

Berjaya Media Berhad

(Company No: 290601-T)

Date: 22 March 2016

Subject: **UNAUDITED THIRD QUARTER RESULTS FOR THE
PERIOD ENDED 31 JANUARY 2016**

| <u>Table of contents</u> | Page |
|--|--------|
| Condensed Consolidated Statement of Profit or Loss | 1 |
| Condensed Consolidated Statement of Comprehensive Income | 2 |
| Condensed Consolidated Statement of Financial Position | 3 |
| Condensed Consolidated Statement of Changes in Equity | 4 |
| Condensed Consolidated Statement of Cash Flows | 5 |
| Notes to the Interim Financial Report | 6 - 8 |
| Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities LR') | 9 - 12 |

**UNAUDITED THIRD QUARTER RESULTS FOR THE PERIOD ENDED 31 JANUARY 2016
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

| | Note | CURRENT QUARTER | | CUMULATIVE QUARTER | |
|---|------|-----------------|----------------|--------------------|----------------|
| | | 3 months ended | | 9 months ended | |
| | | 31.1.2016 | 31.1.2015 | 31.1.2016 | 31.1.2015 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | | 12,136 | 13,295 | 35,982 | 42,609 |
| Operating expenses | | (13,032) | (14,334) | (37,559) | (42,626) |
| Other operating income | | 59 | 48 | 177 | 230 |
| PROFIT/(LOSS) FROM OPERATIONS | | (837) | (991) | (1,400) | 213 |
| Results arising from investing activities * | | (10,537) | (4,178) | (10,861) | (3,335) |
| Finance costs | | (42) | (14) | (72) | (46) |
| LOSS BEFORE TAX | | (11,416) | (5,183) | (12,333) | (3,168) |
| INCOME TAX EXPENSE | B5 | (23) | (21) | (57) | (61) |
| LOSS AFTER TAX | | (11,439) | (5,204) | (12,390) | (3,229) |
| ATTRIBUTABLE TO: | | | | | |
| Equity holders of the Company | | (11,439) | (5,204) | (12,390) | (3,229) |
| LOSS PER ORDINARY SHARE (SEN) | | | | | |
| - Basic | B9 | (4.87) | (2.21) | (5.27) | (1.37) |
| - Diluted | B9 | N/A | N/A | N/A | N/A |

* Results arising from investing activities comprise mainly interest 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 2015 and the accompanying explanatory notes which form an integral part of this interim financial report.

**UNAUDITED THIRD QUARTER RESULTS FOR THE PERIOD ENDED 31 JANUARY 2016
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | CURRENT QUARTER | | CUMULATIVE QUARTER | |
|---|-----------------|-----------|--------------------|-----------|
| | 3 months ended | | 9 months ended | |
| | 31.1.2016 | 31.1.2015 | 31.1.2016 | 31.1.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| LOSS AFTER TAX | (11,439) | (5,204) | (12,390) | (3,229) |
| OTHER COMPREHENSIVE LOSS | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| - Deficit on changes in fair value of available-for-sale investment | (2,484) | (5,233) | (4,012) | (4,392) |
| - Cumulative impairment loss reclassified to profit or loss | 1,132 | 4,275 | 2,138 | 4,275 |
| | (1,352) | (958) | (1,874) | (117) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (12,791) | (6,162) | (14,264) | (3,346) |
| TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO: | | | | |
| Equity holders of the Company | (12,791) | (6,162) | (14,264) | (3,346) |

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2015 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED THIRD QUARTER RESULTS FOR THE PERIOD ENDED 31 JANUARY 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | The Group | |
|--|---|--|
| | As At 31.1.2016 (Unaudited) RM'000 | As At 30.04.2015 (Audited) RM'000 |
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 2,971 | 3,261 |
| Intangible asset | 13,500 | 23,000 |
| Other investments | 20,693 | 24,706 |
| Deferred tax assets | 1,124 | 1,124 |
| | 38,288 | 52,091 |
| Current Assets | | |
| Inventories | 5,862 | 7,104 |
| Trade and other receivables | 10,514 | 9,647 |
| Tax recoverable | 36 | 35 |
| Cash and bank balances | 10,777 | 8,896 |
| | 27,189 | 25,682 |
| TOTAL ASSETS | 65,477 | 77,773 |
| 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 | 92 | 1,966 |
| Accumulated losses | (136,016) | (123,626) |
| Total equity | 55,614 | 69,878 |
| Non-Current Liability | | |
| Hire-purchase payables (non-current portion) | - | 30 |
| Current Liabilities | | |
| Trade and other payables | 7,564 | 6,813 |
| Deferred income | - | 958 |
| Hire-purchase payables (current portion) | 55 | 94 |
| Short term borrowing (current portion) | 2,244 | - |
| | 9,863 | 7,865 |
| Total liabilities | 9,863 | 7,895 |
| TOTAL EQUITY AND LIABILITIES | 65,477 | 77,773 |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | | |
| | 0.24 | 0.30 |
| 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 2015 and the accompanying explanatory notes which form an integral part of this interim financial report.

