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

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2016

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2016

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 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 second quarter ended 31 July 2016 which should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 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 31/7/2016	QUARTER ENDED 31/7/2015		PERIOD ENDED 31/7/2016	PERIOD ENDED 31/7/2015	
		RM'm	RM'm	%	RM'm	RM'm	%
Revenue		1,428.3	1,369.0	+4	2,791.1	2,699.1	+3
Cost of sales		(897.6)	(839.2)		(1,730.6)	(1,653.5)	
Gross profit		530.7	529.8	+0	1,060.5	1,045.6	+1
Other operating income		3.9	6.8		8.0	12.7	
Marketing and distribution costs		(121.0)	(124.4)		(237.8)	(248.7)	
Administrative expenses		(165.8)	(130.9)		(301.0)	(262.0)	
Profit from operations		247.8	281.3	-12	529.7	547.6	-3
Finance income		9.4	13.7		38.9	29.3	
Finance costs		(89.3)	(112.3)		(122.4)	(165.7)	
Share of post-tax results from investments accounted for using the equity method		1.1	1.6		2.8	3.5	
Profit before tax	17	169.0	184.3	-8	449.0	414.7	+8
Tax expense	18	(44.7)	(49.2)		(123.6)	(112.9)	
Profit for the financial period		124.3	135.1	-8	325.4	301.8	+8
Attributable to:							
Equity holders of the Company		125.5	137.3	-9	327.6	305.6	+7
Non-controlling interests		(1.2)	(2.2)		(2.2)	(3.8)	
		124.3	135.1	-8	325.4	301.8	+8
Earnings per share attributable to equity holders of the Company (RM):							
- Basic	25	0.024	0.026		0.063	0.059	
- Diluted	25	0.024	0.026		0.063	0.059	

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2016	QUARTER ENDED 31/7/2015	PERIOD ENDED 31/7/2016	PERIOD ENDED 31/7/2015
	RM'm	RM'm	RM'm	RM'm
Profit for the financial period	124.3	135.1	325.4	301.8
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
- Net change in cash flow hedge	60.4	45.6	(38.7)	(13.1)
- Net change in available-for-sale financial assets	0.5	-	0.3	-
Foreign currency translation	0.5	0.9	1.7	1.4
Other comprehensive loss, net of tax	61.4	46.5	(36.7)	(11.7)
Total comprehensive income for the financial period	185.7	181.6	288.7	290.1
Attributable to:				
Equity holders of the Company	186.9	183.8	290.9	293.9
Non-controlling interests	(1.2)	(2.2)	(2.2)	(3.8)
	185.7	181.6	288.7	290.1

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/7/2016 Unaudited RM'm	AS AT 31/1/2016 Audited RM'm
Non-current assets			
Property, plant and equipment		1,904.4	2,129.4
Investments in associates		30.9	27.9
Investments in joint ventures		2.0	2.2
Other investment		5.0	5.0
Receivables and prepayments		315.9	239.3
Deferred tax assets		117.7	116.5
Derivative financial instruments	20	224.4	290.8
Intangible assets		1,977.5	2,001.5
		4,577.8	4,812.6
Current assets			
Inventories		18.0	20.6
Other investment		139.7	383.2
Receivables and prepayments		878.1	955.3
Derivative financial instruments	20	92.7	93.1
Tax recoverable		0.5	0.5
Cash and bank balances		679.4	635.7
		1,808.4	2,088.4
Total assets		6,386.2	6,901.0
Current liabilities			
Payables	21	1,568.5	1,658.3
Derivative financial instruments	20	35.2	32.7
Borrowings	19	604.1	519.5
Tax liabilities		76.2	70.9
		2,284.0	2,281.4
Net current liabilities		(475.6)	(193.0)
Non-current liabilities			
Payables	21	480.4	626.4
Derivative financial instruments	20	15.8	11.1
Borrowings	19	2,964.8	3,285.6
Deferred tax liabilities		82.7	82.7
		3,543.7	4,005.8
Total liabilities		5,827.7	6,287.2
Net assets		558.5	613.8

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2016

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/7/2016 Unaudited RM'm	AS AT 31/1/2016 Audited RM'm
Capital and reserves attributable to equity holders of the Company			
Share capital		520.5	520.5
Share premium		6,183.3	6,183.3
Exchange reserve		4.6	2.9
Capital redemption reserve		0.0@	0.0@
Capital reorganisation reserve		(5,470.2)	(5,470.2)
Hedging reserve		(35.6)	3.1
Fair value reserve		-	(0.3)
Share scheme reserve		38.2	30.9
Accumulated losses		(693.2)	(669.5)
		547.6	600.7
Non-controlling interests		10.9	13.1
Total equity		558.5	613.8

@ Denotes RM677.50

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company											
Period ended 31/7/2016	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 1/2/2016	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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

	Attributable to equity holders of the Company											
Period ended 31/7/2015	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 1/2/2015	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 period	-	-	-	-	-	-	-	-	305.6	305.6	(3.8)	301.8
Other comprehensive income/(loss) for the financial period	-	-	1.4	-	-	(13.1)	-	-	-	(11.7)	-	(11.7)
Total comprehensive income/(loss) for the financial period	-	-	1.4	-	-	(13.1)	-	-	305.6	293.9	(3.8)	290.1
Ordinary shares dividends	-	-	-	-	-	-	-	-	(364.1)	(364.1)	-	(364.1)
Share-based payment transaction	-	-	-	-	-	-	-	8.8	-	8.8	-	8.8
Transactions with owners	-	-	-	-	-	-	-	8.8	(364.1)	(355.3)	-	(355.3)
At 31/7/2015	520.2	6,174.7	1.7	0.0[@]	(5,470.2)	65.0	-	34.1	(693.0)	632.5	16.6	649.1

