

Berjaya Media Berhad

(Company No: 290601-T)

Date: 21 June 2017

Subject: **UNAUDITED FOURTH QUARTER RESULTS FOR THE
PERIOD ENDED 30 APRIL 2017**

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**UNAUDITED FOURTH QUARTER RESULTS FOR THE PERIOD ENDED 30 APRIL 2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended		12 months ended	
		30.4.2017	30.4.2016	30.4.2017	30.4.2016
		RM'000	RM'000	RM'000	RM'000
REVENUE		9,074	8,545	42,753	44,527
Operating expenses		(11,634)	(11,484)	(49,379)	(49,043)
Other operating income		1,013	97	1,178	274
LOSS FROM OPERATIONS		(1,547)	(2,842)	(5,448)	(4,242)
Results arising from investing activities *		(12,007)	67	(15,080)	(10,794)
Finance costs		(36)	(26)	(138)	(98)
LOSS BEFORE TAX	B10	(13,590)	(2,801)	(20,666)	(15,134)
TAXATION	B5	(417)	(716)	(462)	(773)
LOSS AFTER TAX		(14,007)	(3,517)	(21,128)	(15,907)
ATTRIBUTABLE TO:					
Equity holders of the Company		(14,007)	(3,517)	(21,128)	(15,907)
LOSS PER ORDINARY SHARE (SEN)					
- Basic	B9	(5.96)	(1.50)	(8.99)	(6.77)
- Diluted	B9	N/A	N/A	N/A	N/A

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

N/A : Not Applicable

Note:

The Condensed Consolidated Income Statement 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 FOURTH QUARTER RESULTS FOR THE PERIOD ENDED 30 APRIL 2017
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	30.4.2017	30.4.2016	30.4.2017	30.4.2016
	RM'000	RM'000	RM'000	RM'000
LOSS AFTER TAX	(14,007)	(3,517)	(21,128)	(15,907)
OTHER COMPREHENSIVE DEFICIT				
(Deficit)/Gain on changes in fair value of available-for-sale investment	(1,570)	761	(2,151)	(3,251)
Cumulative impairment loss reclassified to profit or loss	108	15	2,406	2,153
	<u>(1,462)</u>	<u>776</u>	<u>255</u>	<u>(1,098)</u>
TOTAL COMPREHENSIVE DEFICIT FOR THE PERIOD	<u>(15,469)</u>	<u>(2,741)</u>	<u>(20,873)</u>	<u>(17,005)</u>
TOTAL COMPREHENSIVE DEFICIT ATTRIBUTABLE TO:				
Equity holders of the Company	<u>(15,469)</u>	<u>(2,741)</u>	<u>(20,873)</u>	<u>(17,005)</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 2016 and the accompanying explanatory notes which form an integral part of this interim financial report.

UNAUDITED FOURTH QUARTER RESULTS FOR THE PERIOD ENDED 30 APRIL 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	The Group	
	As At 30.4.2017 (Unaudited) RM'000	As At 30.4.2016 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	2,469	2,769
Intangible asset	-	13,500
Other investments	19,797	21,454
Deferred tax assets	-	426
	22,266	38,149
Current Assets		
Inventories	5,409	6,402
Trade and other receivables	8,944	9,287
Tax recoverable	33	37
Cash and bank balances	5,669	8,031
	20,055	23,757
TOTAL ASSETS	42,321	61,906
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Ordinary share capital	191,538	188,068
Share premium	-	3,470
Fair value adjustment reserve	1,123	868
Accumulated losses	(160,661)	(139,533)
Total equity	32,000	52,873
Current Liabilities		
Trade and other payables	6,684	7,123
Deferred income	613	1,057
Short term borrowing (current portion)	3,019	822
Hire-purchase payables (current portion)	-	31
Tax payable	5	-
	10,321	9,033
Total liabilities	10,321	9,033
TOTAL EQUITY AND LIABILITIES	42,321	61,906
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.14	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 FOURTH QUARTER RESULTS FOR THE PERIOD ENDED 30 APRIL 2017
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
Transfer pursuant to S618(2) of the Companies Act 2016	3,470	(3,470)	-	-	-
	191,538	-	868	(139,533)	52,873
Total comprehensive income/ (deficit) for the 12 months period	-	-	255	(21,128)	(20,873)
At 30 April 2017	191,538	-	1,123	(160,661)	32,000
At 1 May 2015	188,068	3,470	1,966	(123,626)	69,878
Total comprehensive deficit for the 12 months period	-	-	(1,098)	(15,907)	(17,005)
At 30 April 2016	188,068	3,470	868	(139,533)	52,873

