

Berjaya Media Berhad

(Company No: 290601-T)

Date: 29 September 2016

Subject: **UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD
ENDED 31 JULY 2016**

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UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER	
		3 months ended	
		31.07.2016	31.07.2015
		RM'000	RM'000
REVENUE		10,859	12,041
Operating expenses		(12,000)	(12,145)
Other operating income		52	48
LOSS FROM OPERATIONS		(1,089)	(56)
Results arising from investing activities *		(983)	(920)
Finance costs		(29)	(12)
LOSS BEFORE TAX		(2,101)	(988)
INCOME TAX EXPENSE	B5	(17)	(17)
LOSS AFTER TAX		(2,118)	(1,005)
ATTRIBUTABLE TO:			
Equity holders of the Company		(2,118)	(1,005)
LOSS PER ORDINARY SHARE (SEN)			
- Basic	B10	(0.90)	(0.43)
- Diluted	B10	N/A	N/A

* Results arising from investing activities comprise mainly interest income and investment related expenses.

N/A : Not Applicable

Note:

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2016 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER	
	3 months ended	
	31.07.2016	31.07.2015
	RM'000	RM'000
LOSS AFTER TAX	(2,118)	(1,005)
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified		
subsequently to profit or loss:		
- Deficit on changes in fair value of available-for-sale investment	(1,867)	(2,633)
- Cumulative impairment loss transferred to profit or loss	1,067	1,006
	<u>(800)</u>	<u>(1,627)</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE QUARTER	<u>(2,918)</u>	<u>(2,632)</u>
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:		
Equity holders of the Company	<u>(2,918)</u>	<u>(2,632)</u>

Note:

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2016 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	The Group	
	As At 31.07.2016 (Unaudited) RM'000	As At 30.04.2016 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	2,690	2,769
Intangible asset	13,500	13,500
Other investments	19,587	21,454
Deferred tax assets	426	426
Total non-current assets	36,203	38,149
Current Assets		
Inventories	5,447	6,402
Trade and other receivables	7,580	9,287
Tax recoverable	34	37
Cash and bank balances	9,421	8,031
Total current assets	22,482	23,757
TOTAL ASSETS	58,685	61,906
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Ordinary share capital	188,068	188,068
Share premium	3,470	3,470
Fair value adjustment reserve	68	868
Accumulated losses	(141,651)	(139,533)
Total equity	49,955	52,873
Current Liabilities		
Trade and other payables	7,193	7,123
Deferred income	-	1,057
Hire-purchase payables (current portion)	8	31
Short term borrowing	1,529	822
Total current liabilities	8,730	9,033
Total liabilities	8,730	9,033
TOTAL EQUITY AND LIABILITIES	58,685	61,906
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.21	0.22
Number of ordinary shares (unit'000)	235,085	235,085

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2016 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company				
	Share capital RM'000	Non-distributable reserves			Total equity RM'000
		Share premium RM'000	Fair value adjustment reserve RM'000	Accumulated losses RM'000	
At 1 May 2016	188,068	3,470	868	(139,533)	52,873
Total comprehensive income for the 3 months period	-	-	(800)	(2,118)	(2,918)
At 31 July 2016	188,068	3,470	68	(141,651)	49,955
At 1 May 2015	188,068	3,470	1,966	(123,626)	69,878
Total comprehensive income for the 3 months period	-	-	(2,633)	(1,005)	(3,638)
At 31 July 2015	188,068	3,470	(667)	(124,631)	66,240

Note:

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2016 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31.07.2016 RM'000	31.07.2015 RM'000
OPERATING ACTIVITIES		
Receipt from customers	12,661	12,956
Payment to suppliers	(4,882)	(4,285)
Payment for operating expenses (including taxes)	(6,969)	(6,713)
Tax refund	4	-
Net cash generated from operating activities	814	1,958
INVESTING ACTIVITIES		
Interest received	45	38
Proceed from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(124)	(55)
Net cash used in investing activities	(79)	(17)
FINANCING ACTIVITIES		
Drawdown of bank borrowing	1,529	-
Repayment of bank borrowing	(822)	-
Payment of hire purchase obligations	(23)	(24)
Finance costs	(29)	(12)
Net cash generated from/(used in) financing activities	655	(36)
NET INCREASE IN		
CASH AND CASH EQUIVALENTS	1,390	1,905
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	8,031	8,896
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD	9,421	10,801

Cash and cash equivalents at the end of the financial period comprises the following:-

	RM'000	RM'000
Fixed deposits with licensed banks	5,507	5,803
Cash and bank balances	3,914	4,998
	9,421	10,801

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2016 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 JULY 2016
NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The condensed consolidated interim financial report are unaudited and have been prepared in accordance MFRS 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2016, which were prepared under Malaysian Financial Reporting Standards (“MFRSs”). The explanatory notes attached to the condensed consolidated interim financial report provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Group since the year ended 30 April 2016.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2016.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements of the Group upon their first adoption.

A2. Seasonal or cyclical factors

The business of the Group is generally affected by the festive seasons and global newsprint prices.

A3. Unusual items

There were no unusual items for the current period under review other than the impairment of quoted shares amounted to RM1,067,000.

A4. Changes in estimates

There were no changes in amount of estimates reported previously that have a material effect in the current quarter under review.

A5. Issuance and repayment of debt and equity securities

During the 3 months period ended 31 July 2016, there was no change in the Company's issued and paid-up share capital.

As at 31 July 2016, there was a total of 56,126,564 warrants outstanding. Each of the said warrant entitles the holder to subscribe for one ordinary share of RM0.80 each at an exercise price of RM0.87 per share. The expiry date of the said warrants is on 18 December 2016.

There was no warrant exercised for the period under review.

A6. Dividend paid

No dividend was paid in the current quarter under review.

A7. Segment reporting

The business segments of the Group for the 3 months period ended 31 July 2016 are categorised as follows:

REVENUE

	RM'000
Publishing	10,859
Others	-
Investment holding	-
Total revenue	<u>10,859</u>

RESULTS

	RM'000
Publishing	(980)
Others	(1)
Investment holding	(108)
Loss from operations	<u>(1,089)</u>
Results arising from investing activities	(983)
Finance costs	(29)
Loss before tax	<u>(2,101)</u>
Income tax expense	(17)
Loss after tax	<u>(2,118)</u>

No geographical segment report is presented as the Group operates solely in Malaysia.

A8. Material events

There were no material events for the current period under review.

A9. Changes in composition of the Group

There were no changes in the composition of the Group for the current period under review.

A10. Changes in contingent liabilities or contingent assets

There are no material changes in contingent liabilities and contingent assets for the current quarter under review since the last annual reporting date.

UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 JULY 2016
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LR

B1. Review of group performance

The Group is primarily engaged in publishing of newspaper ('theSun'). The key factors that affect the operating performance of the Group include mainly the newsprint costs, press printing costs, payroll costs and demand for newspaper advertising.

The summary results of the Group are as follows:

	3 months ended		Variance
	31.07.2016	31.07.2015	+ / (-)
	RM'000	RM'000	%
Revenue	10,859	12,041	(10)
Loss from operations	(1,089)	(56)	1,845
Loss before tax	(2,101)	(988)	113

For the quarter

For the first quarter ended 31 July 2016 under review, the Group reported a revenue of RM10.86 million and pre-tax loss of RM2.10 million as compared to the revenue of RM12.04 million and pre-tax loss of RM0.99 million in the preceding year's corresponding quarter. The decrease in revenue for the quarter under review was mainly due to lower advertising income recorded by its principal operating subsidiary, Sun Media Corporation Sdn Bhd ("SunMedia"). The higher pre-tax loss was due to lower revenue coupled with the impairment loss incurred on certain quoted investments.