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

| | Attributable to Equity Holders of the Company | | | | | |
|---|--|---------------------------------------|--|---------------|--|------------------------------------|
| | Share capital RM'000 | Non-distributable reserves | | | Accumulated losses RM'000 | Total equity RM'000 |
| | | Share premium RM'000 | Fair value adjustment reserve | | | |
| | | | RM'000 | RM'000 | | |
| At 1 May 2015 | 188,068 | 3,470 | 1,966 | (123,626) | 69,878 | |
| Total comprehensive income for the 9 months period | - | - | (1,874) | (12,390) | (14,264) | |
| At 31 January 2016 | 188,068 | 3,470 | 92 | (136,016) | 55,614 | |
| At 1 May 2014 | 188,068 | 3,470 | 590 | (92,470) | 99,658 | |
| Total comprehensive income for the 9 months period | - | - | (117) | (3,229) | (3,346) | |
| At 31 January 2015 | 188,068 | 3,470 | 473 | (95,699) | 96,312 | |

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 2015 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED THIRD QUARTER RESULTS FOR THE PERIOD ENDED 31 JANUARY 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 9 months ended | |
|--|-----------------------|------------------|
| | 31.1.2016 | 31.1.2015 |
| | RM'000 | RM'000 |
| OPERATING ACTIVITIES | | |
| Receipt from customers | 35,378 | 42,625 |
| Payment to suppliers | (16,816) | (24,533) |
| Payment for operating expenses (including taxes) | (19,163) | (17,561) |
| Net cash generated from/(used in) operating activities | <u>(601)</u> | <u>531</u> |
| INVESTING ACTIVITIES | | |
| Sale of other investment | - | 480 |
| Purchase of property, plant and equipment | (354) | (499) |
| Dividend received | 506 | 503 |
| Interest received | 227 | 227 |
| Net cash generated from investing activities | <u>379</u> | <u>711</u> |
| FINANCING ACTIVITIES | | |
| Drawdown of bank borrowing | 3,594 | 2,557 |
| Repayment of bank borrowing | (1,350) | (1,980) |
| Payment of hire purchase obligations | (69) | (70) |
| Finance costs | (72) | (46) |
| Net cash generated from financing activities | <u>2,103</u> | <u>461</u> |
| NET INCREASE IN | | |
| CASH AND CASH EQUIVALENTS | 1,881 | 1,703 |
| CASH AND CASH EQUIVALENTS | | |
| AT THE BEGINNING OF THE PERIOD | <u>8,896</u> | <u>8,461</u> |
| CASH AND CASH EQUIVALENTS | | |
| AT THE END OF THE PERIOD | <u>10,777</u> | <u>10,164</u> |

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

| | RM'000 | RM'000 |
|------------------------------------|---------------|---------------|
| Fixed deposits with licensed banks | 6,022 | 6,945 |
| Cash and bank balances | 4,755 | 3,219 |
| | <u>10,777</u> | <u>10,164</u> |

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 2015 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED THIRD QUARTER RESULTS FOR THE PERIOD ENDED 31 JANUARY 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 2015, 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 2015.

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 2015.

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 followings:

| | 3 months ended | 9 months ended |
|--|-----------------------|-----------------------|
| | 31.1.2016 | 31.1.2016 |
| | RM'000 | RM'000 |
| Impairment loss of publishing rights | 9,500 | 9,500 |
| Impairment loss of available-for-sale quoted investments | 1,132 | 2,138 |
| | <u> </u> | <u> </u> |

A4. Changes in estimates

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

A5. Issuance and repayment of debt and equity securities

During the 9 months period ended 31 January 2016, there was no change in the Company's issued and paid-up share capital.

As at 31 January 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 9 months period ended 31 January 2016 are categorised as follows:-

REVENUE

| | RM'000 |
|--------------------|---------------|
| Publishing | 35,982 |
| Others | - |
| Investment holding | - |
| Total revenue | <u>35,982</u> |

A7. Segment reporting (contd.)

RESULTS

| | RM'000 |
|---|------------------------|
| Publishing | (1,014) |
| Others | (3) |
| Investment holding | (383) |
| Loss from operations | <u>(1,400)</u> |
| Results arising from investing activities | (10,861) |
| Finance costs | <u>(72)</u> |
| Loss before tax | (12,333) |
| Income tax expense | <u>(57)</u> |
| Loss after tax | <u><u>(12,390)</u></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 THIRD QUARTER RESULTS FOR THE PERIOD ENDED 31 JANUARY 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 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 | 9 months ended | | Variance |
|----------------------------------|----------------|-----------|----------|----------------|-----------|----------|
| | 31.1.2016 | 31.1.2015 | + / (-) | 31.1.2016 | 31.1.2015 | + / (-) |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | 12,136 | 13,295 | (8.72) | 35,982 | 42,609 | (15.55) |
| Profit/(Loss) from operations | (837) | (991) | (15.54) | (1,400) | 213 | N/A |
| Loss before tax | (11,416) | (5,183) | N/A | (12,333) | (3,168) | N/A |

For the quarter

For the third quarter ended 31 January 2016 under review, the Group reported a revenue of RM12.14 million and pre-tax loss of RM11.42 million as compared to the revenue of RM13.30 million and pre-tax loss of RM5.18 million in the preceding year's corresponding quarter. The decrease in revenue for the quarter under review was mainly due to lower advertising income reported by its principal operating subsidiary, Sun Media Corporation Sdn Bhd ("SunMedia"). The increase in pre-tax loss for the current quarter under review was mainly due to impairment of RM9.5 million of publishing rights.