[@] Denotes RM677.50

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED 31/7/2016	PERIOD ENDED 31/7/2015
CASH FLOWS FROM OPERATING ACTIVITIES	**RM'm**	**RM'm**
Profit before tax	449.0	414.7
Adjustments for:		
Non-cash items^	615.2	657.8
Interest expense	103.9	119.9
Interest income	(20.4)	(29.3)
Operating cash flows before changes in working capital	1,147.7	1,163.1
Changes in working capital	(268.8)	(204.6)
Cash flows from operations	878.9	958.5
Income tax paid	(119.4)	(94.6)
Interest received	11.0	21.3
Net cash flows generated from operating activities	770.5	885.2
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment and intangibles	0.7	1.9
Purchase of property, plant and equipment and intangibles	(245.2)	(297.1)
Disposal of unit trusts	244.3	-
(Placements)/maturities of fixed deposits	(144.6)	153.3
Maturities of bonds	5.0	-
Proceeds from disposal of investment in a joint venture	-	1.0
Investment in joint venture	-	(2.1)
Net cash flows used in investing activities	(139.8)	(143.0)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(351.3)	(364.1)
Interest paid	(60.2)	(67.1)
Payment for set-top boxes	(94.0)	(218.0)
Payment of finance lease liabilities	(78.0)	(62.8)
Repayment of borrowings	(149.8)	(149.8)
Net cash flows used in financing activities	(733.3)	(861.8)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(102.6)	(119.6)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	1.7	1.4
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	566.8	588.4
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD#	465.9	470.2

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 17.

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 2016, the Group acquired set-top boxes by means of vendor financing of RM62.3m (31 July 2015: RM119.3m) and transponders by means of finance lease of RM Nil (31 July 2015: 498.6m). During the financial period ended 31 July 2016, the Group had repaid RM94.0m (31 July 2015: RM218.0m) in relation to vendor financing for set-top boxes and RM76.8m (31 July 2015: RM62.0m) 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 2016.

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 2016.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2016 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- 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, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception (effective from 1 January 2016)
- MFRS 14 Regulatory Deferral Accounts (effective from 1 January 2016)

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 2017:

- 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)
- 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)

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

1 BASIS OF PREPARATION (continued)

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

- Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions (effective from 1 January 2018)
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date yet to be determined by Malaysian Accounting Standards Board)

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 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 period ended 31 July 2016.

5 DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities by the Group during the second quarter ended 31 July 2016.

6 DIVIDENDS PAID

During the financial period ended 31 July 2016, the following dividend payments were made:

(i) fourth interim single-tier dividend of 2.75 sen per ordinary share in respect of the financial year ended 31 January 2016 amounting to RM143,137,930.37 was paid on 21 April 2016;

(ii) final single-tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 January 2016 amounting to RM52,050,156.00 was paid on 30 June 2016; and

(iii) first interim single-tier dividend of 3.00 sen per ordinary share in respect of the financial year ending 31 January 2017 amounting to RM156,150,468.00 was paid on 30 June 2016.

Refer to Note 24 for dividends declared for the second quarter ended 31 July 2016.

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

7 SEGMENT RESULTS AND REPORTING

For management purposes, with effect from this financial year, 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.

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

7 SEGMENT RESULTS AND REPORTING (continued)

Period ended 31/7/2016	Television	Radio	Home-shopping	Others	Corporate Function	Elimination	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
External revenue	2,493.3	158.5	138.2	-	1.1	-	2,791.1
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	380.3	89.4	(5.7)	1.0	(22.7)	6.7	449.0

As at 31/7/2016	Television	Radio	Home-shopping	Others	Corporate Function	Elimination	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Segment assets	5,141.2	1,986.6	68.2	49.8	592.3	(1,569.6)	6,268.5
Segment liabilities	3,706.8	887.5	56.2	12.4	2,552.5	(1,546.6)	5,668.8

Period ended 31/7/2015	Television	Radio	Home-shopping	Others	Corporate Function	Elimination	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
External revenue	2,481.3	142.7	74.1	-	1.0	-	2,699.1
Interest income	20.9	1.3	0.8	1.3	60.8	(55.8)	29.3
Interest expense	(118.8)	(0.1)	-	(2.0)	(54.8)	55.8	(119.9)
Depreciation and amortisation	(596.1)	(2.7)	(2.3)	-	(3.1)	21.3	(582.9)
Share of post-tax results from investments accounted for using the equity method	-	-	-	3.5	-	-	3.5
Segment profit/(loss) – Profit/(loss) before tax	349.7	76.6	(10.4)	(3.1)	(11.8)	13.7	414.7

As at 31/1/2016	Television	Radio	Home-shopping	Others	Corporate Function	Elimination	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Segment assets	5,346.0	1,648.1	62.5	44.1	810.9	(1,127.1)	6,784.5
Segment liabilities	3,891.4	552.9	44.8	10.9	2,735.2	(1,101.6)	6,133.6

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

7 SEGMENT RESULTS AND REPORTING (continued)

Quarter ended 31/7/2016	**Television**	**Radio**	**Home-shopping**	**Others**	**Corporate Function**	**Elimination**	**Total**
	RM'm	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**
External revenue	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	126.7	51.8	(2.8)	3.2	(13.2)	3.3	169.0

Quarter ended 31/7/2015	**Television**	**Radio**	**Home-shopping**	**Others**	**Corporate Function**	**Elimination**	**Total**
	RM'm	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**
External revenue	1,250.0	80.9	37.6	-	0.5	-	1,369.0
Interest income	10.1	0.6	0.4	0.7	29.9	(28.0)	13.7
Interest expense	(71.9)	(0.1)	-	(1.0)	(26.8)	28.0	(71.8)
Depreciation and amortisation	(299.4)	(1.4)	(1.2)	-	(1.8)	9.7	(294.1)
Share of post-tax results from investments accounted for using the equity method	-	-	-	1.6	-	-	1.6
Segment profit/(loss) – Profit/(loss) before tax	145.9	47.5	(6.2)	(1.3)	(7.4)	5.8	184.3

8 CHANGES IN THE COMPOSITION OF THE GROUP

On 29 February 2016, Astro Entertainment Sdn Bhd ("AESB"), a wholly-owned subsidiary of the Company, converted the shareholder's loan of RM750,000 to Red Communications Sdn Bhd ("RCSB") 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%.

