven by effective yield and inventory management and the continuous strong listenership performance of its radio brands.

EBITDA margin

EBITDA margin increased by 0.8% against corresponding year mainly due to lower installation costs and content costs as a percentage of revenue. The increase was offset by higher cost of merchandise sales and impairment of other investment and receivables.

Net Profit

Net profit increased by RM94.3m or 18.3% to RM608.0m during the year. The increase was mainly due to an increase in EBITDA of RM132.3m, lower depreciation of property, plant and equipment of RM66.4m and increase in share of post-tax result from investment accounted for of RM14.9m. The increase was offset by higher net finance costs of RM101.1m due to discounting of transponder's deposit to its present value of RM22.0m, increase in unrealised forex loss from unhedged finance lease liability of RM53.5m and decrease in unrealised forex loss from unhedged vendor financing of RM20.2m and higher tax expenses of RM14.2m.

Cash Flow

Decrease in cash of RM717.9m as compared with corresponding year was mainly due to acquisition of property, plant and equipment and intangibles of RM671.8m, payment for set-top boxes of RM434.7m, payment of interest of RM131.2m, payment of finance lease liabilities of RM142.8m, repayment of borrowings of RM299.6m, purchase of unit trust of RM338.0 and dividend payment of RM650.3m. This was offset by higher operating cash flows of RM1,943.7m.

14 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current year (YTD January 2016) against the corresponding year (YTD January 2015) (continued):

<u>Television</u>

Television registered an increase in total revenue in the current year of RM55.9m or 1.1%, which was attributable to an increase in subscription and advertising revenue of RM80.7m and RM16.3m respectively. The increase was offset by lower other revenue of RM41.1m.

The increase in subscription revenue was due to higher ARPU for Pay-TV residential subscribers of RM0.30 (from RM99.00 to RM99.30) and higher Pay-TV residential subscribers of 40,400 (from 3,509,600 to 3,550,000).

The decrease in other revenue was mainly due to a decrease in licensing income and sales of programming rights.

EBITDA increased by RM98.8m or 5.9% against the corresponding year mainly due to increase of RM55.9m contributed by increase in revenue as highlighted above, lower installation costs, lower marketing and market research expenses and selling and distribution expenses, offset by higher broadband costs and impairment of other investment of RM12.4m.

<u>Radio</u>

Radio’s revenue for the current year of RM296.0m was higher by RM34.7m or 13.3% compared with the corresponding year of RM261.3m. The higher revenue performance was driven by effective yield and inventory management and the continuous strong listenership performance of its radio brands.

The higher revenue resulted in higher EBITDA of RM172.7m, an increase of RM26.8m or 18.4% as compared with the corresponding year. This was offset by higher marketing and promotion costs.

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

15 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2017

In a soft consumer market, the Group is focused on executing its key strategy of growing revenues by providing differentiated content and a diverse range of products and services.

We are delivering a quality consumer experience by making disciplined investments in content. With the coming financial year being a major sporting year, we have a line-up of major sporting events in addition to local and international content to provide the best for our customers.

The digital shift is also enabling us to leverage on our infrastructure, content capabilities and operational experience to roll out an OTT online video service, initially working closely with identified partners. We will continue to invest in technology in anticipation of customers' evolving behaviour across multiple platforms and devices. In addition, home shopping will remain an area to deliver sales growth across TV as well as digital platforms.

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

We maintain good visibility on our key operating expenses, in particular content costs which are substantially USD denominated.

On the basis of the above, the Board believes the Group will remain cash generative and be able to invest in its growth strategy.

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 2015.

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

18 PROFIT BEFORE TAX

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/1/2016	QUARTER ENDED 31/1/2015	YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015
	RM'm	RM'm	RM'm	RM'm
Amortisation of intangible assets	122.3	112.6	486.8	454.7
Depreciation of property, plant and equipment	167.4	184.2	689.3	755.7
Impairment of receivables	16.4	28.6	105.8	75.0
Impairment of other investment	-	-	12.4	-
Finance income:				
- Interest income	(6.4)	(15.6)	(46.5)	(50.7)
- Unit trust	(4.9)	-	(6.0)	(6.2)
- Unrealised foreign exchange gain	(126.3)	-	-	-
- Fair value loss on derivative recycled to income statement arising from foreign exchange risk	81.9	-	-	-
	(55.7)	(15.6)	(52.5)	(56.9)
Finance costs:				
- Net unrealised foreign exchange losses				
- Unrealised foreign exchange losses	-	142.7	194.5	116.9
- Fair value loss/(gain) on derivative recycled to income statement arising from foreign exchange risk	-	(132.4)	(137.3)	(110.7)
	-	10.3	57.2	6.2
- Bank borrowings	23.0	26.3	100.4	103.1
- Finance lease liabilities	18.3	11.5	62.9	47.1
- Vendor financing	8.1	8.0	31.6	37.6
- Realised foreign exchange losses	30.9	-	78.2	0.5
- Fair value loss/(gain) on derivative recycled to income statement arising from:				
- Interest rate risk	8.7	9.2	32.1	41.5
- Foreign exchange risk	(13.7)	-	(48.5)	-
- Others	2.7	2.6	32.4	13.6
	78.0	67.9	346.3	249.6

