

Berjaya Media Berhad

(Company No: 290601-T)

Date: 9 December 2016

Subject: **UNAUDITED SECOND QUARTER RESULTS FOR THE
PERIOD ENDED 31 OCTOBER 2016**

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

	Note	CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended		6 months ended	
		31.10.2016	31.10.2015	31.10.2016	31.10.2015
		RM'000	RM'000	RM'000	RM'000
REVENUE		12,099	11,805	22,958	23,846
Operating expenses		(12,055)	(12,382)	(24,055)	(24,527)
Other operating income		43	70	95	118
PROFIT/(LOSS) FROM OPERATIONS		87	(507)	(1,002)	(563)
Results arising from investing activities *		(529)	596	(1,512)	(324)
Finance costs		(40)	(18)	(69)	(30)
(LOSS)/PROFIT BEFORE TAX		(482)	71	(2,583)	(917)
TAXATION	B5	(15)	(17)	(32)	(34)
(LOSS)/PROFIT AFTER TAX		(497)	54	(2,615)	(951)
ATTRIBUTABLE TO:					
Equity holders of the Company		(497)	54	(2,615)	(951)
(LOSS)/EARNINGS PER ORDINARY SHARE (SEN)					
- Basic	B9	(0.21)	0.02	(1.11)	(0.40)
- Diluted	B9	N/A	N/A	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 SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2016
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	31.10.2016	31.10.2015	31.10.2016	31.10.2015
	RM'000	RM'000	RM'000	RM'000
(LOSS)/PROFIT AFTER TAX	(497)	54	(2,615)	(951)
OTHER COMPREHENSIVE (EXPENSE)/INCOME				
Items that may be reclassified				
subsequently to profit or loss:				
- Gain/(Deficit) on changes in fair value of available-for-sale investment	(1,206)	1,105	(3,073)	(1,528)
- Cumulative impairment loss transferred to profit or loss	1,116	-	2,183	1,006
	(90)	1,105	(890)	(522)
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE QUARTER	(587)	1,159	(3,505)	(1,473)
TOTAL COMPREHENSIVE (LOSS)/PROFIT ATTRIBUTABLE TO:				
Equity holders of the Company	(587)	1,159	(3,505)	(1,473)

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 2016 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 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	The Group	
	As At 31.10.2016 (Unaudited) RM'000	As At 30.04.2016 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	2,542	2,769
Intangible asset	13,500	13,500
Other investments	18,381	21,454
Deferred tax assets	426	426
	34,849	38,149
Current Assets		
Inventories	7,141	6,402
Trade and other receivables (exclude tax recoverable)	10,494	9,287
Tax recoverable	37	37
Cash and bank balances	7,154	8,031
	24,826	23,757
TOTAL ASSETS	59,675	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	(22)	868
Accumulated losses	(142,148)	(139,533)
Total equity	49,368	52,873
Current Liabilities		
Trade and other payables (include tax payable).	7,144	7,123
Deferred income	-	1,057
Hire-purchase payables (current portion)	-	31
Short term borrowing	3,163	822
	10,307	9,033
Total liabilities	10,307	9,033
TOTAL EQUITY AND LIABILITIES	59,675	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 SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2016
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company				
	Non-distributable reserves			Accumulated losses	Total equity
	Share capital	Share premium	Fair value adjustment reserve		
RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2016	188,068	3,470	868	(139,533)	52,873
Total comprehensive deficit for the 6 months period	-	-	(890)	(2,615)	(3,505)
At 31 October 2016	188,068	3,470	(22)	(142,148)	49,368
At 1 May 2015	188,068	3,470	1,966	(123,626)	69,878
Total comprehensive deficit for the 6 months period	-	-	(522)	(951)	(1,473)
At 31 October 2015	188,068	3,470	1,444	(124,577)	68,405

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 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31.10.2016	31.10.2015
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipt from customers	22,460	23,815
Payment to suppliers	(12,823)	(10,556)
Payment for operating expenses (including taxes)	(12,665)	(12,055)
Net cash (used in)/generated from operating activities	<u>(3,028)</u>	<u>1,204</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment	3	-
Purchase of property, plant and equipment	(175)	(309)
Interest received	82	174
Net cash used in investing activities	<u>(90)</u>	<u>(135)</u>
FINANCING ACTIVITIES		
Drawdown of bank borrowing	4,692	1,350
Repayment of bank borrowing	(2,351)	-
Payment of hire purchase obligations	(31)	(47)
Finance costs	(69)	(30)
Net cash generated from financing activities	<u>2,241</u>	<u>1,273</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(877)	2,342
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,031	8,896
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>7,154</u>	<u>11,238</u>

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

	RM'000	RM'000
Fixed deposits with licensed banks	3,882	4,609
Cash and bank balances	3,272	6,629
	<u>7,154</u>	<u>11,238</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 2016 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 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 followings:

	3 months ended	6 months ended
	RM'000	RM'000
Impairment loss of available-for-sale quoted investments	<u>1,116</u>	<u>2,183</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 6 months period ended 31 October 2016, there was no change in the Company's issued and paid-up share capital.

