

# **Berjaya Media Berhad**

(Company No: 290601-T)

Date: 15 December 2015

Subject: **UNAUDITED SECOND QUARTER RESULTS FOR THE  
PERIOD ENDED 31 OCTOBER 2015**

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**UNAUDITED SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2015  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended		6 months ended	
		31.10.2015	31.10.2014	31.10.2015	31.10.2014
		RM'000	RM'000	RM'000	RM'000
REVENUE		11,805	13,612	23,846	29,314
Operating expenses		(12,382)	(13,653)	(24,527)	(28,292)
Other operating income		70	57	118	182
<b>PROFIT/(LOSS) FROM OPERATIONS</b>		<b>(507)</b>	<b>16</b>	<b>(563)</b>	<b>1,204</b>
Results arising from investing activities *		596	758	(324)	843
Finance costs		(18)	(13)	(30)	(32)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>71</b>	<b>761</b>	<b>(917)</b>	<b>2,015</b>
TAXATION	B5	(17)	(20)	(34)	(40)
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>54</b>	<b>741</b>	<b>(951)</b>	<b>1,975</b>
<b>ATTRIBUTABLE TO:</b>					
Equity holders of the Company		54	741	(951)	1,975
<b>EARNINGS/(LOSS) PER ORDINARY SHARE (SEN)</b>					
- Basic	B9	0.02	0.32	(0.40)	0.84
- Diluted	B9	N/A	N/A	N/A	N/A

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

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 SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2015  
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
<b>PROFIT/(LOSS) AFTER TAX</b>	54	741	(951)	1,975
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>				
<b>Items that may be reclassified</b>				
<b>subsequently to profit or loss:</b>				
- Gain/(Deficit) on changes in fair value of available-for-sale investment	1,105	651	(1,528)	1,003
- Transfer to profit or loss on disposal of investment	-	(162)	-	(162)
- Cumulative impairment loss transferred to profit or loss	-	-	1,006	-
	<u>1,105</u>	<u>489</u>	<u>(522)</u>	<u>841</u>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE QUARTER</b>	<u>1,159</u>	<u>1,230</u>	<u>(1,473)</u>	<u>2,816</u>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO:</b>				
Equity holders of the Company	<u>1,159</u>	<u>1,230</u>	<u>(1,473)</u>	<u>2,816</u>

**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 SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>The Group</b>	
	<b>As At 31.10.2015 (Unaudited) RM'000</b>	<b>As At 30.04.2015 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	3,144	3,261
Intangible asset	23,000	23,000
Other investments	23,177	24,706
Deferred tax assets	1,124	1,124
	<u>50,445</u>	<u>52,091</u>
<b>Current Assets</b>		
Inventories	5,676	7,104
Trade and other receivables (exclude tax recoverable)	10,320	9,647
Tax recoverable	41	35
Cash and bank balances	11,238	8,896
	<u>27,275</u>	<u>25,682</u>
<b>TOTAL ASSETS</b>	<u>77,720</u>	<u>77,773</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Ordinary share capital	188,068	188,068
Share premium	3,470	3,470
Fair value adjustment reserve	1,444	1,966
Accumulated losses	(124,577)	(123,626)
<b>Total equity</b>	<u>68,405</u>	<u>69,878</u>
<b>Non-Current Liability</b>		
Hire-purchase payables (non-current portion)	-	30
<b>Current Liabilities</b>		
Trade and other payables (include tax payable).	7,887	6,813
Deferred income	-	958
Hire-purchase payables (current portion)	78	94
Short term borrowing	1,350	-
	<u>9,315</u>	<u>7,865</u>
<b>Total liabilities</b>	<u>9,315</u>	<u>7,895</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>77,720</u>	<u>77,773</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	0.29	0.30
<b>Number of ordinary shares (unit'000)</b>	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 SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Attributable to Equity Holders of the Company</b>				
	<b>Non-distributable</b>			<b>Accumulated</b>	<b>Total</b>
	<b>Share</b>	<b>Share</b>	<b>Fair value</b>		
<b>capital</b>	<b>premium</b>	<b>adjustment</b>	<b>losses</b>	<b>equity</b>	
<b>RM'000</b>	<b>RM'000</b>	<b>reserve</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 May 2015</b>	188,068	3,470	1,966	(123,626)	69,878
Total comprehensive income for the 6 months period	-	-	(522)	(951)	(1,473)
<b>At 31 October 2015</b>	<b>188,068</b>	<b>3,470</b>	<b>1,444</b>	<b>(124,577)</b>	<b>68,405</b>
<b>At 1 May 2014</b>	188,068	3,470	590	(92,470)	99,658
Total comprehensive income for the 6 months period	-	-	841	1,975	2,816
<b>At 31 October 2014</b>	<b>188,068</b>	<b>3,470</b>	<b>1,431</b>	<b>(90,495)</b>	<b>102,474</b>

