ASTRO MALAYSIA HOLDINGS BERHAD

(932533-V) (Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2017

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017

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 2017 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 31/01/2017**	**QUARTER ENDED 31/01/2016**		**YEAR ENDED 31/01/2017**	**YEAR ENDED 31/01/2016**	
		RM'm	**RM'm**	%	**RM'm**	**RM'm**	%
Revenue		1,397.4	1,401.8	-0	5,612.6	5,475.4	+2
Cost of sales		(847.1)	(855.9)		(3,461.1)	(3,376.0)	
Gross profit		550.3	545.9	+1	2,151.5	2,099.4	+2
Other operating income		5.5	8.1		17.6	37.4	
Marketing and distribution costs		(135.7)	(138.8)		(493.5)	(528.4)	
Administrative expenses		(146.5)	(117.8)		(580.5)	(493.5)	
Profit from operations		273.6	297.4	-8	1,095.1	1,114.9	-2
Finance income		5.6	55.7		35.3	52.5	
Finance costs		(90.6)	(78.0)		(271.6)	(346.3)	
Share of post-tax results from investments accounted for using the equity method		(0.8)	3.0		1.8	8.3	
Impairment of investments accounted for using the equity method		-	-		(15.1)	-	
Profit before tax	17	187.8	278.1	-32	845.5	829.4	+2
Tax expense	18	(44.8)	(75.3)		(228.5)	(221.4)	
Profit for the financial year		143.0	202.8	-29	617.0	608.0	+1
Attributable to:							
Equity holders of the Company		145.1	203.8	-29	623.7	615.3	+1
Non-controlling interests		(2.1)	(1.0)		(6.7)	(7.3)	
		143.0	202.8	-29	617.0	608.0	+1
Earnings per share attributable to equity holders of the Company (RM):							
- Basic	25	0.028	0.039		0.120	0.118	
- Diluted	25	0.028	0.039		0.120	0.118	

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	QUARTER ENDED 31/01/2017	**QUARTER ENDED 31/01/2016**	**YEAR ENDED 31/01/2017**	**YEAR ENDED 31/01/2016**
	RM'm	**RM'm**	**RM'm**	**RM'm**
Profit for the financial year	143.0	202.8	617.0	608.0
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
- Net change in cash flow hedge	66.9	(106.4)	69.2	(75.0)
- Net change in available-for-sale financial assets	0.5	(0.3)	0.3	(0.3)
Foreign currency translation	(0.7)	(1.0)	0.7	2.6
Taxation	(18.1)	-	(18.1)	-
Other comprehensive income/(loss), net of tax	48.6	(107.7)	52.1	(72.7)
Total comprehensive income for the financial year	191.6	95.1	669.1	535.3
Attributable to:				
Equity holders of the Company	193.7	96.1	675.8	542.6
Non-controlling interests	(2.1)	(1.0)	(6.7)	(7.3)
	191.6	95.1	669.1	535.3

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/1/2017 Unaudited RM'm	AS AT 31/1/2016 Audited RM'm
Non-current assets			
Property, plant and equipment		1,817.9	2,129.4
Investments in associates		2.1	27.9
Investments in joint ventures		2.2	2.2
Other investment		-	5.0
Receivables and prepayments		300.2	239.3
Deferred tax assets		119.5	116.5
Derivative financial instruments	20	272.4	290.8
Intangible assets		2,044.6	2,001.5
		4,558.9	4,812.6
Current assets			
Inventories		20.4	20.6
Other investment		275.4	383.2
Receivables and prepayments		858.5	955.3
Derivative financial instruments	20	175.4	93.1
Tax recoverable		1.0	0.5
Cash and bank balances		376.3	635.7
		1,707.0	2,088.4
Total assets		6,265.9	6,901.0
Current liabilities			
Payables	21	1,626.6	1,658.3
Derivative financial instruments	20	4.3	32.7
Borrowings	19	629.3	519.5
Tax liabilities		20.0	70.9
		2,280.2	2,281.4
Net current liabilities		(573.2)	(193.0)
Non-current liabilities			
Payables	21	490.0	626.4
Derivative financial instruments	20	8.1	11.1
Borrowings	19	2,776.3	3,285.6
Deferred tax liabilities		81.5	82.7
		3,355.9	4,005.8
Total liabilities		5,636.1	6,287.2
Net assets		629.8	613.8

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/1/2017 Unaudited RM'm	AS AT 31/1/2016 Audited RM'm
Capital and reserves attributable to equity holders of the Company			
Share capital		6,715.8	520.5
Share premium		-	6,183.3
Exchange reserve		3.6	2.9
Capital redemption reserve		-	0.0@
Capital reorganisation reserve		(5,470.2)	(5,470.2)
Hedging reserve		54.2	3.1
Fair value reserve		-	(0.3)
Share scheme reserve		25.0	30.9
Accumulated losses		(705.0)	(669.5)
		623.4	600.7
Non-controlling interests		6.4	13.1
Total equity		629.8	613.8

@ Denotes RM677.50

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company											
Year ended 31/1/2017	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 year	-	-	-	-	-	-	-	-	623.7	623.7	(6.7)	617.0
Other comprehensive income/(loss) for the financial year	-	-	0.7	-	-	51.1	0.3	-	-	52.1	-	52.1
Total comprehensive income/(loss) for the financial year	-	-	0.7	-	-	51.1	0.3	-	623.7	675.8	(6.7)	669.1
Ordinary shares dividends	-	-	-	-	-	-	-	-	(663.8)	(663.8)	-	(663.8)
Cash settlement of share options	-	-	-	-	-	-	-	(3.1)	-	(3.1)	-	(3.1)
Transfer of lapsed share options	-	-	-	-	-	-	-	(4.6)	4.6	-	-	-
Share grant exercised	0.5	11.5	-	-	-	-	-	(12.0)	-	-	-	-
Share-based payment transaction	-	-	-	-	-	-	-	13.8	-	13.8	-	13.8
Transactions with owners	0.5	11.5	-	-	-	-	-	(5.9)	(659.2)	(653.1)	-	(653.1)
Transition to no-par value regime on 31 January 2017^	6,194.8	(6,194.8)	-	(0.0)@	-	-	-	-	-	-	-	-
At 31/1/2017	6,715.8	-	3.6	-	(5,470.2)	54.2	-	25.0	(705.0)	623.4	6.4	629.8