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

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

19 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/1/2016	QUARTER ENDED 31/1/2015	YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015
	RM'm	RM'm	RM'm	RM'm
Current tax	89.7	77.0	283.3	252.1
Deferred tax	(14.4)	(12.9)	(61.9)	(44.9)
	75.3	64.1	221.4	207.2

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/1/2016	QUARTER ENDED 31/1/2015	YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015
	RM'm	RM'm	RM'm	RM'm
Profit before taxation	278.1	201.8	829.4	720.9
Tax at Malaysian corporate tax rate of 24% (31 January 2015: 25%)	66.7	50.5	199.0	180.2
Tax effect of:				
Unrecognised deferred tax asset	1.4	1.9	8.5	6.3
Utilisation of previously unrecognised temporary differences	-	(7.4)	-	(7.8)
Effect of changes in tax rate	-	0.2	-	0.2
Others (including expenses not deductible for tax purposes and income not subject to tax)	7.2	18.9	13.9	28.3
Taxation charge	75.3	64.1	221.4	207.2

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

20 STATUS OF CORPORATE PROPOSALS ANNOUNCED

Utilisation of IPO proceeds

On 19 October 2012, the entire issued and paid-up share capital of the Company was listed on the Main Market of Bursa Malaysia Securities Berhad.

On 15 September 2015, the Board of Directors had approved a revision in the utilisation of part of the said proceeds amounting to RM60 million, which was originally intended to be used for capital expenditure, to be utilised for working capital purposes in view that the construction of our corporate building has been deferred. As at 22 March 2016, the gross proceeds of RM1,422.9m from the Public Issue were utilised in the following manner:

	Proposed Utilisation Amount	Actual Utilisation Amount	Intended Timeframe for	Balance	
	RM'm	RM'm		RM'm	%
Repayment of bank borrowings	500.0	500.0	Within 12 months	-	-
Capital expenditure#	750.0	750.0	Within 36 months	-	-
Working capital	112.9	112.9	Within 24 months	-	-
Estimated fees and expenses for the IPO and listing*	60.0	60.0	Within 3 months	-	-
	1,422.9	1,422.9		-	-

The balance unutilised proceeds of RM60 million was transferred to working capital from capital expenditure.
***** Excess of the amounts allocated will be utilised for meeting general working capital requirements as disclosed in the Prospectus in relation to the IPO dated 21 September 2012. As at 31 October 2014, the excess amount has been utilised.

21 GROUP BORROWINGS AND DEBT SECURITIES

The amount of Group borrowings and debt securities as at 31 January 2016 are as follows:

	Current	Non-current	Total
	RM'm	RM'm	RM'm
Unsecured:			
Term loans			
- RM Term Loan	266.7	1,350.0	1,616.7
- USD Term Loan – USD330 million	173.9	924.0	1,097.9
	440.6	2,274.0	2,714.6
Less: Debt issuance costs	(6.8)	(14.0)	(20.8)
Term loans, net of debt issuance costs	433.8	2,260.0	2,693.8
Finance lease			
- Lease of transponders(a)	83.2	1,023.0	1,106.2
- Lease of equipment and software(b)	2.5	2.6	5.1
	85.7	1,025.6	1,111.3
	519.5	3,285.6	3,805.1

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

21 GROUP BORROWINGS AND DEBT SECURITIES (continued)

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

	Total
	RM'm
Ringgit Malaysia	2,173.7
United States Dollars ("USD")	1,631.4
	3,805.1

Note:

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

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

22 DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 31 January 2016 are set out below:

Types of derivatives	Contract/ Notional Amount	Fair Value Assets	Fair Value Liabilities
	RM'm	RM'm	RM'm
Foreign currency options ("FX Options")			
- Less than 1 year	58.1	-	(1.4)
Forward foreign currency exchange contracts ("FX Contracts")			
- Less than 1 year	1,125.3	32.3	(28.8)
- 1 to 3 years	-	-	-
- More than 3 years	-	-	-
	1,125.3	32.3	(28.8)
Interest rate swaps ("IRS")			
- Less than 1 year	457.4	0.2	(2.5)
- 1 to 3 years	770.4	-	(5.7)
- More than 3 years	562.5	-	(5.4)
	1,790.3	0.2	(13.6)
Cross-currency interest rate swaps ("CCIRS")			
- Less than 1 year	244.6	60.6	-
- 1 to 3 years	551.0	147.3	-
- More than 3 years	513.3	143.5	-
	1,308.9	351.4	-

22 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 2015 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 January 2016, the Group recognised net total derivative financial assets of RM340.1m, an increase of RM57.4m from the previous financial year ended 31 January 2015, on re-measuring the fair values of the derivative financial instruments. The corresponding increase has been included in equity in the hedging reserve. For the current year, RM132.4m of the hedging reserve was transferred to the income statement to offset the unrealised loss of RM132.4m which resulted from the weakening of RM against USD. This resulted in a decrease on the credit balance in the hedging reserve as at 31 January 2016 by RM75.0m to RM3.1m compared with the financial year ended 31 January 2015.

<u>Forward foreign currency exchange contracts and foreign currency options</u>

Forward foreign currency exchange contracts are used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of the Group. The forward foreign currency exchange contracts and foreign currency options have maturities of less than one year after the balance sheet date. As at 31 January 2016, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM1,125.3m (31 January 2015: RM945.9m) and foreign currency options were RM58.1m (31 January 2015: Nil).

<u>Interest rate swaps</u>

Interest rate swaps are used to achieve an appropriate interest rate exposure within the Group. The Group entered into interest rate swaps to hedge the cash flow risk in relation to the floating interest rate of a bank loan, as disclosed in Note 21 with notional principal amounts of RM1,200.0m (31 January 2015: RM1,350.0m) and vendor financing, as disclosed in Note 23 with notional principal amounts of RM505.5m and USD20.4m (31 January 2015: RM528.2m and USD78.0m).

The interest rate swaps for bank loan were entered up to 10 years with an average fixed swap rate of 4.15% (31 January 2015: 4.15%).

The Ringgit and USD dollar interest rate swaps for vendor financing were entered into for a period of up to 3 years with an average fixed swap rate of 3.79% (31 January 2015: 3.71%) and 0.86% (31 January 2015: 0.45%) respectively.

22 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Cross-currency interest rate swaps

To mitigate financial risks arising from adverse fluctuations in interest and exchange rates, the Group entered into cross-currency interest rate swaps with notional principal amounts of USD264.0m (31 January 2015: USD297.0m) for bank loan and USD51.6m (31 January 2015: USD51.6m) for vendor financing.

The cross-currency interest rate swap for bank loan was entered up to a period of 10 years and had an average fixed swap rate and exchange rate of 4.19% (inclusive of interest margin of 1%) (31 January 2015: 4.19% (inclusive of interest margin of 1%)) and USD/RM3.0189 (31 January 2015: 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 4.26% (inclusive of interest margin of 1.0%) (31 January 2015: 4.26% (inclusive of interest margin of 1.1%) and USD/RM3.2525 (31 January 2015: USD/RM3.2525).

23 PAYABLES

Included in payables are credit terms granted by vendors that generally range from 0 to 90 days (31 January 2015: 0 to 90 days). Vendors of set-top boxes and outdoor units have granted an extended payment term of 36 months ("vendor financing") on Usance Letter of Credit Payable at Sight ("ULCP") and Promissory Notes ("PN") basis to the Group.

The effective interest rates at the end of the financial period ranged between 1.4% and 5.2% (31 January 2015: 1.2% and 5.3%) per annum.

As at 31 January 2016, the vendor financing included in payables is RM969.8m (31 January 2015: RM1,022.8m), comprising current portion of RM343.4m (31 January 2015: RM410.6m) and non-current portion of RM626.4m (31 January 2015: RM612.2m).

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:

Group	**As at 31/1/2016 RM'm**	**As at 31/1/2015 RM'm**
Total (accumulated losses)/retained profits of the Company and its subsidiaries:		
- Realised	(223.9)	(175.8)
- Unrealised[N1]	(23.1)	(16.3)
	(247.0)	(192.1)
Total retained profits from associates and joint ventures:		
- Realised	15.8	7.5
- Unrealised	-	-
	(231.2)	(184.6)
Less: Consolidation adjustments	(438.3)	(449.9)
Total accumulated losses as per consolidated balance sheets	(669.5)	(634.5)

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.