As at 31 October 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.

The notice of expiry was sent to warrant holders on 11 November 2016. The warrant was suspended for trading on 30 November 2016 and will be delisted on 19 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 2016 are categorised as follows:-

REVENUE

	RM'000
Publishing	22,958
Others	-
Investment holding	-
Total revenue	<u>22,958</u>

A7. Segment reporting (contd.)

RESULTS

	RM'000
Publishing	(734)
Others	(3)
Investment holding	(265)
Loss from operations	<u>(1,002)</u>
Results arising from investing activities	(1,512)
Finance costs	<u>(69)</u>
Loss before tax	(2,583)
Income tax expense	<u>(32)</u>
Loss after tax	<u><u>(2,615)</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 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	6 months ended		Variance
	31.10.2016	31.10.2015	+ / (-)	31.10.2016	31.10.2015	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	12,099	11,805	2	22,958	23,846	(4)
Profit/(Loss) from operations	87	(507)	N/A	(1,002)	(563)	78
(Loss)/Profit before tax	(482)	71	N/A	(2,583)	(917)	182

For the quarter

For the second quarter ended 31 October 2016 under review, the Group reported a consolidated revenue of RM12.10 million and pre-tax loss of RM0.48 million as compared to the revenue of RM11.81 million and pre-tax profit of RM0.07 million in the preceding year's corresponding quarter. The increase in revenue for the quarter under review was mainly due to higher 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 provision for impairment loss on the quoted investments.

For the six months period

For the six months period ended 31 October 2016 under review, the Group reported a consolidated revenue of RM22.96 million and pre-tax loss of RM2.58 million as compared to the revenue of RM23.85 million and pre-tax loss of RM0.92 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 the provision for impairment loss on the quoted investments.

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

For the second quarter ended 31 October 2016 under review, the Group registered a consolidated revenue of RM12.10 million and pre-tax loss of RM0.48 million as compared to the revenue of RM10.86 million and pre-tax loss of RM2.10 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 was mainly due to higher advertising income recorded by Sun Media during the current quarter under review.

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 certainly 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 RM9.37 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 and the prevailing market outlook, the Board will be exploring various innovative 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 financial year.

B5. Taxation

	3 months ended		6 months ended	
	31.10.2016	31.10.2015	31.10.2016	31.10.2015
	RM'000	RM'000	RM'000	RM'000
Income tax expense	15	17	32	34

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 31.10.2016 RM'000
Short term borrowing (representing total borrowings of the Group)	
<u>Secured</u>	
Denominated in Ringgit Malaysia (RM)	<u>3,163</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 2016 (preceding year's corresponding period ended 31 October 2015: Nil).

B9. Earnings/(Loss) per ordinary share

	3 months ended		6 months ended	
	31.10.2016	31.10.2015	31.10.2016	31.10.2015
<u>Basic</u>				
Net (loss)/profit attributable to ordinary shareholders (RM'000)	(497)	54	(2,615)	(951)
Weighted average number of ordinary shares of RM0.80 each in issue ('000)	235,085	235,085	235,085	235,085
Basic (loss)/earnings per ordinary share (sen)	<u>(0.21)</u>	<u>0.02</u>	<u>(1.11)</u>	<u>(0.40)</u>

Diluted

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

B10. (Loss)/Profit before tax

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

	3 months ended		6 months ended	
	31.10.2016	31.10.2015	31.10.2016	31.10.2015
	RM'000	RM'000	RM'000	RM'000
Interest income	(78)	(93)	(162)	(179)
Dividend income	(506)	(503)	(506)	(503)
Gain on disposal of quoted investments	-	-	-	-
Loss on disposal of unquoted investments or properties	-	-	-	-
Interest expense	40	18	69	30
Depreciation for property, plant and equipment	199	221	402	426
Impairment loss on receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Impairment loss of available-for-sale quoted investments	1,116	-	2,183	1,006
Foreign exchange gain	<u>(20)</u>	<u>(11)</u>	<u>(20)</u>	<u>(8)</u>

B11. Realised and unrealised losses

The accumulated losses of the Group are analysed as follows:

	As at	As at
	31.10.2016	30.4.2016
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(441,160)	(438,545)
- unrealised	426	426
	<u>(440,734)</u>	<u>(438,119)</u>
- consolidation adjustments	298,586	298,586
Total accumulated losses as per consolidated statement of changes in equity	<u>(142,148)</u>	<u>(139,533)</u>