On 14 March 2016, the Company incorporated a wholly-owned subsidiary namely, Tribe Limited in Hong Kong under the Hong Kong Companies Ordinance (Cap. 622) with an issued and paid-up share capital of HKD100,000 comprising 100,000 ordinary shares. The principal activities of Tribe Limited are the creation, aggregation, distribution and monetisation of content.

Save as disclosed above, there were no changes in the composition of the Group during the second quarter ended 31 July 2016.

9 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS

a. Indemnity and guarantees

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

	Group	
	31/7/2016	**31/1/2016**
	RM'm	**RM'm**
Indemnity given to financial institutions in respect of bank guarantees issued (unsecured):		
- Programme rights vendors[1]	128.6	132.2
- Others[2]	13.5	10.8
Other indemnities:		
- Guarantee to programme rights vendor provided by AMH[1]	135.7	1,233.0
- Indemnity to Maxis Berhad ("Maxis") pursuant to shareholders' obligations in respect of Advanced Wireless Technologies Sdn. Bhd.	6.3	6.3
	284.1	1,382.3

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 2016 (31 January 2016: Nil).

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

10 COMMITMENTS

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

	31/7/2016			31/1/2016		
	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*	1,987.9	146.8	2,134.7	1,994.9	72.6	2,067.5
Software	103.2	162.7	265.9	114.0	90.3	204.3
Film library and programme rights	1,148.9	456.0	1,604.9	619.7	725.6	1,345.3
	3,240.0	765.5	4,005.5	2,728.6	888.5	3,617.1

* Included in approved and contracted for is the supply of transponder capacity with MEASAT International (South Asia) Ltd. ("MISAL") and MEASAT Satellite Systems Sdn. Bhd. ("MSS"), both related parties, on MEASAT-3B and MEASAT-3C satellites, of RM1,218.0m (31 January 2016: RM1,241.1m) and RM677.4m (31 January 2016: RM690.2m) 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 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

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

Related Parties	Relationship
ASTRO Overseas Limited ("AOL")	Subsidiary of Astro Holdings Sdn Bhd ("AHSB"), a company jointly controlled by UTSB and Khazanah Nasional Berhad, pursuant to a shareholders' agreement in relation to AHSB
UTSB Management Sdn. Bhd.	Subsidiary of UTSB
Kristal-Astro Sdn. Bhd.	Associate of the Company
Celestial Movie Channel Limited	Associate of AOL
Sun TV Network Limited	Joint venture partner of AOL
Media Innovations Pty Ltd	Subsidiary of AOL
Tiger Gate Entertainment Limited	Associate of AOL
MEASAT International (South Asia) Ltd.	Subsidiary of a company in which TAK has a 99.999% direct equity interest
MEASAT Satellite Systems Sdn. Bhd.	Subsidiary of a company in which TAK has a 99.999% direct equity interest
GS Home Shopping Inc.	Major shareholder of Astro GS Shop Sdn. Bhd., a 60% owned subsidiary of the Company

	Transaction for the period ended 31/7/2016 RM'm	Transaction for the period ended 31/7/2015 RM'm	Balances due from/(to) as at 31/7/2016 RM'm	Balances due from/(to) as at 31/1/2016 RM'm	Commitments as at 31/7/2016 RM'm	Commitments as at 31/1/2016 RM'm
(i) Sales of goods and services						
- Maxis Mobile Services Sdn. Bhd. (Multimedia, interactive and airtime sales)	4.6	6.6	2.3	3.5	-	-
- Maxis Broadband Sdn. Bhd. (Licensing income)	-	3.9	1.0	0.8	-	-
- Kristal-Astro Sdn. Bhd. (Programme services and right sales, technical support, smartcard rental, and sales of set-top boxes and accessories)	15.0	12.4	22.0	9.6	-	-
- MEASAT Satellite Systems Sdn. Bhd. (Compensation for T11)	-	-	6.0	17.3	-	-
- ASTRO Overseas Limited (Management fees)	1.4	0.9	2.9	3.6	-	-
(ii) Purchases of goods and services						
- UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services)	5.6	5.0	(2.2)	(0.8)	-	-

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the period ended 31/7/2016 RM'm	Transaction for the period ended 31/7/2015 RM'm	Balances due from/(to) as at 31/7/2016 RM'm	Balances due from/(to) as at 31/1/2016 RM'm	Commitments as at 31/7/2016 RM'm	Commitments as at 31/1/2016 RM'm
(ii) Purchases of goods and services (continued)						
- Maxis Broadband Sdn. Bhd. Sdn. Bhd. (Telecommunication services)	43.7	34.1	(14.4)	(9.2)	-	-
- MEASAT International (South Asia) Ltd. (Deposit paid on transponder lease)	-	10.5	51.2	50.2	1,218.0	1,241.1
- MEASAT Satellite Systems Sdn. Bhd. (Transponder lease)	-	-	-	-	677.4	690.2
- Sun TV Network Limited (Programme broadcast rights)	18.5	18.1	(11.6)	(15.5)	-	-
- Celestial Movie Channel Limited (Programme broadcast rights)	11.1	9.9	(2.0)	(2.2)	-	-
- Media Innovations Pty Ltd (Design, build and commission of Over-the-Top solution)	1.3	6.6	(0.3)	(2.9)	-	-
- Tiger Gate Entertainment Limited (Programming rights)	7.7	6.8	(2.0)	(1.6)	-	-
- GS Home Shopping Inc. (Development of software system, purchase of retail products)	2.6	8.7	(0.2)	(0.8)	-	-
(iii) Key management personnel compensation						
- Salaries, bonus and allowances and other staff related costs	19.9	15.3				
- Directors fees	1.0	1.0				
- Defined contribution plans	2.9	2.1				
- Share-based payments	-	-				

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(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.").