@ Denotes RM677.50

^ The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserves become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM6,194,751,323.61 for purposes as set out in Sections 618 (3) and the capital redemption reserve of RM677.50 for the bonus issue pursuant to Section 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

	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 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

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED 31/1/2017	**YEAR ENDED 31/1/2016**
CASH FLOWS FROM OPERATING ACTIVITIES	**RM'm**	**RM'm**
Profit before tax	845.5	829.4
Adjustments for:		
Non-cash items^	1,304.5	1,235.7
Interest expense	200.8	227.3
Interest income	(35.3)	(52.5)
Operating cash flows before changes in working capital	2,315.5	2,239.9
Changes in working capital	(142.9)	(59.4)
Cash flows from operations	2,172.6	2,180.5
Income tax paid	(302.3)	(281.3)
Interest received	17.9	44.5
Net cash flows generated from operating activities	1,888.2	1,943.7
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment and intangibles	0.8	3.2
Purchase of property, plant and equipment and intangibles	(656.3)	(671.8)
Disposal/(Purchase) of unit trusts	82.9	(338.0)
(Placements)/maturities of fixed deposits	(44.2)	696.3
Maturities of bonds	40.0	-
Interest received on advances to an associate	2.6	2.1
Repayment received on advances to an associate	28.9	-
Proceeds from disposal of investment in an associate	15.8	-
Proceeds from disposal of investment in a joint venture	-	1.0
Investment in an associate	(3.3)	-
Investment in joint venture	-	(2.1)
Net cash flows used in investing activities	(532.8)	(309.3)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(663.8)	(650.3)
Interest paid	(122.6)	(131.2)
Payment for set-top boxes	(346.1)	(434.7)
Payment of finance lease liabilities	(152.7)	(142.8)
Repayment of borrowings	(374.5)	(299.6)
Net cash flows used in financing activities	(1,659.7)	(1,658.6)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(304.3)	(24.2)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	0.8	2.5
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	566.8	588.5
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR#	263.3	566.8

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

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

Material Non-Cash Transaction

During the financial year ended 31 January 2017, the Group acquired set-top boxes by means of vendor financing of RM163.4m (31 January 2016: RM316.3m) and transponders by means of finance lease of RM Nil (31 January 2016: RM495.8m). During the financial year ended 31 January 2017, the Group had repaid RM346.1m (31 January 2016: RM434.7m) in relation to vendor financing for set-top boxes and RM152.7m (31 January 2016: RM142.8m) in relation to finance lease for transponders, both capitalised in prior financial years.

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

1 BASIS OF PREPARATION

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

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

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)

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 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)
- Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions (effective from 1 January 2018)
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (effective from 1 January 2018)
- Amendments to MFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2017)
- Amendments to MFRS 128 Investments in Associates and Joint Ventures (effective from 1 January 2018)
- Amendments to MFRS 140 Transfers of Investment Property (effective from 1 January 2018)
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration (effective from 1 January 2018)
- 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 fourth quarter ended 31 January 2017.

4 MATERIAL CHANGES IN ESTIMATES

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

5 DEBT AND EQUITY SECURITIES

On 19 October 2016, the Company issued and allotted 4,506,600 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 19 October 2015 respectively, in accordance with the By-laws of the Management Share Scheme of the Company.

On the same day, the Company offered Share Awards in respect of 511,100 new ordinary shares of RM0.10 each to 15 eligible employees who have successfully progressed to the Advanced Emerging Leaders Programme of the Group, in accordance with the By-laws of the Management Share Scheme of the Company. Details of the said Share Awards are set out in the Company's announcement dated 19 October 2016.

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 2017.

6 DIVIDENDS PAID

During the financial year ended 31 January 2017, 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.

(iv) second 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 13 October 2016.

(v) third interim single-tier dividend of 3.00 sen per ordinary share in respect of the financial year ending 31 January 2017 amounting to RM156,285,666.00 was paid on 6 January 2017.

Refer to Note 24 for dividends declared during financial year ended 31 January 2017.

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)

Year ended 31/1/2017	Television	Radio	Home-shopping	Others	Corporate Function	Elimination	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
External revenue	5,022.1	327.7	261.1	-	1.7	-	5,612.6
Interest income	21.2	3.6	1.3	3.0	90.6	(84.4)	35.3
Interest expense	(180.4)	(0.2)	-	(4.0)	(100.6)	84.4	(200.8)
Depreciation and amortisation	(1,109.8)	(5.4)	(5.1)	-	(6.8)	35.3	(1,091.8)
Share of post-tax results from investments accounted for using the equity method	(1.2)	-	-	3.0	-	-	1.8
Impairment of investments accounted for using the equity method	-	-	-	(15.1)	-	-	(15.1)
Segment profit/(loss) – Profit/(loss) before tax	702.2	196.4	(20.1)	14.9	(83.3)	35.4	845.5

As at 31/1/2017	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	4,911.9	1,840.6	57.7	68.7	535.1	(1,267.6)	6,146.4
Segment liabilities	3,620.3	763.2	60.2	9.3	2,389.3	(1,307.7)	5,534.6

Year ended 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
External revenue	4,987.2	296.0	189.4	-	2.8	-	5,475.4
Interest income	39.0	2.7	1.5	2.4	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	(20.7)	(0.9)	(24.7)	14.7	829.4

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 31/1/2017	Television RM'm	Radio RM'm	Home-shopping RM'm	Others RM'm	Corporate Function RM'm	Elimination RM'm	Total RM'm
External revenue	1,250.4	86.0	60.5	-	0.5	-	1,397.4
Interest income	4.8	0.9	0.3	0.6	20.8	(21.8)	5.6
Interest expense	(43.6)	(0.1)	-	(1.0)	(23.1)	21.8	(46.0)
Depreciation and amortisation	(271.0)	(1.3)	(1.3)	-	(1.5)	9.5	(265.6)
Share of post-tax results from investments accounted for using the equity method	(0.9)	-	-	0.1	-	-	(0.8)
Segment profit/(loss) – Profit/(loss) before tax	130.6	57.1	(7.7)	16.0	(51.9)	43.7	187.8

Quarter ended 31/1/2016	Television RM'm	Radio RM'm	Home-shopping RM'm	Others RM'm	Corporate Function RM'm	Elimination RM'm	Total RM'm
External revenue	1,259.6	78.2	63.0	-	1.0	-	1,401.8
Interest income	9.1	0.7	0.3	0.5	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	(2.9)	1.0	(6.1)	(2.7)	278.1

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

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, 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.