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 FOURTH QUARTER RESULTS FOR THE PERIOD ENDED 30 APRIL 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30.4.2017 RM'000	30.4.2016 RM'000
OPERATING ACTIVITIES		
Receipt from customers	43,477	45,199
Payment to suppliers	(22,912)	(23,479)
Payment for operating expenses (including taxes)	(24,913)	(23,717)
Net cash used in operating activities	<u>(4,348)</u>	<u>(1,997)</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment	44	-
Purchase of property, plant and equipment	(415)	(358)
Dividend received	-	506
Interest received	329	353
Net cash (used in)/generated from investing activities	<u>(42)</u>	<u>501</u>
FINANCING ACTIVITIES		
Drawdown of bank borrowing	8,482	4,714
Repayment of bank borrowing	(6,285)	(3,892)
Payment of hire purchase obligations	(31)	(93)
Finance costs	(138)	(98)
Net cash generated from financing activities	<u>2,028</u>	<u>631</u>
NET DECREASE IN		
CASH AND CASH EQUIVALENTS	(2,362)	(865)
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	<u>8,031</u>	<u>8,896</u>
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD	<u>5,669</u>	<u>8,031</u>

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

	RM'000	RM'000
Fixed deposits with licensed banks	1,862	2,039
Cash and bank balances	3,807	5,992
	<u>5,669</u>	<u>8,031</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 FOURTH QUARTER RESULTS FOR THE PERIOD ENDED 30 APRIL 2017
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 as well as economy slowdown.

A3. Unusual items

There were no unusual items for the financial period under review other than the followings:

	3 months ended 30.4.2017 RM'000	12 months ended 30.4.2017 RM'000
Impairment loss of publishing rights	12,000	13,500
Impairment loss of available-for-sale quoted investments	108	2,406

A4. Changes in estimates

There were no changes in amount of estimates reported previously that have a material effect in the 12 months period under review.

A5. Issuance and repayment of debt and equity securities

During the 12 months period ended 30 April 2017, there was no change in the Company's issued and paid-up share capital. However, the outstanding balance of share premium account amounted to RM3,470,365, has become part of the company's share capital with effect from 31 January 2017 pursuant to Section 618(2) of the Companies Act 2016.

At the beginning of the financial year, 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. There was no warrant exercised during the period under review and all the outstanding warrants had lapsed and ceased to be valid following the expiry of the exercise period of the warrants on 18 December 2016.

A6. Dividend paid

No dividend was paid in the 12 months period ended 30 April 2017 under review.

A7. Segment reporting

The business segments of the Group for the 12 months period ended 30 April 2017 are categorised as follows:-

REVENUE

	12 months ended 30.4.2017 RM'000
Publishing	42,753
Others	-
Investment holding	-
Total revenue	<u>42,753</u>

Revenue from publishing segment represents advertising revenue less agency commission.

A7. Segment reporting (contd.)

RESULTS

	12 months ended 30.4.2017 RM'000
Publishing	(4,935)
Others	(5)
Investment holding	(508)
Loss from operations	<u>(5,448)</u>
Results arising from investing activities	(15,080)
Finance costs	(138)
Loss before tax	<u>(20,666)</u>
Taxation	(462)
Loss after tax	<u><u>(21,128)</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 financial period under review and no material events subsequent to the reporting date except that the Group has triggered the Prescribed Criteria under Paragraph 2.1 (a) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad after making impairment on publishing rights in the fourth quarter ended 30 April 2017.

A9. Changes in composition of the Group

There were no changes in the composition of the Group for the 12 months period under review.

A10. Changes in contingent liabilities or contingent assets

Other than the dismissal of legal case (as disclosed in Note B7) by the High Court on 27 February 2017, there are no material changes in contingent liabilities and contingent assets since the last annual reporting date.

A11. Fair value of financial instruments

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

As at 30 April 2017, the Group's held the following financial instruments carried at fair values in the statements of financial position:

	12 months ended 30.4.2017 RM'000
<u>Fair Value Hierarchy - Level 1</u>	
Available-for-sale financial assets:	
Quoted investments	<u>19,797</u>

The fair value of the financial assets are based on quoted price listed in the Main Market of Bursa Malaysia Securities Berhad.

UNAUDITED FOURTH QUARTER RESULTS FOR THE PERIOD ENDED 30 APRIL 2017
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	12 months ended		Variance
	30.4.2017	30.4.2016	+ / (-)	30.4.2017	30.4.2016	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	9,074	8,545	6.19	42,753	44,527	(3.98)
Loss from operations	(1,547)	(2,842)	(45.57)	(5,448)	(4,242)	28.43
Loss before tax	(13,590)	(2,801)	385.18	(20,666)	(15,134)	36.55

For the quarter

For the fourth quarter ended 30 April 2017 under review, the Group reported a revenue of RM9.07 million and pre-tax loss of RM13.59 million as compared to the revenue of RM8.55 million and pre-tax loss of RM2.80 million in the preceding year's corresponding quarter. The increase in revenue for the quarter under review was mainly due to higher advertising income registered by its principal operating subsidiary, Sun Media Corporation Sdn Bhd ("SunMedia"). The higher loss before tax was mainly due to the impairment loss on the remaining carrying amount of the publishing rights of RM12 million made in the current quarter. As a result of the said impairment loss on publishing rights, the Group has triggered the Prescribed Criteria under Paragraph 2.1 (a) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