The Group has been granted a waiver from compliance with Chapter 10 of the Listing Requirements (Related Party Transaction) in respect of 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 2016, management estimates that the aggregate amounts of the Group significant transactions with KNB Group are at 2.5% of its total administrative expenses and 1.4% 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.

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group as at 31 July 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 July 2016	RM'm	RM'm	RM'm	RM'm
Other investments - bonds	(40.0)	-	(40.0)	-
Borrowings – finance lease liabilities	1,060.0	-	1,132.6	-
Receivables – amount due from an associate	(20.8)	-	(20.8)	-
31 January 2016				
Other investments - bonds	(45.0)	-	(44.5)	-
Borrowings – finance lease liabilities	1,111.3	-	1,175.1	-

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.

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

12 FAIR VALUE MEASUREMENTS (continued)

(b) Financial instruments carried at fair value

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

(Assets)/Liabilities measured at fair value:

Recurring fair value measurements	Carrying amount RM'm	Level 1 RM'm	Level 2 RM'm	Level 3 RM'm
31 July 2016				
Other investment- investment in unit trusts	(104.7)	(104.7)	-	-
Forward foreign currency exchange contracts – cash flow hedges	24.3	-	24.3	-
Foreign currency option	(1.2)	-	(1.2)	-
Interest rate swaps – cash flow hedges	20.3	-	20.3	-
Cross-currency interest rate swaps – cash flow hedges	(309.5)	-	(309.5)	-
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)	-

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 FY17) against the corresponding quarter (Second Quarter FY16):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/7/2016	**QUARTER ENDED 31/7/2015**	**QUARTER ENDED 31/7/2016**	**QUARTER ENDED 31/7/2015**
Consolidated Performance				
Total revenue	1,428.3	1,369.0		
EBITDA[1]	426.3	489.8		
EBITDA margin (%)	29.8	35.8		
Profit before tax	169.0	184.3		
Net profit	124.3	135.1		
Net decrease in cash	(112.8)	(368.8)		
(i) Television				
Subscription revenue	1,095.3	1,093.6		
Advertising revenue	99.4	87.4		
Other revenue	72.2	69.0		
Total revenue	1,266.9	1,250.0		
EBITDA[1]	376.5	445.4		
EBITDA margin (%)	29.7	35.6		
Profit before tax	126.7	145.9		
Total residential subscribers-end of period ('000)			4,974.5	4,590.2
Pay-TV residential subscribers-end of period ('000)			3,493.3	3,519.5
Pay-TV residential subscribers-net movements ('000)			(10.1)	15.0
Non-subscription customers-end of period ('000)			1,481.2	1,070.7
Non-subscription customers-net movements ('000)			86.1	54.4
Pay-TV residential ARPU[2] (RM)			99.2	99.1
MAT Churn[3] (%)			10.9	9.8

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 FY17) against the corresponding quarter (Second Quarter FY16) (continued):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/7/2016	**QUARTER ENDED 31/7/2015**	**QUARTER ENDED 31/7/2016**	**QUARTER ENDED 31/7/2015**
(ii) Radio				
Revenue	86.5	80.9		
EBITDA[1]	52.1	48.3		
EBITDA margin (%)	60.2	59.7		
Profit before tax	51.8	47.5		
Listeners ('000)[4]			12,758	12,566
(iii) Home-shopping				
Revenue	74.3	37.6		
EBITDA[1]	(1.9)	(5.4)		
EBITDA margin (%)	(2.6)	(14.4)		
Loss before tax	2.8	6.2		
Number of products sold ('000)			439.7	212.6
Number of orders ('000)			330.4	165.3
Number of customers ('000)			246.7	137.9

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 2 FY16: 5 June 2015). There will be a change in the audience measurement partner for the radio industry, who is expected to commence from 2nd half FY17.

13 ANALYSIS OF PERFORMANCE (continued)

(a) Performance of the current quarter (Second Quarter FY17) against the corresponding quarter (Second Quarter FY16) (continued):

<u>Consolidated Performance</u>

Revenue

Revenue for the current quarter of RM1,428.3m was higher by RM59.3m or 4.3% against corresponding quarter of RM1,369.0m. This was mainly due to an increase in subscription, advertising, home-shopping and other revenue of RM1.7m, RM17.6m, RM36.7m and RM3.3m respectively.

The increase in subscription revenue was due to an increase in ARPU for Pay-TV residential subscribers of RM0.10 (from RM99.10 to RM99.20).

Radio's revenue for the current quarter of RM86.5m was higher by RM5.6m compared with the corresponding quarter of RM80.9m. The higher revenue performance was driven by effective yield and inventory management and the continuous strong listenership performance for its radio brands.

The increase in other revenue is due to increase in prepaid subscription revenue by RM2.8m.

Home-shopping's revenue for the current quarter of RM74.3m was higher by RM36.7m compared with the corresponding quarter of RM37.6m. The higher revenue performance was due to increase in number of products sold and launch of Chinese Channel in October 2015.

EBITDA margin

EBITDA margin decreased by 6.0% against corresponding quarter mainly due to lower subscription revenue and higher content costs, particularly EURO 2016 and impact of weakening RM, offset against discounts received from renegotiated content contracts.

Net Profit

Net profit decreased by RM10.8m or 8.0% compared with the corresponding quarter. The decrease in net profit is mainly due to decrease in EBITDA of RM63.5m, offset by a decrease in depreciation of property, plant and equipment by RM34.6m and lower net finance cost by RM18.7m. Lower net finance cost was due to no discounting of transponder's deposit to its present value which was RM22.0m in corresponding quarter.

Cash Flow

Increase in cash of RM256.0m as compared with corresponding quarter is mainly due to lower purchase of property, plant and equipment and intangibles by RM34.1m, disposal of unit trusts of RM191.2m, lower dividend paid of RM38.9m, lower interest paid of RM3.3m, and lower payment for set-top boxes of RM58.1m. This was offset by lower operating cash flow of RM69.4m.