B2. Material changes in the current quarter results compared with the immediate preceding quarter

For the first quarter ended 31 July 2016 under review, the Group registered a consolidated revenue of RM10.86 million and pre-tax loss of RM2.10 million as compared to the revenue of RM8.56 million and pre-tax loss of RM2.80 million in the preceding quarter. The increase in revenue for the quarter under review was mainly due to higher advertising income recorded by SunMedia. The lower pre-tax loss recorded for the quarter under review was mainly due to improved advertising income.

B3. Future prospects

The Group is operating in a difficult business environment and will continue to focus on improving its advertising revenue. The Directors are of the view that the Group's business for the remaining period till the end of this financial year will be more challenging compared to the last financial year due to the prevailing economic conditions that will impact the A & P budgets of most corporate clients and advertisers.

The Board of Directors is cognizant of the Listing Requirements of Bursa Securities ("LR") with regards to the financial condition of a listed issuer under Para 8.04 of the LR. Hence, if the Group continues to incur further losses totalling approximately RM10 million going forward, its shareholders' equity fund will be reduced to below the threshold level pursuant to the Prescribed Criteria under PN17 of the LR.

In view of the Group's current financial condition, more marketing efforts will be initiated in the forthcoming months to improve the Group's financial position and to preserve the shareholders' equity funds. The Board will also be exploring other options to strengthen the financial position of the Group.

B4. Variance of actual profit from profit forecast and profit guarantee

There was no profit forecast or profit guarantee given by the Group for the current quarter under review.

B5. Taxation

	3 months ended	
	31.07.2016	31.07.2015
	RM'000	RM'000
Income tax expense	17	17

The income tax expense for the period was mainly due to tax on interest income of certain subsidiary companies and non recognition of deferred tax asset on unabsorbed tax losses.

B6. Profit/(loss) on sale of investments and properties

There were no disposals of unquoted investments and properties for the current quarter under review.

B7. Group bank borrowings and debt securities

	At
	31.07.2016
	RM'000
Short term borrowing (representing total borrowings of the Group)	
<u>Secured</u>	
Denominated in Ringgit Malaysia (RM)	1,529

B8. Changes in material litigation

There are no changes in material litigation since the last annual reporting date with the exception that the date of case management has been fixed on a later date.

B9. Dividend

No dividend is declared for the current quarter ended 31 July 2016 (preceding year's corresponding period ended 31 July 2015: Nil).

B10. Loss per ordinary share

	3 months ended	
	31.07.2016	31.07.2015
<u>Basic</u>		
Net loss attributable to ordinary shareholders (RM'000)	(2,118)	(1,005)
Weighted average number of ordinary shares of RM0.80 each in issue ('000)	235,085	235,085
Basic loss per ordinary share (sen)	<u>(0.90)</u>	<u>(0.43)</u>

Diluted

Diluted loss per share is not presented as the warrants, if exercised, would have an anti-dilutive effect on the loss per share.

B11. Loss before tax

Loss before tax is arrived at after charging/(crediting) the following items:-

	3 months ended	
	31.07.2016	31.07.2015
	RM'000	RM'000
Interest income	(84)	(86)
Dividend income	-	-
Gain on disposal of quoted investments	-	-
Interest expense	29	12
Depreciation for property, plant and equipment	203	205
Impairment loss on receivables	-	-
Provision for and write off of inventories	-	-
Impairment loss of available-for-sale quoted investments	1,067	1,006
Foreign exchange loss	<u>-</u>	<u>3</u>

B12. Realised and unrealised losses

The accumulated losses of the Group are analysed as follows:

	As at	As at
	31.07.2016	30.4.2016
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(440,663)	(438,545)
- unrealised	426	426
	<u>(440,237)</u>	<u>(438,119)</u>
- consolidation adjustments	298,586	298,586
Total accumulated losses as per consolidated statement of changes in equity	<u>(141,651)</u>	<u>(139,533)</u>