**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 SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended</b>	
	<b>31.10.2015</b>	<b>31.10.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipt from customers	23,815	29,897
Payment to suppliers	(10,556)	(17,226)
Payment for operating expenses (including taxes)	(12,055)	(11,071)
Net cash generated from operating activities	<u>1,204</u>	<u>1,600</u>
<b>INVESTING ACTIVITIES</b>		
Sale of other investment	-	480
Purchase of property, plant and equipment	(309)	(395)
Interest received	174	174
Net cash (used in)/generated from investing activities	<u>(135)</u>	<u>259</u>
<b>FINANCING ACTIVITIES</b>		
Drawdown of bank borrowing	1,350	-
Payment of hire purchase obligations	(47)	(47)
Finance costs	(30)	(32)
Net cash generated from/(used in) financing activities	<u>1,273</u>	<u>(79)</u>
<b>NET INCREASE IN CASH</b>		
<b>AND CASH EQUIVALENTS</b>	2,342	1,780
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE BEGINNING OF THE PERIOD</b>	<u>8,896</u>	<u>8,461</u>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE END OF THE PERIOD</b>	<u>11,238</u>	<u>10,241</u>

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

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits with licensed banks	4,609	6,139
Cash and bank balances	6,629	4,102
	<u>11,238</u>	<u>10,241</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 SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2015**  
**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 period under review other than the impairment loss on certain quoted investments amounted to RM1,006,000.

**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 6 months period ended 31 October 2015, there was no change in the Company's issued and paid-up share capital.

As at 31 October 2015, 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 6 months period ended 31 October 2015 are categorised as follows:-

##### **REVENUE**

	<b>RM'000</b>
Publishing	23,846
Others	-
Investment holding	-
Total revenue	<u>23,846</u>



**A7. Segment reporting (contd.)**

**RESULTS**

	<b>RM'000</b>
Publishing	(302)
Others	(3)
Investment holding	(258)
Loss from operations	<u>(563)</u>
Results arising from investing activities	(324)
Finance costs	<u>(30)</u>
Loss before tax	(917)
Income tax expense	<u>(34)</u>
Loss after tax	<u><u>(951)</u></u>

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

**A8. Material events**

There were no material events subsequent to the end of the current quarter 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 since the last annual reporting date.

**UNAUDITED SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2015  
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	6 months ended		Variance
	31.10.2015	31.10.2014	+ / (-)	31.10.2015	31.10.2014	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	11,805	13,612	(13)	23,846	29,314	(19)
Profit/(Loss) from operations	(507)	16	N/A	(563)	1,204	N/A
Profit/(Loss) before tax	71	761	(91)	(917)	2,015	N/A

**For the quarter**

For the second quarter ended 31 October 2015 under review, the Group reported a consolidated revenue of RM11.81 million and pre-tax profit of RM0.07 million as compared to the revenue of RM13.61 million and pre-tax profit of RM0.76 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 incurrence of pre-tax loss was mainly due to the aforesaid lower revenue registered for the quarter by SunMedia.

**For the six months period**

For the six months period ended 31 October 2015 under review, the Group reported a consolidated revenue of RM23.85 million and pre-tax loss of RM0.92 million as compared to the revenue of RM29.31 million and pre-tax profit of RM2.01 million in the preceding year's corresponding period. The drop in revenue for the current period under review was mainly due to lower advertising income recorded by Sun Media. The pre-tax loss registered for the period under review was mainly due to lower revenue and impairment loss on fair value of quoted investments.

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

For the second quarter ended 31 October 2015 under review, the Group registered a consolidated revenue of RM11.81 million and pre-tax profit of RM0.07 million as compared to the revenue of RM12.04 million and pre-tax loss of RM0.99 million in the preceding quarter. The decrease in revenue for the quarter under review was mainly due to lower advertising income recorded by SunMedia. The attainment of a marginal pre-tax profit was mainly due to higher investment related income recognised during the current quarter under review.

### **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 quarters 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 deteriorating consumer demand caused by the negative economic sentiment.

### **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 financial year.

### **B5. Taxation**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31.10.2015</b>	<b>31.10.2014</b>	<b>31.10.2015</b>	<b>31.10.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax expense	17	20	34	40

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**

	<b>At</b>
	<b>31.10.2015</b>
	<b>RM'000</b>
Short term borrowing (representing total borrowings of the Group)	
<u>Secured</u>	
Denominated in Ringgit Malaysia (RM)	<u>1,350</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 October 2015 (preceding year's corresponding period ended 31 October 2014: Nil).

## B9. Earnings/(Loss) per ordinary share

	3 months ended		6 months ended	
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
<b>Basic</b>				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	54	741	(951)	1,975
Weighted average number of ordinary shares of RM0.80 each in issue ('000)	235,085	235,085	235,085	235,085
Basic earnings/(loss) per ordinary share (sen)	0.02	0.32	(0.40)	0.84

### **Diluted**

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

## B10. Profit/(Loss) before tax

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

	3 months ended		6 months ended	
	31.10.2015 RM'000	31.10.2014 RM'000	31.10.2015 RM'000	31.10.2014 RM'000
Interest income	(93)	(93)	(179)	(178)
Dividend income	(503)	(503)	(503)	(503)
Gain on disposal of quoted investments	-	162	-	162
Gain/(Loss) on disposal of unquoted investments or properties	-	-	-	-
Interest expense	18	13	30	32
Depreciation for property, plant and equipment	221	202	426	403
Impairment loss on receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Impairment loss of available-for-sale quoted investments	-	-	1,006	-
Foreign exchange (gain)/loss	(11)	1	(8)	1

## B11. Realised and unrealised losses

The accumulated losses of the Group are analysed as follows:

	As at 31.10.2015 RM'000	As at 30.4.2015 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(415,451)	(413,580)
- unrealised	1,124	1,124
	(414,327)	(412,456)
- consolidation adjustments	289,750	288,830
Total accumulated losses as per consolidated statement of changes in equity	(124,577)	(123,626)