Pursuant to a Joint Venture Agreement entered into between AESB, Turner Asia Pacific Ventures, Inc and Turner Astro Limited ("TAL") dated 14 October 2016, AESB acquired 2 ordinary shares in TAL for a consideration of HKD2.00 and subscribed 800,000 ordinary shares in TAL for a consideration of USD800,000, in aggregate, representing 20% of the total issued and paid-up share capital of TAL. TAL is a company principally engaged in owning and operating a Korean general entertainment channel known as "Oh!K".

On 19 October 2016, Astro GS Shop Sdn Bhd (the Company's 60%-owned subsidiary) incorporated a wholly-owned subsidiary, Astro GS Shop Singapore Pte Ltd, in Singapore under the Singapore Companies Act, Cap. 50 with an issued and paid-up share capital of SGD100,000. The principal activity of Astro GS Shop Singapore Pte Ltd is to undertake a home shopping business in Singapore.

Pursuant to a Sale and Purchase of Shares Agreement dated 9 September 2016 entered into between MEASAT Broadcast Network Systems Sdn Bhd ("MBNS"), a wholly-owned subsidiary of the Company, Star Media Group Berhad and Star RFM Sdn Bhd, MBNS on 30 December 2016 acquired 5,000,0000 ordinary shares in Capital FM Sdn Bhd ("CFSB") representing 100% equity interest in CFSB for a total consideration of RM40,380,000. CFSB is principally engaged in the business of operating radio broadcasting station.

On 30 December 2016, MBNS Multimedia Technologies Sdn Bhd ("MMT"), a wholly-owned subsidiary of the Company, disposed of the entire 833,334 ordinary shares in Advanced Wireless Technologies Sdn Bhd ("AWT") held by MMT representing 25% equity interest in AWT for a cash consideration of RM15,833,334 to Maxis Berhad and the purchase of goods and services by Maxis Berhad and/or its related corporations totalling RM3,000,000 in value from MMT and/or its related corporations.

Save as disclosed above, there were no changes in the composition of the Group during the fourth quarter ended 31 January 2017.

9 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS

a. Indemnity and guarantees

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

	Group	
	31/1/2017	**31/1/2016**
	RM'm	**RM'm**
Indemnity given to financial institutions in respect of bank guarantees issued (unsecured):		
- Programme rights vendors[1]	125.5	132.2
- Others[2]	7.5	10.8
Other indemnities:		
- Guarantee to programme rights vendor provided by AMH[1]	949.6	1,233.0
- Indemnity to Maxis Berhad ("Maxis") pursuant to shareholders' obligations in respect of Advanced Wireless Technologies Sdn. Bhd.	-	6.3
	1,082.6	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 January 2017 (31 January 2016: Nil).

10 COMMITMENTS

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

	31/1/2017			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*	2,326.2	84.8	2,411.0	1,994.9	76.2	2,071.1
Software	79.1	96.4	175.5	114.0	96.0	210.0
Film library and programme rights	1,057.6	768.4	1,826.0	619.7	725.6	1,345.3
	3,462.9	949.6	4,412.5	2,728.6	897.8	3,626.4

***** 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 RM1,325.0m (31 January 2016: RM1,241.1m) and RM736.9m (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.

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES

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

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

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

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

Related Parties	Relationship
Maxis Mobile Services Sdn. Bhd.	Subsidiary of a joint venture of UTSB
Maxis Broadband Sdn. Bhd.	Subsidiary of a joint venture of UTSB
ASTRO Overseas Limited ("AOL")	Subsidiary of Astro Holdings Sdn Bhd ("AHSB"), a company jointly controlled by UTSB and Khazanah Nasional Berhad, pursuant to a shareholders' agreement in relation to AHSB
UTSB Management Sdn. Bhd.	Subsidiary of UTSB
Kristal-Astro Sdn. Bhd.	Associate of the Company
Celestial Movie Channel Limited	Associate of AOL
Sun TV Network Limited	Joint venture partner of AOL
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

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the year ended 31/1/2017 RM'm	Transaction for the year ended 31/1/2016 RM'm	Balances due from/(to) as at 31/1/2017 RM'm	Balances due from/(to) as at 31/1/2016 RM'm	Commitments as at 31/1/2017 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)	8.3	11.3	2.2	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)	21.9	32.3	17.1	9.6	-	-
- MEASAT Satellite Systems Sdn. Bhd. (Compensation for T11)	-	12.0	4.5	17.3	-	-
- ASTRO Overseas Limited (Management fees)	2.2	3.1	3.5	3.6	-	-
(ii) Purchases of goods and services						
- UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services)	12.8	10.1	(1.1)	(0.8)	-	-
- Maxis Broadband Sdn. Bhd. (Telecommunication services)	88.6	57.7	(13.7)	(9.2)	-	-
- MEASAT International (South Asia) Ltd. (Deposit paid on transponder lease)	-	10.5	52.2	50.2	1,325.0	1,241.1
- MEASAT Satellite Systems Sdn. Bhd. (Transponder lease)	-	-	-	-	736.9	690.2
- Sun TV Network Limited (Programme broadcast rights)	38.8	38.0	(13.3)	(15.5)	-	-
- Celestial Movie Channel Limited (Programme broadcast rights)	22.6	21.1	(2.4)	(2.2)	-	-
- Media Innovations Pty Ltd (Design, build and commission of Over-the-Top solution)	2.7	16.1	(0.3)	(2.9)	-	-

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

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the year ended 31/1/2017 RM'm	Transaction for the year ended 31/1/2016 RM'm	Balances due from/(to) as at 31/1/2017 RM'm	Balances due from/(to) as at 31/1/2016 RM'm	Commitments as at 31/1/2017 RM'm	Commitments as at 31/1/2016 RM'm
(ii) Purchases of goods and services (continued)						
- Tiger Gate Entertainment Limited (Programming rights)	15.9	15.1	(3.5)	(1.6)	-	-
- GS Home Shopping Inc. (Development of software system, purchase of retail products)	5.4	8.6	(0.9)	(0.8)	-	-
(iii) Key management personnel compensation						
- Salaries, bonus and allowances and other staff related costs	29.0	20.7				
- Directors fees	2.2	2.0				
- Defined contribution plans	4.1	3.1				
- Share-based payments	4.1	2.7				

(iv) Government-related entities

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

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

For the financial year ended 31 January 2017, management estimates that the aggregate amounts of the Group significant transactions with KNB Group are at 2.5% of its total administrative expenses and 0.9% 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.