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 FY17) against the corresponding quarter (Second Quarter FY16) (continued):

Television

Revenue for the current quarter of RM1,266.9m was higher by RM16.9m or 1.4% against corresponding quarter of RM1,250.0m. This was mainly due to increase in advertising, subscription and other revenue of RM12.0m, RM1.7m and RM3.2m respectively.

The increase in subscription revenue was due to an increase in ARPU for Pay-TV residential subscribers of RM0.10 (from RM99.10 to RM99.20).

Television EBITDA decreased by RM68.9m or 15.5% against corresponding quarter mainly due to higher content costs, offset by increase in revenue as highlighted above. Higher content costs, particularly EURO 2016 and impact of weakening RM, offset against discounts received from renegotiated content contracts.

Radio

Radio's revenue for the current quarter of RM86.5m was higher by RM5.6m compared with the corresponding quarter of RM80.9m. The higher revenue performance was driven by effective yield and inventory management and the continuous strong listenership performance for its radio brands.

Radio EBITDA for the current quarter of RM52.1m, increased by RM3.8m or 7.9% against the corresponding quarter, driven by the positive revenue performance.

Home-shopping

Home-shopping's revenue for the current quarter of RM74.3m was higher by RM36.7m compared with the corresponding quarter of RM37.6m. The higher revenue performance was due to increase in number of products sold and launch of Chinese Channel in October 2015.

Home-shopping EBITDA improved by RM3.5m or 64.8% against corresponding quarter. The improvement is due to an increase in revenue as highlighted above.

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 FY17) against the preceding quarter (First Quarter FY17):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/7/2016	**QUARTER ENDED 30/4/2016**	**QUARTER ENDED 31/7/2016**	**QUARTER ENDED 30/4/2016**
Consolidated Performance				
Total revenue	1,428.3	1,362.8		
EBITDA[1]	426.3	477.0		
EBITDA margin (%)	29.8	35.0		
Profit before tax	169.0	280.0		
Net profit	124.3	201.1		
Net (decrease)/increase in cash	(112.8)	156.5		
(i) Television				
Subscription revenue	1,095.3	1,075.9		
Advertising revenue	99.4	78.4		
Other revenue	72.2	72.1		
Total revenue	1,266.9	1,226.4		
EBITDA[1]	376.5	443.9		
EBITDA margin (%)	29.7	36.2		
Profit before tax	126.7	253.6		
Total residential subscribers-end of period ('000)			4,974.5	4,898.5
Pay-TV residential subscribers-end of period ('000)			3,493.3	3,503.5
Pay-TV residential subscribers-net movements ('000)			(10.1)	(46.5)
Non-subscription customers-end of period ('000)			1,481.2	1,395.0
Non-subscription customers-net movements ('000)			86.1	126.8
Pay-TV residential ARPU[2](RM)			99.2	99.0
MAT Churn[3](%)			10.9	10.0

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 FY17) against the preceding quarter (First Quarter FY17) (continued):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/7/2016	**QUARTER ENDED 30/4/2016**	**QUARTER ENDED 31/7/2016**	**QUARTER ENDED 30/4/2016**
(ii) Radio				
Revenue	86.5	72.0		
EBITDA[1]	52.1	38.3		
EBITDA margin (%)	60.2	53.2		
Profit before tax	51.8	37.6		
Listeners ('000)[4]			12,758	12,758
(iii) Home-shopping				
Revenue	74.3	63.9		
EBITDA[1]	(1.9)	(1.8)		
EBITDA margin (%)	(2.6)	(2.8)		
Loss before tax	2.8	2.9		
Number of products sold ('000)			439.7	350.3
Number of orders ('000)			330.4	280.2
Number of customers ('000)			246.7	216.1

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 1 FY17: 11 November 2015). There will be a change in the audience measurement partner for the radio industry, who is expected to commence from 2nd half FY17.

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 FY17) against the preceding quarter (First Quarter FY17) (continued):

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,428.3m was higher by RM65.5m or 4.8% against preceding quarter of RM1,362.8m. This was mainly due to an increase in subscription, advertising, home-shopping and other revenue of RM19.4m, RM35.5m, RM10.4m and RM0.2m respectively.

The increase in subscription revenue was due to an increase in ARPU for Pay-TV residential subscribers of RM0.20 (from RM99.00 to RM99.20).

Radio's revenue for the current quarter of RM86.5m was higher by RM14.5m or 20.1% compared with the preceding quarter of RM72.0m. The higher revenue performance for the quarter was due to the festivities.

Home-shopping's revenue for the current quarter of RM74.3m was higher by RM10.4m compared with the corresponding quarter of RM63.9m. The higher revenue performance was due to increase in number of products sold and festive season promotion.

EBITDA margin

EBITDA margin decreased by 5.2% against the preceding quarter mainly due to higher content costs, particularly EURO 2016 and impact of weakening RM, offset against discounts received from renegotiated content contracts.

Net Profit

Net profit decreased by RM76.8m or 38.2% to RM124.3m during the quarter. The decrease was mainly due to decrease in EBITDA of RM50.7m and higher net finance costs by RM76.3m due to higher unrealised forex loss arising from unhedged finance lease liability of RM52.0m and unhedged vendor financing of RM21.1m. The decrease was offset by lower depreciation of set-top boxes of RM14.4m and lower tax expense of RM34.2m.

Cash Flow

Decrease in cash of RM112.8m as compared with preceding quarter was mainly due to acquisition of property, plant and equipment and intangibles of RM133.3m, payment for set-top boxes of RM94.0m, payment of interest of RM38.2m, dividend payment of RM208.2m, payment of finance lease liabilities of RM40.3m and repayment of borrowings of RM149.8m. This was offset by higher operating cash flows of RM353.8m and disposal of unit trusts of RM191.2m.

13 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Second Quarter FY17) against the preceding quarter (First Quarter FY17) (continued):

Television

Television registered an increase in total revenue in the current quarter of RM40.5m or 3.3%, which was attributed to an increase in subscription, advertising and other revenue of RM19.4m, RM21.0m and RM0.1m respectively.