For the financial year

For the financial year ended 30 April 2017 under review, the Group reported a revenue of RM42.75 million and pre-tax loss of RM20.67 million (including legal cost of RM1.70 million) as compared to the revenue of RM44.53 million and pre-tax loss of RM15.13 million in the preceding year. The decrease in revenue for the current year under review was mainly due to lower advertising income registered by SunMedia. The higher loss before tax was mainly due to higher impairment loss on publishing rights and quoted investments which amounted to a total of RM15.91 million.

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

For the fourth quarter ended 30 April 2017 under review, the Group registered a revenue of RM9.07 million and pre-tax loss of RM13.59 million as compared to the revenue of RM10.72 million and pre-tax loss of RM4.49 million in the preceding quarter. The decrease in revenue for the quarter under review was mainly due to lower advertising income registered by SunMedia. The higher loss before tax was mainly due to impairment loss on publishing rights of RM12 million provided in the current quarter.

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 next financial year will be more challenging compared to the current financial year under review due to the prevailing economic conditions that will certainly impact the A & P budgets of most corporate clients and advertisers.

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 has been exploring other options (including diversifying into new businesses outside the media sector) to strengthen the financial position of the Group with the key objective to regularise its PN17 condition.

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		12 months ended	
	30.4.2017	30.4.2016	30.4.2017	30.4.2016
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current taxation	9	20	(36)	(37)
- Under provision in prior year	-	(38)	-	(38)
Deferred taxation	(426)	(698)	(426)	(698)
Tax expense	<u>(417)</u>	<u>(716)</u>	<u>(462)</u>	<u>(773)</u>

The Group's current tax charge was mainly due to reversal of deferred tax assets on unabsorbed business loss and tax on interest income of certain subsidiaries.

B6. Group bank borrowings and debt securities

	As at	As at
	30.4.2017	30.4.2016
	RM'000	RM'000
Short term borrowing (representing total borrowings of the Group)		
<u>Secured</u>		
Denominated in Ringgit Malaysia (RM)	<u>3,019</u>	<u>822</u>

B7. Changes in material litigation

The legal claim made by SunMedia against The Nielsen Company (Malaysia) Sdn Bhd ("Nielsen") (as detailed in the last year's annual report) was dismissed by the High Court with cost of RM600,000 awarded to Nielsen on 27 February 2017. The Board has appealed against the decision on 23 March 2017 and the case management will be held on 6 July 2017.

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 30 April 2017 (preceding year's corresponding period ended 30 April 2016: Nil).

B9. Loss per ordinary share

	3 months ended		12 months ended	
	30.4.2017	30.4.2016	30.4.2017	30.4.2016
<u>Basic</u>				
Net loss attributable to ordinary shareholders (RM'000)	(14,007)	(3,517)	(21,128)	(15,907)
Weighted average number of ordinary shares ('000)	235,085	235,085	235,085	235,085
Basic loss per ordinary share (sen)	<u>(5.96)</u>	<u>(1.50)</u>	<u>(8.99)</u>	<u>(6.77)</u>

Diluted

Diluted loss per share is not presented as there are no dilutive potential ordinary shares outstanding at the reporting dates.

B10. Loss before tax

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

	3 months ended		12 months ended	
	30.4.2017	30.4.2016	30.4.2017	30.4.2016
	RM'000	RM'000	RM'000	RM'000
Interest income	(60)	(82)	(289)	(353)
Dividend income	-	-	(493)	(506)
Gain on disposal of quoted investments	-	-	-	-
Gain on disposal of unquoted investments or properties	-	-	-	-
Interest expense	36	26	138	98
Depreciation for property, plant and equipment	113	206	715	842
Impairment loss of property, plant and equipment	-	-	-	8
Impairment loss on receivables	69	-	69	-
Reversal of allowance for doubtful debts on receivables	-	(21)	-	(21)
Provision for and write off of inventories	-	-	-	-
Impairment loss of available-for-sale quoted investments	108	15	2,406	2,153
Impairment loss of intangible asset	12,000	-	13,500	9,500
Foreign exchange gain	(15)	(32)	(54)	(51)
	<u>(15)</u>	<u>(32)</u>	<u>(54)</u>	<u>(51)</u>

B11. Realised and unrealised losses

The accumulated losses of the Group are analysed as follows:

	As at 30.4.2017 RM'000	As at 30.4.2016 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(459,241)	(438,545)
- unrealised	-	426
	<u>(459,241)</u>	<u>(438,119)</u>
- consolidation adjustments	298,580	298,586
Total accumulated losses as per consolidated statement of changes in equity	<u>(160,661)</u>	<u>(139,533)</u>