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

12 FAIR VALUE MEASUREMENTS (continued)

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group as at 31 January 2017 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 2017	RM'm	RM'm	RM'm	RM'm
Other investments - bonds	5.0	-	5.0	-
Borrowings – finance lease liabilities	(1,066.4)	-	(1,126.3)	-
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.

(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 2017				
Other investment- investment in unit trusts	270.4	270.4	-	-
Forward foreign currency exchange contracts – cash flow hedges	64.2	-	64.2	-
Foreign currency option	10.5	-	10.5	-
Interest rate swaps – cash flow hedges	(11.3)	-	(11.3)	-
Cross-currency interest rate swaps – cash flow hedges	372.0	-	372.0	-
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)

12 FAIR VALUE MEASUREMENTS (continued)

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

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

During the financial 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

13 ANALYSIS OF PERFORMANCE

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

All amounts in RM'm unless otherwise stated

	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/1/2017	**QUARTER ENDED 31/1/2016**	**QUARTER ENDED 31/1/2017**	**QUARTER ENDED 31/1/2016**
Consolidated Performance				
Total revenue	1,397.4	1,401.8		
EBITDA[1]	444.3	504.5		
EBITDA margin (%)	31.8	36.0		
Profit before tax	187.8	278.1		
Net profit	143.0	202.8		
Net decrease in cash	(190.4)	(303.7)		
(i) Television				
Subscription revenue	1,093.7	1,095.8		
Advertising revenue	95.2	95.6		
Other revenue	61.5	68.2		
Total revenue	1,250.4	1,259.6		
EBITDA[1]	377.5	449.6		
EBITDA margin (%)	30.2	35.7		
Profit before tax	130.6	235.8		
Total residential subscribers-end of period ('000)			5,120.7	4,818.2
Pay-TV residential subscribers-end of period ('000)			3,466.6	3,550.0
Pay-TV residential subscribers-net movements ('000)			24.1	16.4

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

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/1/2017	**QUARTER ENDED 31/1/2016**	**QUARTER ENDED 31/1/2017**	**QUARTER ENDED 31/1/2016**
(i) Television (continued)				
Non-subscription customers-end of period ('000)			1,654.1	1,268.2
Non-subscription customers-net movements ('000)			75.3	105.7
Pay-TV residential ARPU[2](RM)			100.4	99.3
MAT Churn[3](%)			11.9	9.5
(ii) Radio				
Revenue	86.0	78.2		
EBITDA[1]	57.5	53.7		
EBITDA margin (%)	66.9	68.7		
Profit before tax	57.1	53.0		
Listeners ('mil)			15.6[5]	12.8[4]
(iii) Home-shopping				
Revenue	60.5	63.0		
EBITDA[1]	(6.6)	(1.9)		
EBITDA margin (%)	(10.9)	(2.9)		
Loss before tax	7.7	2.9		
Number of products sold ('000)			335.9	337.6
Number of orders ('000)			290.8	267.9
Number of customers ('000)			221.3	212.5

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.

13 ANALYSIS OF PERFORMANCE (continued)

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

Notes (continued):

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.
5. Based on the Radio Listenership Survey by GFK dated 5 October 2016 for Peninsular Malaysia and 19 September 2016 for East Malaysia.

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,397.4m was lower by RM4.4m or 0.3% against corresponding quarter of RM1,401.8m. This was mainly due to a decrease in subscription, home-shopping and other revenue of RM2.1m, RM2.5m and RM7.2m respectively, offset by increase in advertising revenue of RM7.4m.

The decrease in subscription revenue was due to lower Pay-TV residential subscribers of 83,400 (from 3,550,000 to 3,466,600).

Radio's revenue for the current quarter of RM86.0m was higher by RM7.8m compared with the corresponding quarter of RM78.2m. The higher revenue performance was driven by an effective yield and inventory management, supported by its continuous strong listenership rating for its radio brands.

Home-shopping's revenue for the current quarter of RM60.5m was lower by RM2.5m compared with the corresponding quarter of RM63.0m. The lower revenue performance was primarily due to higher discounts given to customers for the current quarter.

EBITDA margin

EBITDA margin decreased by 4.2% against corresponding quarter mainly due to higher content costs arising from impact of weakening RM, licenses, copyright and royalty fees, broadband expenses, impairment of receivables and lower revenue as highlighted above.

Net Profit

Net profit decreased by RM59.8m or 29.5% compared with the corresponding quarter. The decrease in net profit is mainly due to higher net finance cost by RM62.7m, decrease in EBITDA of RM60.2m and decrease in share of post-tax result from investment accounted for using equity method of RM3.8m. The decrease was offset by decrease in depreciation of property, plant and equipment by RM36.8m and lower tax expenses by RM30.5m. Higher net finance cost was due to higher unrealised forex loss arising from unhedged finance lease liabilities of RM47.7m and unhedged vendor financing of RM34.1m, offset by realised forex gain from vendor financing of RM16.2m.

13. ANALYSIS OF PERFORMANCE (continued)

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

Consolidated Performance (continued)

Cash Flow

Increase in cash of RM113.3m as compared with corresponding quarter is mainly due to higher operating cash flows of RM90.7m, disposal of unit trusts of RM97.8m, maturities of bonds of RM30.0m, repayment received on advances to an associate of RM28.9m and proceeds from disposal of an associate of RM15.8m. This was offset by higher purchase of property, plant and equipment and intangibles of RM61.8m, borrowings repayment of RM74.9m and higher payment of dividends of RM13.2m.