The increase in subscription revenue was due to an increase in ARPU for Pay-TV residential subscribers of RM0.20 (from RM99.00 to RM99.20).

EBITDA decreased by RM67.4m or 15.2% against the preceding quarter due to higher content costs, higher impairment of receivables and higher marketing, selling and distribution expenses. This was offset by increase in revenue, as highlighted above. Higher content costs, particularly EURO 2016 and impact of weakening RM, offset against discounts received from renegotiated content contracts.

Radio

Radio's revenue for the current quarter of RM86.5m was higher by RM14.5m or 20.1% compared with the preceding quarter of RM72.0m. The higher revenue performance for the quarter was due to the festivities.

The higher revenue resulted in higher EBITDA of RM52.1m, an increase of RM13.8m or 36.0% compared with the preceding quarter.

Home-shopping

Home-shopping's revenue for the current quarter of RM74.3m was higher by RM10.4m compared with the corresponding quarter of RM63.9m. The higher revenue performance was due to increase in number of products sold and festive season promotion. Though the revenue was higher in the current quarter, the EBITDA slightly decrease by RM0.1m compared with the preceding quarter at negative RM1.8m.

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 2016) against the corresponding period (YTD July 2015):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	PERIOD ENDED 31/7/2016	**PERIOD ENDED 31/7/2015**	**PERIOD ENDED 31/7/2016**	**PERIOD ENDED 31/7/2015**
Consolidated Performance				
Total revenue	2,791.1	2,699.1		
EBITDA[1]	903.3	962.3		
EBITDA margin (%)	32.4	35.7		
Profit before tax	449.0	414.7		
Net profit	325.4	301.8		
Net increase/(decrease) in cash	43.7	(271.6)		
(i) Television				
Subscription revenue	2,171.2	2,180.7		
Advertising revenue	177.8	161.9		
Other revenue	144.3	138.7		
Total revenue	2,493.3	2,481.3		
EBITDA[1]	820.4	893.3		
EBITDA margin (%)	32.9	36.0		
Profit before tax	380.3	349.7		
Total residential subscribers-end of period ('000)			4,974.5	4,590.2
Pay-TV residential subscribers-end of period ('000)			3,493.3	3,519.5
Pay-TV residential subscribers-net movements ('000)			(56.6)	9.9
Non-subscription customers-end of period ('000)			1,481.2	1,070.7
Non-subscription customers-net movements ('000)			213.0	151.0
Pay-TV residential ARPU[2](RM)			99.2	99.1
MAT Churn[3](%)			10.9	9.8

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 2016) against the corresponding period (YTD July 2015) (continued):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	PERIOD ENDED 31/7/2016	**PERIOD ENDED 31/7/2015**	**PERIOD ENDED 31/7/2016**	**PERIOD ENDED 31/7/2015**
(ii) Radio				
Revenue	158.5	142.7		
EBITDA[1]	90.4	78.1		
EBITDA margin (%)	57.0	54.7		
Profit before tax	89.4	76.6		
Listeners ('000)[4]			12,758	12,566
(iii) Home-shopping				
Revenue	138.2	74.1		
EBITDA[1]	(3.7)	(8.9)		
EBITDA margin (%)	(2.7)	(12.0)		
Loss before tax	5.7	10.4		
Number of products sold ('000)			789.9	393.1
Number of orders ('000)			610.5	318.2
Number of customers ('000)			462.8	264.1

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 July 2015: 5 June 2015). There will be a change in the audience measurement partner for the radio industry, who is expected to commence from 2nd half FY17.

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 2016) against the corresponding period (YTD July 2015) (continued):

<u>Consolidated Performance</u>

Revenue

Revenue for the current period of RM2,791.1m was higher by RM92.0m or 3.4% against corresponding period of RM2,699.1m. This was mainly due to an increase in advertising, home-shopping and other revenue of RM31.7m, RM64.1m and RM5.7m respectively, offset by decrease in subscription revenue of RM9.5m.

The decrease in subscription revenue was due to decrease in Pay-TV residential subscribers of 26,200 (from 3,519,500 to 3,493,300).

The increase in other revenue is due to increase in prepaid subscription revenue by RM5.2m.

Home-shopping's revenue for the current period of RM138.2m was higher by RM64.1m compared with the corresponding period of RM74.1m. The higher revenue performance was due to increase in number of products sold and launch of Chinese channel in October 2015.

EBITDA margin

EBITDA margin decreased by 3.3% against corresponding period mainly due to higher content costs, particularly EURO 2016 and impact of weakening RM, offset against discounts received from renegotiated content contracts.

Net Profit

Net profit increased by RM23.6m or 7.8% to RM325.4m during the period. The increase was mainly due to lower depreciation of property, plant and equipment of RM53.5m and lower net finance cost of RM52.9m. Lower net finance cost was due to no discounting of transponder's deposit to its present value which was RM22.0m in corresponding period, lower unrealised forex loss arising from unhedged finance lease liability of RM31.6m and unhedged vendor financing of RM6.1m, offset by increase in transponder's lease interest of RM8.6m. The increase was offset by decrease in EBITDA of RM59.0m, higher amortisation of software and other intangibles of RM12.3m, and higher tax expenses of RM10.7m.

Cash Flow

Increase in cash of RM43.7m as compared with corresponding period was mainly due to lower acquisition of property, plant and equipment and intangibles of RM51.9m, lower payment for set-top boxes of RM124.0m, lower payment of interest of RM6.9m, lower dividend payment of RM12.8m. This was offset by lower operating cash flows of RM114.7m and higher payment of finance lease liabilities of RM15.2m.

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 2016) against the corresponding period (YTD July 2015) (continued):

Television

Television registered an increase in total revenue in the current period of RM12.0m or 0.5%, which was attributable to an increase in advertising and other revenue of RM15.9m and RM5.6m respectively. The increase was offset by lower subscription revenue of RM9.5m.