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

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, except for the following:-

(i) Garnishee Proceedings and Enforcement of The SIAC Awards

We had previously disclosed that, MBNS and other plaintiffs (collectively "Claimants") had commenced garnishee proceedings in Hong Kong against AcrossAsia Limited ("Garnishee") and PT First Media ("PT FM"). In October 2013, the Garnishee and PT FM filed an appeal to Hong Kong High Court and obtained an unconditional stay of execution of the garnishee order absolute.

Subsequently, PT FM applied to the Hong Kong High Court inter alia for:

(a) an extension of time to apply to set aside the court orders to enforce the Awards granted in August and September 2010 and the 9 December 2010 judgment (since PT FM's application was made after the expiry of the time limit for such application to be made);

(b) an order that the Hong Kong court orders of August and September 2010 and the judgment in December 2010 be set aside; and

(c) an order that the garnishee order nisi be set aside

(the "HK Setting Aside Application").

On 17 February 2015, the Hong Kong High Court found in favour of the Claimants on the HK Setting Aside Application and ruled, amongst others, that:

(i) PT FM is not permitted to resist enforcement of the Awards as it has acted in breach of the good faith principle in its conduct in the Arbitration;

(ii) PT FM had taken a deliberate decision not to take action within the time limited to challenge enforcement of the Awards in Hong Kong;

(iii) the Awards remain valid and binding even though PT FM has successfully resisted enforcement of the Awards in Singapore.

Both PT FM and the Garnishee filed summonses, seeking amongst others, directions and/or leave to appeal the aforesaid Hong Kong High Court's decision and to extend the Stay of Execution of the Garnishee Order Absolute until determination of PT FM's appeal and/or the Garnishee's appeal against the Garnishee Order Absolute.

In the meanwhile, there is an interim stay of execution of the Garnishee Order Absolute dated 31 October 2013 pending the hearing in relation to the above.

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

26 DIVIDENDS

(a) The Board of Directors has declared a fourth interim single-tier dividend of 2.75 sen per ordinary share in respect of the financial year ended 31 January 2016 amounting to approximately RM143,137,929, to be paid on 21 April 2016. The entitlement date for the dividend payment is 6 April 2016.

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

(i) shares transferred to the depositor's securities account before 4.00 pm on 6 April 2016 in respect of transfers; and

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

The Board of Directors also recommended for shareholders' approval at the forthcoming Annual General Meeting a final single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 January 2016, to be paid on a date to be determine.

(b) The total dividends paid and proposed for the financial year ended 31 January 2016 is 6.5 sen per share, based on 5,205,015,600 ordinary shares and 5.5 sen per share, based on 5,201,728,400 ordinary shares (31 January 2015: 6.5 sen per share, based on 5,201,728,400 and 4.5 sen per share, based on 5,198,300,000 ordinary shares).

27 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share at 31 January 2016 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per ordinary shares at 31 January 2016 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share as at 31 January 2016:

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	QUARTER ENDED 31/1/2016	**QUARTER ENDED 31/1/2015**	**YEAR ENDED 31/1/2016**	**YEAR ENDED 31/1/2015**
Profit attributable to the equity holders of the Company (RM'm)	203.8	140.0	615.3	519.4
(i) Basic EPS				
Weighted average number of issued ordinary shares ('m)	5,205.0	5,201.7	5,202.7	5,199.3
Basic earnings per share (RM)	0.039	0.027	0.118	0.100

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

27 EARNINGS PER SHARE (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/1/2016	QUARTER ENDED 31/1/2015	YEAR ENDED 31/1/2016	YEAR ENDED 31/1/2015
(ii) Diluted EPS				
Weighted average number of issued Ordinary shares ('m)	5,205.0	5,201.7	5,202.7	5,199.3
Effect of dilution:				
Grant of share awards under the management share scheme ('m)	11.3	10.4	12.1	10.7
	5,216.3	5,212.1	5,214.8	5,210.0
Diluted earnings per share (RM)	0.039	0.027	0.118	0.100

28 MATERIAL EVENTS SUBSEQUENT TO END OF THE FINANCIAL YEAR

On 14 March 2016, the Company incorporated a wholly-owned subsidiary, Tribe Limited, with an issued and paid-up share capital of HKD100,000 comprising 100,000 ordinary shares. The principal activities of Tribe Limited are that of creation, aggregation, distribution and monetisation of content.

Other than the above, there were no material subsequent events during the period from the end of the quarter review to 22 March 2016.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON
(License No. LS0007908)

Company Secretary
22 March 2016