Television

Revenue for the current quarter of RM1,250.4m was lower by RM9.2m or 0.7% against corresponding quarter of RM1,259.6m. This was mainly due to decrease in subscription, advertising and other revenue of RM2.1m, RM0.4m and RM6.7m respectively.

The decrease in subscription revenue was due to lower Pay-TV residential subscribers of 83,400 (from 3,550,000 to 3,466,600).

Television EBITDA decreased by RM72.1m or 16.0% against corresponding quarter mainly due to impact of weakening RM, higher impairment of receivables and lower revenue as highlighted above.

Radio

Radio's revenue for the current quarter of RM86.0m was higher by RM7.8m compared with the corresponding quarter of RM78.2m. The higher revenue performance was driven by an effective yield and inventory management, supported by its continuous strong listenership rating for its radio brands.

Radio EBITDA for the current quarter of RM57.5m, increased by RM3.8m or 7.1% against the corresponding quarter, driven by the positive revenue performance.

Home-shopping

Home-shopping's revenue for the current quarter of RM60.5m was lower by RM2.5m compared with the corresponding quarter of RM63.0m. The lower revenue performance was primarily due to additional tactical campaigns executed for the current quarter.

Home-shopping EBITDA recorded an unfavorable variance of RM4.7m against corresponding quarter, primarily due to set-up costs for the Singapore operations.

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 (Fourth Quarter FY17) against the preceding quarter (Third Quarter FY17):

All amounts in RM'm unless otherwise stated

	Financial Highlights		**Key Operating Indicators**	
	QUARTER ENDED 31/1/2017	**QUARTER ENDED 31/10/2016**	**QUARTER ENDED 31/1/2017**	**QUARTER ENDED 31/10/2016**
Consolidated Performance				
Total revenue	1,397.4	1,424.1		
EBITDA[1]	444.3	469.0		
EBITDA margin (%)	31.8	32.9		
Profit before tax	187.8	208.8		
Net profit	143.0	148.7		
Net decrease in cash	(190.4)	(112.7)		
(i) Television				
Subscription revenue	1,093.7	1,089.6		
Advertising revenue	95.2	104.5		
Other revenue	61.5	84.3		
Total revenue	1,250.4	1,278.4		
EBITDA[1]	377.5	428.8		
EBITDA margin (%)	30.2	33.5		
Profit before tax	130.6	191.4		
Total residential subscribers-end of period ('000)			5,120.7	5,021.3
Pay-TV residential subscribers-end of period ('000)			3,466.6	3,442.5
Pay-TV residential subscribers-net movements ('000)			24.1	(50.8)
Non-subscription customers-end of period ('000)			1,654.1	1,578.8
Non-subscription customers-net movements ('000)			75.3	97.6
Pay-TV residential ARPU[2](RM)			100.4	99.9
MAT Churn[3](%)			11.9	12.4

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 (Fourth Quarter FY17) against the preceding quarter (Third Quarter FY17) (continued):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	QUARTER ENDED 31/1/2017	**QUARTER ENDED 31/10/2016**	**QUARTER ENDED 31/1/2017**	**QUARTER ENDED 31/10/2016**
(ii) Radio				
Revenue	86.0	83.2		
EBITDA[1]	57.5	50.4		
EBITDA margin (%)	66.9	60.6		
Profit before tax	57.1	49.9		
Listeners ('mil)			15.6[5]	15.6[5]
(iii) Home-shopping				
Revenue	60.5	62.4		
EBITDA[1]	(6.6)	(5.9)		
EBITDA margin (%)	(10.9)	(9.5)		
Loss before tax	7.7	6.7		
Number of products sold ('000)			335.9	337.6
Number of orders ('000)			290.8	301.8
Number of customers ('000)			221.3	228.0

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.
5. Based on the Radio Listenership Survey by GFK dated 5 October 2016 for Peninsular Malaysia and 19 September 2016 for East Malaysia.

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 (Fourth Quarter FY17) against the preceding quarter (Third Quarter FY17) (continued):

Consolidated Performance

Revenue

Revenue for the current quarter of RM1,397.4m was lower by RM26.7m or 1.9% against preceding quarter of RM1,424.1m. This was mainly due to a decrease in advertising, home-shopping and other revenue of RM6.5m, RM1.9m and RM22.4m respectively, offset by an increase in subscription revenue of RM4.1m.

The increase in subscription revenue was attributed by both an increase in ARPU for Pay-TV residential subscribers by RM0.50 (from RM99.90 to RM100.40) and an increase in number of Pay-TV residential subscribers by 24,100 (from 3,442,500 to 3,466,600).

Radio's revenue for the current quarter of RM86.0m was higher by RM2.8m or 3.4% compared with the preceding quarter of RM83.2m, benefitting from the year-end festive celebration.

Home-shopping's revenue for the current quarter of RM60.5m was lower by RM1.9m compared with the preceding quarter of RM62.4m. The decrease in revenue was primarily due to higher number of pending deliveries contributed by flooding in selected areas and resource issues faced by logistic partners due to the festive season.

EBITDA margin

EBITDA margin decreased by 1.1% against the preceding quarter mainly due to higher impairment of receivables, marketing and market research expenses, selling and distribution expenses, cost of set-top boxes, cost of merchandise sales and lower revenue, as highlighted above. This was offset by decrease in content costs as Olympic 2016 was charged out in preceding quarter.

Net Profit

Net profit decreased by RM5.7m or 3.8% to RM143.0m during the quarter. The decrease was mainly due to a decrease in EBITDA of RM24.7m, higher net finance costs of RM17.2m due to higher unrealised forex loss arising from unhedged finance lease liability of RM13.4m and unhedged vendor financing of RM4.3m. The decrease was offset by lower depreciation of property, plant and equipment of RM7.8m, impairment of investment in associate of RM15.1m in preceding quarter and lower tax expense of RM15.3m.

Cash Flow

Decrease in cash of RM190.4m as compared with preceding quarter was mainly due to acquisition of property, plant and equipment and intangibles of RM257.2m, dividend payment of RM156.3m, borrowings repayment of RM224.7m and payment of finance lease liabilities of RM39.5m. This was offset by higher operating cash flows of RM490.6m.