The decrease in subscription revenue was due to decrease in Pay-TV residential subscribers of 26,200 (from 3,519,500 to 3,493,300).

EBITDA decreased by RM72.9m or 8.2% against the corresponding period mainly due to higher content costs, offset by increase in revenue as highlighted above. Higher content costs, particularly EURO 2016 and impact of weakening RM, offset against discounts received from renegotiated content contracts.

Radio

Radio's revenue for the current period of RM158.5m was higher by RM15.8m or 11.1% compared with the corresponding period of RM142.7m. The higher revenue performance was driven by effective yield and inventory management and the continuous strong listenership performance for its radio brands.

The higher revenue resulted in higher EBITDA of RM90.4m, an increase of RM12.3m or 15.7% as compared with the corresponding period.

Home-shopping

Home-shopping's revenue for the current period of RM138.2m was higher by RM64.1m compared with the corresponding period of RM74.1m. The higher revenue performance was due to increase in number of products sold and launch of Chinese channel in October 2015.

Home-shopping EBITDA improved RM5.2m or 58.4% against corresponding period. The improvement is due to an increase in revenue as highlighted above.

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

14 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2017

The Group is executing on its key strategy of growing revenues by providing differentiated content and a diverse range of products and services designed to succeed in the highly competitive digital world.

We deliver quality content and a superior consumer experience. We will continue with our unique line-up of sporting events and other local and international content to provide the best for our customers. With these initiatives, we target to retain our customer base amidst the soft consumer market. In addition, home-shopping will remain an area of revenue growth.

The digital shift is enabling us to leverage on our infrastructure, content capabilities and operational experience to roll out our 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.

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 is driving performance.

We maintain good visibility on 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 continue to invest in our growth strategy whilst maintaining our dividend policy.

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 2016.

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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2016	QUARTER ENDED 31/7/2015	PERIOD ENDED 31/7/2016	PERIOD ENDED 31/7/2015
	RM'm	RM'm	RM'm	RM'm
Amortisation of intangible assets	127.3	118.2	260.1	232.1
Depreciation of property, plant and equipment	141.3	175.9	297.3	350.8
Impairment of receivables	41.9	40.0	66.5	69.4
Impairment of other investment	-	-	-	12.4
Finance income:				
- Interest income	(8.5)	(13.7)	(15.4)	(29.3)
- Unit trust	(0.9)	-	(5.0)	-
- Unrealised foreign exchange gain	-	-	(58.3)	-
- Fair value loss on derivative recycled to income statement arising from foreign exchange risk	-	-	39.8	-
	(9.4)	(13.7)	(38.9)	(29.3)
Finance costs:				
- Bank borrowings	22.4	24.8	47.0	50.9
- Finance lease liabilities	17.2	14.9	35.0	26.4
- Vendor financing	8.5	7.5	16.7	15.5
- Realised foreign exchange losses	2.1	12.4	2.6	17.2
- Unrealised foreign exchange losses	64.7	111.1	-	83.6
- Fair value loss on derivative recycled to income statement arising from:				
- Interest rate risk	7.8	8.9	13.7	16.7
- Foreign exchange risk	(35.9)	(91.9)	2.2	(71.7)
- Others	2.5	24.6	5.2	27.1
	89.3	112.3	122.4	165.7

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)

18 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2016	QUARTER ENDED 31/7/2015	PERIOD ENDED 31/7/2016	PERIOD ENDED 31/7/2015
	RM'm	RM'm	RM'm	RM'm
Current tax	59.7	54.7	124.5	126.6
Deferred tax	(15.0)	(5.5)	(0.9)	(13.7)
	44.7	49.2	123.6	112.9

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 31/7/2016	QUARTER ENDED 31/7/2015	PERIOD ENDED 31/7/2016	PERIOD ENDED 31/7/2015
	RM'm	RM'm	RM'm	RM'm
Profit before taxation	169.0	184.3	449.0	414.7
Tax at Malaysian corporate tax rate of 24%	40.6	44.2	107.8	99.5
Tax effect of:				
Unrecognised deferred tax asset	2.3	3.0	4.2	5.4
Others (including expenses not deductible for tax purposes and income not subject to tax)	1.8	2.0	11.6	8.0
Taxation charge	44.7	49.2	123.6	112.9

19 GROUP BORROWINGS AND DEBT SECURITIES

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

	Current	Non-current	Total
	RM'm	RM'm	RM'm
Unsecured:			
Term loans			
- RM Term Loan	315.5	1,200.0	1,515.5
- USD Term Loan – USD330 million	204.4	806.0	1,010.4
	519.9	2,006.0	2,525.9
Less: Debt issuance costs	(6.1)	(10.9)	(17.0)
Term loans, net of debt issuance costs	513.8	1,995.1	2,508.9
Finance lease			
- Lease of transponders[(a)]	88.1	967.8	1,055.9
- Lease of equipment and software[(b)]	2.2	1.9	4.1
	90.3	969.7	1,060.0
	604.1	2,964.8	3,568.9

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

	Total
	RM'm
Ringgit Malaysia	2,039.9
United States Dollars ("USD")	1,529.0
	3,568.9

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.

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

20 DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 31 July 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	68.3	0.3	(2.0)
- 1 to 3 years	11.7	0.9	-
- More than 3 years	104.5	2.0	-
	184.5	3.2	(2.0)
Forward foreign currency exchange contracts ("FX Contracts")			
- Less than 1 year	1,197.6	4.4	(28.7)
- 1 to 3 years	-	-	-
- More than 3 years	-	-	-
	1,197.6	4.4	(28.7)
Interest rate swaps ("IRS")			
- Less than 1 year	466.1	-	(4.5)
- 1 to 3 years	743.5	-	(9.0)
- More than 3 years	450.0	-	(6.8)
	1,659.6	-	(20.3)
Cross-currency interest rate swaps ("CCIRS")			
- Less than 1 year	297.6	88.0	-
- 1 to 3 years	400.7	115.1	-
- More than 3 years	298.9	106.4	-
	997.2	309.5	-

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 2016 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 2016, the Group recognised net total derivative financial assets of RM266.1m, a decrease of RM74.0m from the previous financial year ended 31 January 2016, on re-measuring the fair values of the derivative financial instruments. The corresponding decrease of RM73.4m has been included in equity in the hedging reserve and remaining RM0.6m were charged to income statement as fair value loss on derivative. For the current period, RM34.7m of the hedging reserve was transferred to the income statement to offset the unrealised gain of RM34.7m which resulted from the strengthening of RM against USD. This resulted in an increase on the debit balance in the hedging reserve as at 31 July 2016 by RM38.7m to RM35.6m compared with the financial year ended 31 January 2016.