For the nine months period

For the nine months period ended 31 January 2016 under review, the Group reported a consolidated revenue of RM35.98 million and pre-tax loss of RM12.33 million as compared to the revenue of RM42.61 million and pre-tax loss of RM3.17 million in the preceding year's corresponding period. The decrease in revenue for the current period under review was mainly due to lower advertising income reported by SunMedia. The higher pre-tax loss incurred for the period was mainly due to impairment of RM9.5 million of publishing rights.

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

For the third quarter ended 31 January 2016 under review, the Group registered a consolidated revenue of RM12.14 million and pre-tax loss of RM11.42 million as compared to the revenue of RM11.81 million and pre-tax profit of RM0.07 million in the preceding quarter. The higher revenue registered for the quarter under review was mainly due to higher advertising income reported by SunMedia. The incurrence of pre-tax loss was mainly due to the impairment loss incurred on certain quoted investments and higher operating expenditure coupled with impairment of publishing rights.

B3. Future prospects

The Group continues to operate in a competitive 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 quarter of the financial year ending 30 April 2016 will be more challenging compared to the last financial year due to the weakened Malaysian Ringgit as well as the declining consumer demand resulting from the prevailing economic conditions.

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 | | 9 months ended | |
|--------------------|-----------------------|------------------|-----------------------|------------------|
| | 31.1.2016 | 31.1.2015 | 31.1.2016 | 31.1.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax expense | <u>23</u> | <u>21</u> | <u>57</u> | <u>61</u> |

The income tax expense for the current quarter and current period was mainly due to tax on interest income of certain subsidiary companies.

B6. Group bank borrowings and debt securities

| | At |
|---|-------------------|
| | 31.01.2016 |
| | RM'000 |
| Short term borrowing (representing total borrowings of the Group) | |
| <u>Secured</u> | |
| Denominated in Ringgit Malaysia (RM) | <u>2,244</u> |

B7. Changes in material litigation

There is no change in material litigation since the last annual reporting date other than the change of hearing date of certain legal cases.

B8. Dividend

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

B9. Loss per ordinary share

| | 3 months ended | | 9 months ended | |
|--|-----------------------|------------------|-----------------------|------------------|
| | 31.1.2016 | 31.1.2015 | 31.1.2016 | 31.1.2015 |
| <u>Basic</u> | | | | |
| Net loss attributable to ordinary shareholders (RM'000) | (11,439) | (5,204) | (12,390) | (3,229) |
| Weighted average number of ordinary shares of RM0.80 each in issue ('000) (inclusive of mandatorily convertible instruments) | 235,085 | 235,085 | 235,085 | 235,085 |
| Basic loss per ordinary share (sen) | <u>(4.87)</u> | <u>(2.21)</u> | <u>(5.27)</u> | <u>(1.37)</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.

B10. Loss before tax

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

| | 3 months ended | | 9 months ended | |
|--|-----------------------|------------------|-----------------------|------------------|
| | 31.1.2016 | 31.1.2015 | 31.1.2016 | 31.1.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | (92) | (97) | (271) | (275) |
| Dividend income | (3) | - | (506) | (503) |
| Gain on disposal of quoted investments | - | - | - | (162) |
| Gain on disposal of unquoted investments or properties | - | - | - | - |
| Interest expense | 42 | 14 | 72 | 46 |
| Depreciation for property, plant and equipment | 210 | 199 | 636 | 602 |
| Impairment loss of property, plant and equipment | 18 | - | 18 | - |
| Impairment loss of intangible asset | 9,500 | - | 9,500 | - |
| Impairment loss on receivables | - | - | - | - |
| Provision for and write off of inventories | - | - | - | - |
| Impairment loss of available-for-sale quoted investments | 1,132 | 4,275 | 2,138 | 4,275 |
| Foreign exchange (gain)/loss | <u>(11)</u> | <u>-</u> | <u>(19)</u> | <u>1</u> |

B11. Realised and unrealised losses

The accumulated losses of the Group are analysed as follows:

| | As at 31.1.2016 RM'000 | As at 30.04.2015 RM'000 |
|---|---------------------------------------|--|
| Total accumulated losses of the Company and its subsidiaries: | | |
| - realised | (426,890) | (413,580) |
| - unrealised | <u>1,124</u> | <u>1,124</u> |
| | (425,766) | (412,456) |
| - consolidation adjustments | <u>289,750</u> | <u>288,830</u> |
| Total accumulated losses as per consolidated statement of changes in equity | <u>(136,016)</u> | <u>(123,626)</u> |