13 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Fourth Quarter FY17) against the preceding quarter (Third Quarter FY17) (continued):

Television

Revenue for the current quarter of RM1,250.4m was lower by RM28.0m or 2.2% against preceding quarter of RM1,278.4m. This was mainly due to a decrease in advertising and other revenue of RM9.3m and RM22.8m respectively, offset by increase in subscription revenue of RM4.1m.

The increase in subscription revenue was attributed by both an increase in ARPU for Pay-TV residential subscribers by RM0.50 (from RM99.90 to RM100.40) and an increase in number of Pay-TV residential subscribers by 24,100 (from 3,442,500 to 3,466,600).

EBITDA decreased by RM51.3m or 12.0% against the preceding quarter due to decrease in revenue, as highlighted above, and higher impairment of receivables.

Radio

Radio's revenue for the current quarter of RM86.0m was higher by RM2.8m or 3.4% compared with the preceding quarter of RM83.2m, benefitting from the year-end festive celebration.

The EBITDA of RM57.5m was higher by RM7.1m or 14.1% compared with the preceding quarter of RM50.4m due to higher revenue and lower operating cost.

Home-shopping

Home-shopping's revenue for the current quarter of RM60.5m was lower by RM1.9m compared with the preceding quarter of RM62.4m. The decrease in revenue was primarily due to higher number of pending deliveries, contributed by flooding in selected areas and resource issues faced by the logistic partners due to the festive season.

Home-shopping EBITDA recorded an unfavorable variance of RM0.7m against preceding quarter, which was mainly due to lower revenue as highlighted above.

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 year (YTD January 2017) against the corresponding year (YTD January 2016):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	YEAR ENDED 31/1/2017	**YEAR ENDED 31/1/2016**	**YEAR ENDED 31/1/2017**	**YEAR ENDED 31/1/2016**
Consolidated Performance				
Total revenue	5,612.6	5,475.4		
EBITDA[1]	1,816.5	1,940.6		
EBITDA margin (%)	32.4	35.4		
Profit before tax	845.5	829.4		
Net profit	617.0	608.0		
Net decrease in cash	(259.4)	(717.9)		
(i) Television				
Subscription revenue	4,354.5	4,359.6		
Advertising revenue	377.5	343.5		
Other revenue	290.1	284.1		
Total revenue	5,022.1	4,987.2		
EBITDA[1]	1,626.8	1,781.7		
EBITDA margin (%)	32.4	35.7		
Profit before tax	702.2	691.1		
Total residential subscribers-end of period ('000)			5,120.7	4,818.2
Pay-TV residential subscribers-end of period ('000)			3,466.6	3,550.0
Pay-TV residential subscribers-net movements ('000)			(83.4)	40.4
Non-subscription customers-end of period ('000)			1,654.1	1,268.2
Non-subscription customers-net movements ('000)			385.9	348.5
Pay-TV residential ARPU[2](RM)			100.4	99.3
MAT Churn[3](%)			11.9	9.5

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 year (YTD January 2017) against the corresponding year (YTD January 2016) (continued):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	YEAR ENDED 31/1/2017	**YEAR ENDED 31/1/2016**	**YEAR ENDED 31/1/2017**	**YEAR ENDED 31/1/2016**
(ii) Radio				
Revenue	327.7	296.0		
EBITDA[1]	198.3	172.7		
EBITDA margin (%)	60.5	58.3		
Profit before tax	196.4	169.9		
Listeners ('mil)			15.6[5]	12.8[4]
(iii) Home-shopping				
Revenue	261.1	189.4		
EBITDA[1]	(16.2)	(17.4)		
EBITDA margin (%)	(6.2)	(9.2)		
Loss before tax	20.1	20.7		
Number of products sold ('000)			1,463.4	990.3
Number of orders ('000)			1,203.2	796.2
Number of customers ('000)			912.2	641.4

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.
5. Based on the Radio Listenership Survey by GFK dated 5 October 2016 for Peninsular Malaysia and 19 September 2016 for East Malaysia.

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 year (YTD January 2017) against the corresponding year (YTD January 2016) (continued):

Consolidated Performance

Revenue

Revenue for the current year of RM5,612.6m was higher by RM137.2m or 2.5% against corresponding year of RM5,475.4m. This was mainly due to an increase in advertising, home-shopping and other revenue of RM65.7m, RM71.7m and RM4.9m respectively, offset by a decrease in subscription revenue of RM5.1m.

The decrease in subscription revenue was due to decrease in Pay-TV residential subscribers of 83,400 (from 3,550,000 to 3,466,600), offset by increase in ARPU for Pay-TV residential subscribers of RM1.10 (from RM99.30 to RM100.40).

Radio's revenue for the current year of RM327.7m was higher by RM31.7m or 10.7% compared with the corresponding year of RM296.0m. The higher revenue performance was driven by the yield and inventory management in line with the strong listenership performance.

Home-shopping's revenue for the current year of RM261.1m was higher by RM71.7m compared with the corresponding year of RM189.4m. The higher revenue performance was due to increase in number of products sold which was mainly driven by the introduction of the Chinese channel.

EBITDA margin

EBITDA margin decreased by 3.0% against corresponding year mainly due to higher content costs, cost of merchandise sales, broadband expenses and impairment of receivables, offset by increase in revenue, as highlighted above. Higher content costs were attributed particularly by EURO 2016, Olympic 2016 and impact of weakening RM.

Net Profit

Net profit increased by RM9.0m or 1.5% to RM617.0m during the year. The increase was mainly due to lower depreciation of property, plant and equipment of RM123.0m and lower net finance cost of RM57.5m. The increase was offset by a decrease in EBITDA of RM124.1m, higher amortisation of software and other intangibles of RM18.7m, impairment of investment in associate of RM15.1m, decrease in share of post-tax results from investments accounted for using the equity method of RM6.5m and higher tax expenses of RM7.1m. Lower net finance cost was due to no discounting of transponder's deposit in the corresponding year of RM22.0m, lower unrealised forex loss arising from unhedged finance lease liability of RM32.8m.

Cash Flow

Decrease in cash of RM259.4m as compared with corresponding year was mainly due to acquisition of property, plant and equipment and intangibles of RM656.3m, dividend payment of RM663.8m, repayment of borrowings of RM374.5m, payment for set-top boxes of RM346.1m and payment of finance lease liabilities of RM152.7m. This was offset by higher operating cash flows of RM1,888.2m, proceeds from disposal of an associate of RM15.8m and bonds maturities of RM40.0m.