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 2016, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM1,197.6m (31 January 2016: RM1,125.3m) and foreign currency options were USD45.3m (31 January 2016: USD14.0m).

Interest rate swaps

Interest rate swaps are used to achieve an appropriate interest rate exposure within the Group. The Group entered into interest rate swaps to hedge the cash flow risk in relation to the floating interest rate of a bank loan, as disclosed in Note 19 with notional principal amounts of RM1,125.0m (31 January 2016: RM1,200.0m) and vendor financing, as disclosed in Note 21 with notional principal amounts of RM456.2m and USD19.3m (31 January 2016: RM505.5m and USD20.4m).

The interest rate swaps for bank loan were entered up to 10 years with an average fixed swap rate of 4.15% (31 January 2016: 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 2016: 3.79%) and 1.86% (31 January 2016: 0.86%) respectively.

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 USD247.5m (31 January 2016: USD264.0m) for bank loan and vendor financing of USD72.8m (31 January 2016: USD51.6m).

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 2016: 4.19% (inclusive of interest margin of 1%)) and USD/RM3.0189 (31 January 2016: 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 4.34% (inclusive of interest margin of 1.0%) (31 January 2016: 4.26% (inclusive of interest margin of 1.0%) and USD/RM3.4320 (31 January 2016: USD/RM3.2525).

21 PAYABLES

Included in payables are credit terms granted by vendors that generally range from 0 to 90 days (31 January 2016: 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 1.6% and 5.0% (31 January 2016: 1.4% and 5.2%) per annum.

As at 31 July 2016, the vendor financing included in payables is RM907.0m (31 January 2016: RM969.8m), comprising current portion of RM426.6m (31 January 2016: RM343.4m) and non-current portion of RM480.4m (31 January 2016: RM626.4m).

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

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

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

Group	**As at 31/7/2016**	**As at 31/1/2016**
	RM'm	**RM'm**
Total (accumulated losses)/retained profits of the Company and its subsidiaries:		
- Realised	(297.3)	(223.9)
- Unrealised[N1]	17.6	(23.1)
	(279.7)	(247.0)
Total retained profits from associates and joint ventures:		
- Realised	18.6	15.8
- Unrealised	-	-
	(261.1)	(231.2)
Less: Consolidation adjustments	(432.1)	(438.3)
Total accumulated losses as per consolidated balance sheets	(693.2)	(669.5)

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.

23 CHANGES IN MATERIAL LITIGATION

There have been no significant developments in material litigations since the last balance sheet included in the annual audited financial statements up to the date of this announcement.

24 DIVIDENDS

(a) The Board of Directors has declared a second interim single-tier dividend of 3.00 sen per ordinary share in respect of the financial year ending 31 January 2017 amounting to approximately RM156,150,468, to be paid on 13 October 2016. The entitlement date for the dividend payment is 30 September 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 30 September 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.

24 DIVIDENDS (continued)

(b) The total dividends declared for the financial period ended 31 July 2016 is 6.00 sen per share, based on 5,205,015,600 ordinary shares (30 April 2016: 3.00 sen per share, based on 5,205,015,600 ordinary shares).

25 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share at 31 July 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 July 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 July 2016:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2016	QUARTER ENDED 31/7/2015	PERIOD ENDED 31/7/2016	PERIOD ENDED 31/7/2015
Profit attributable to the equity holders of the Company (RM'm)	125.5	137.3	327.6	305.6
(i) Basic EPS				
Weighted average number of issued ordinary shares ('m)	5,205.0	5,201.7	5,205.0	5,201.7
Basic earnings per share (RM)	0.024	0.026	0.063	0.059

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

25 EARNINGS PER SHARE (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2016	QUARTER ENDED 31/7/2015	PERIOD ENDED 31/7/2016	PERIOD ENDED 31/7/2015
(ii) Diluted EPS				
Weighted average number of issued ordinary shares ('m)	5,205.0	5,201.7	5,205.0	5,201.7
Effect of dilution:				
Grant of share awards under the management share scheme ('m)	14.1	12.9	14.1	13.1
	5,219.1	5,214.6	5,219.1	5,214.8
Diluted earnings per share (RM)	0.024	0.026	0.063	0.059

26 STATUS OF CORPORATE PROPOSAL ANNOUNCED

On 9 September 2016, the Company announced that Measat Broadcast Network Systems Sdn Bhd ("MBNS"), a wholly-owned subsidiary of the Company, has on 9 September 2016 entered into a conditional Sale and Purchase of Shares Agreement ("SPA") with Star Media Group Berhad ("SMG") and Star RFM Sdn Bhd ("SRSB"), to acquire 4,999,999 ordinary shares and 1 ordinary share, respectively, in Capital FM Sdn Bhd ("CFSB") for a total cash consideration of RM42 million, subject to the price adjustment mechanism. Upon completion of the acquisition, MBNS will have an effective equity interest of 100% in CFSB. The completion of the transaction remains subject to regulatory approvals that may be required for the acquisition, as well as other customary closing condition.

27 MATERIAL EVENTS SUBSEQUENT TO END OF THE FINANCIAL YEAR

There were no material subsequent events during the period from the end of the quarter review to 14 September 2016.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON
(License No. LS0007908)

Company Secretary
14 September 2016