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 year (YTD January 2017) against the corresponding year (YTD January 2016) (continued):

Television

Television registered an increase in total revenue in the current year of RM34.9m or 0.7%, which was attributable to an increase in advertising and other revenue of RM34.0m and RM6.0m respectively. The increase was offset by lower subscription revenue of RM5.1m.

The decrease in subscription revenue was due to decrease in Pay-TV residential subscribers of 83,400 (from 3,550,000 to 3,466,600), offset by increase in ARPU for Pay-TV residential subscribers of RM1.10 (from RM99.30 to RM100.40).

EBITDA decreased by RM154.9m or 8.7% against the corresponding year mainly due to higher content costs and impairment of receivables, offset by increase in revenue as highlighted above. Higher content costs were attributed particularly by EURO 2016, Olympic 2016 and impact of weakening RM, offset against discounts received from renegotiated content contracts.

Radio

Radio's revenue for the current year of RM327.7m was higher by RM31.7m or 10.7% compared with the corresponding year of RM296.0m. The higher revenue performance was driven by the yield and inventory management in line with the strong listenership performance.

The higher revenue resulted in higher EBITDA of RM198.3m, an increase of RM25.6m or 14.8% as compared with the corresponding year.

Home-shopping

Home-shopping's revenue for the current year of RM261.1m was higher by RM71.7m compared with the corresponding year of RM189.4m. The higher revenue performance was due to increase in number of products sold which was mainly driven by the introduction of the Chinese channel.

Home-shopping EBITDA improved by RM1.2m against corresponding year. The improvement is due to an increase in revenue as highlighted above, which is off-set by set-up costs for the Singapore operations.

14 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2018

The Group will continue to execute 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 will focus on delivering quality content and we have a superior consumer experience with a line-up of sporting events and other local and international content to provide the best for our customers. In addition, home-shopping will remain an area of revenue growth.

We are investing in technology to accelerate on our digital transformation in order to deliver customer-centric, innovative, personalized and digital-first products and services at a much faster pace and larger scale.

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 will continue to drive Adex performance.

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

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

15 PROFIT FORECAST OR PROFIT GUARANTEE

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

16 QUALIFICATION OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

There was no qualification to the preceding audited annual financial statements for the financial year ended 31 January 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 31/1/2017	QUARTER ENDED 31/1/2016	YEAR ENDED 31/1/2017	YEAR ENDED 31/1/2016
	RM'm	RM'm	RM'm	RM'm
Amortisation of intangible assets	134.9	122.3	525.4	486.8
Depreciation of property, plant and equipment	130.6	167.4	566.3	689.3
Impairment of receivables	40.1	16.4	125.2	105.8
Impairment of investments accounted for using the equity method	-	-	15.1	-
Impairment of other investment	-	-	-	12.4
Finance income:				
- Interest income	(3.8)	(6.4)	(25.2)	(46.5)
- Unit trust	(1.8)	(4.9)	(10.1)	(6.0)
- Unrealised foreign exchange gains	-	(126.3)	-	-
- Fair value loss on derivative recycled to income statement arising from foreign exchange risk	-	81.9	-	-
	(5.6)	(55.7)	(35.3)	(52.5)
Finance costs:				
- Bank borrowings	19.7	23.0	91.2	100.4
- Finance lease liabilities	17.0	18.3	68.8	62.9
- Vendor financing	6.9	8.1	30.9	31.6
- Realised foreign exchange losses	0.8	30.9	4.6	78.2
- Unrealised foreign exchange losses	61.5	-	57.9	194.5
- Fair value loss/(gain) on derivative recycled to income statement arising from:				
- Interest rate risk	7.6	8.7	26.5	32.1
- Foreign exchange risk	(25.3)	(13.7)	(18.2)	(185.8)
- Others	2.4	2.7	9.9	32.4
	90.6	78.0	271.6	346.3

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 31/1/2017	QUARTER ENDED 31/1/2016	YEAR ENDED 31/1/2017	YEAR ENDED 31/1/2016
	RM'm	RM'm	RM'm	RM'm
Current tax	64.3	89.7	250.8	283.3
Deferred tax	(19.5)	(14.4)	(22.3)	(61.9)
	44.8	75.3	228.5	221.4

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 31/1/2017	QUARTER ENDED 31/1/2016	YEAR ENDED 31/1/2017	YEAR ENDED 31/1/2016
	RM'm	RM'm	RM'm	RM'm
Profit before taxation	187.8	278.1	845.5	829.4
Tax at Malaysian corporate tax rate of 24%	45.1	66.7	202.9	199.0
Tax effect of:				
Unrecognised deferred tax asset	4.3	1.4	12.5	8.5
Utilisation of previously unrecognised deferred tax asset	(8.0)	-	(8.0)	-
Others (including expenses not deductible for tax purposes and income not subject to tax)	3.4	7.2	21.1	13.9
Taxation charge	44.8	75.3	228.5	221.4

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

19 GROUP BORROWINGS AND DEBT SECURITIES

The amount of Group borrowings and debt securities as at 31 January 2017 are as follows:

	Current	Non-current	Total
	RM'm	RM'm	RM'm
Unsecured:			
Term loans			
- RM Term Loan	312.8	1,050.0	1,362.8
- USD Term Loan – USD330 million	222.7	767.2	989.9
	535.5	1,817.2	2,352.7
Less: Debt issuance costs	(5.7)	(7.8)	(13.5)
Term loans, net of debt issuance costs	529.8	1,809.4	2,339.2
Finance lease			
- Lease of transponders[(a)]	95.9	962.4	1,058.3
- Lease of equipment and software[(b)]	3.6	4.5	8.1
	99.5	966.9	1,066.4
	629.3	2,776.3	3,405.6

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

	Total
	RM'm
Ringgit Malaysia	1,859.3
United States Dollars ("USD")	1,546.3
	3,405.6

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 January 2017 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	65.0	0.8	-
- 1 to 3 years	86.3	8.8	-
- More than 3 years	1.3	0.9	-
	152.6	10.5	-
Forward foreign currency exchange contracts ("FX Contracts")			
- Less than 1 year	971.0	64.7	(0.5)
- 1 to 3 years	-	-	-
- More than 3 years	-	-	-
	971.0	64.7	(0.5)
Interest rate swaps ("IRS")			
- Less than 1 year	386.2	-	(3.8)
- 1 to 3 years	769.3	0.6	(4.9)
- More than 3 years	337.5	-	(3.2)
	1,493.0	0.6	(11.9)
Cross-currency interest rate swaps ("CCIRS")			
- Less than 1 year	259.3	109.9	-
- 1 to 3 years	381.1	154.4	-
- More than 3 years	224.2	107.7	-
	864.6	372.0	-

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 January 2017, the Group recognised net total derivative financial assets of RM435.4m, an increase of RM95.3m from the previous financial year ended 31 January 2016, on re-measuring the fair values of the derivative financial instruments. The corresponding increase of RM93.2m has been included in equity in the hedging reserve, RM1.4m were credited to income statement as fair value gain on derivative and remaining RM0.7m were net accrued interest.

<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 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 January 2017, the notional principal amounts of the outstanding forward foreign currency exchange contracts were RM971.0m (31 January 2016: RM1,125.3m) and foreign currency options were USD34.5m (31 January 2016: USD14.0m).

<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 19 with notional principal amounts of RM1,012.5m (31 January 2016: RM1,200.0m) and vendor financing, as disclosed in Note 21 with notional principal amounts of RM397.2m and USD18.8m (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 3.74% (31 January 2016: 3.79%) and 1.89% (31 January 2016: 0.86%) respectively.

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

20 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Cross-currency interest rate swaps

To mitigate financial risks arising from adverse fluctuations in interest and exchange rates, the Group entered into cross-currency interest rate swaps with notional principal amounts of USD222.8m (31 January 2016: USD264.0m) for bank loan and vendor financing of USD55.1m (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 4.36% (inclusive of interest margin of 1.0%) (31 January 2016: 4.26% (inclusive of interest margin of 1.0%) and USD/RM3.4855 (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 1.9% and 4.6% (31 January 2016: 1.4% and 5.2%) per annum.

As at 31 January 2017, the vendor financing included in payables is RM801.1m (31 January 2016: RM969.8m), comprising current portion of RM311.1m (31 January 2016: RM343.4m) and non-current portion of RM490.0m (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 31/1/2017**	**As at 31/1/2016**
	RM'm	**RM'm**
Total (accumulated losses)/retained profits of the Company and its subsidiaries:		
- Realised	(246.2)	(223.9)
- Unrealised[N1]	(83.2)	(23.1)
	(329.4)	(247.0)
Total retained profits from associates and joint ventures:		
- Realised	2.5	15.8
- Unrealised	-	-
	(326.9)	(231.2)
Less: Consolidation adjustments	(378.1)	(438.3)
Total accumulated losses as per consolidated balance sheets	(705.0)	(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 fourth interim single-tier dividend of 3.00 sen per ordinary share in respect of the financial year ending 31 January 2017 amounting to approximately RM156,285,666, to be paid on 27 April 2017. The entitlement date for the dividend payment is 12 April 2017.

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

(i) shares transferred to the depositor's securities account before 4.00 pm on 12 April 2017 in respect of transfers; and

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

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

24 DIVIDENDS (continued)

The Board of Directors also recommended for shareholders' approval at the forthcoming Annual General Meeting a final single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 January 2017, to be paid on a date to be determine.

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

25 EARNINGS PER SHARE

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

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

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

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	QUARTER ENDED 31/1/2017	**QUARTER ENDED 31/1/2016**	**YEAR ENDED 31/1/2017**	**YEAR ENDED 31/1/2016**
Profit attributable to the equity holders of the Company (RM'm)	145.1	203.8	623.7	615.3
(i) Basic EPS				
Weighted average number of issued ordinary shares ('m)	5,209.5	5,205.0	5,206.3	5,202.7
Basic earnings per share (RM)	0.028	0.039	0.120	0.118
(ii) Diluted EPS				
Weighted average number of issued ordinary shares ('m)	5,209.5	5,205.0	5,206.3	5,202.7
Effect of dilution:				
Grant of share awards under the management share scheme ('m)	8.8	11.3	9.0	12.1
	5,218.3	5,216.3	5,215.3	5,214.8
Diluted earnings per share (RM)	0.028	0.039	0.120	0.118

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

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("Proposed Acquisition"). The Proposed Acquisition was completed on 30 December 2016 for a total cash consideration of RM40,380,000. Consequently, CSFB became a wholly-owned subsidiary of MBNS on the said date.

On 27 December 2016, the Company announced that MBNS Multimedia Technologies Sdn Bhd ("MMT"), a wholly-owned subsidiary of the Company, has on 27 December 2016 entered into a Share Purchase Agreement with Maxis Berhad ("Maxis") to dispose 833,334 ordinary shares in Advanced Wireless Technologies Sdn Bhd ("AWT") held by MMT representing 25% equity interest in AWT for a cash consideration of RM15,833,334 and the purchase of goods and services by Maxis Berhad and/or its related corporations totalling RM3,000,000 in value from MMT and/or its related corporations ("Proposed Disposal"). The Proposed Disposal was completed on 30 December 2016. Consequently, MMT ceased to have any equity interest in AWT. The cash consideration has been utilised for working capital purposes.

27 MATERIAL EVENTS SUBSEQUENT TO END OF THE FINANCIAL YEAR

AESB, a wholly-owned subsidiary of the Company, holds 30% of the issued share capital of Spark Asia TV Pte Ltd ("Spark Asia") and the remaining 30% and 40% are held by Moving Visuals International Pte Ltd ("TMV") and Spark GMBH, respectively. On 20 February 2017, AESB entered into a Settlement Agreement with TMV and Spark GMBH to make an application to strike-off Spark Asia from the Register of Companies in Singapore, for which AESB has agreed to bear all the costs and expenses related to such application. AESB has also agreed to reimburse TMV and Spark GMBH their original capital contribution and expenses.

Other than the above, there were no material subsequent events during the period from the end of the quarter review to 28 March 2017.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON
(License No. LS0007908)

Company Secretary
28 March 2017