

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2017

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM('000)	RM('000)	RM('000)	RM('000)
Revenue	4,001	2,407	11,682	7,290
Operating expenses	(3,965)	(5,193)	(11,847)	(12,708)
Other operating income	39	81	862	291
Profit / (Loss) from operations	75	(2,705)	697	(5,127)
Finance cost	(14)	(15)	(43)	(43)
Profit / (Loss) before taxation ("PBT" / "LBT")	61	(2,720)	654	(5,170)
Taxation	-	-	-	-
Profit / (Loss) for the period	61	(2,720)	654	(5,170)
Profit / (Loss) for the period attributable to:				
Equity holders of the parent	62	(2,719)	701	(5,123)
Non-controlling interests	(1)	(1)	(47)	(47)
	61	(2,720)	654	(5,170)
Earning before interest, taxation, depreciation and amortisation ("EBITDA")	502	(337)	1,941	(1,593)
Earning / (Loss) Per Share (Sen)				
(a) Basic	0.03	(1.14)	0.29	(2.14)
(b) Fully diluted	N/A	N/A	N/A	N/A

Notes:

(1) Other Income and Expenses highlights

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER	CUMULATIVE QUARTER CURRENT YEAR TO DATE
	30/09/2017 RM('000)	30/09/2017 RM('000)
Interest income	34	140
Other income (exclude interest income)	5	722
Finance cost	(14)	(43)
Depreciation, amortisation and impairment	(461)	(1,384)

There are no provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and foreign exchange gain or loss for current quarter and financial year to date.

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(2) The following is a reconciliation of PBT to EBITDA:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM('000)	RM('000)	RM('000)	RM('000)
PBT / (LBT)	61	(2,720)	654	(5,170)
Amortisation	16	41	46	57
Depreciation	445	2,408	1,338	3,767
Finance costs	14	15	43	43
Interest income	(34)	(81)	(140)	(290)
EBITDA	<u>502</u>	<u>(337)</u>	<u>1,941</u>	<u>(1,593)</u>

(3) The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of Asia Media Group Berhad ("Company") and its subsidiaries ("Group") for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.

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(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2017 RM('000)	30/09/2016 RM('000)	30/09/2017 RM('000)	30/09/2016 RM('000)
Profit / (Loss) for the period	61	(2,720)	654	(5,170)
Other comprehensive income / (loss), net of tax	-	-	-	-
Total comprehensive income / (loss)	<u>61</u>	<u>(2,720)</u>	<u>654</u>	<u>(5,170)</u>
Total comprehensive income / (loss) attributable to:				
Equity holders of the parent	62	(2,719)	701	(5,123)
Non-controlling interest	<u>(1)</u>	<u>(1)</u>	<u>(47)</u>	<u>(47)</u>
	<u>61</u>	<u>(2,720)</u>	<u>654</u>	<u>(5,170)</u>

Note:

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 30/09/2017 RM('000)	As at preceding year financial year end (audited) 31/12/2016 RM('000)
PROPERTY, PLANT AND EQUIPMENT	20,235	16,779
PLANTATION DEVELOPMENT EXPENDITURE	4,018	2,437
DEVELOPMENT COSTS	1	1
INTANGIBLE ASSETS	142	189
CURRENT ASSETS		
Trade Receivables	-	603
Other Receivables and Prepaid Expenses	108	165
Cash and Bank Balances	3,844	8,098
	3,952	8,866
CURRENT LIABILITIES		
Trade Payables	533	955
Other Payables and Accrued Expenses	1,783	2,273
Short Term Borrowings	1,500	1,500
Amount Owing to Director	1,101	767
Tax Liabilities	1	1
	4,918	5,496
NET CURRENT ASSETS / (LIABILITIES)	(966)	3,370
	23,430	22,776
FINANCED BY:		
Share Capital	23,947	23,947
Reserves	(339)	(1,040)
	23,608	22,907
Non-Controlling Interests	(178)	(131)
TOTAL EQUITY	23,430	22,776
NON CURRENT LIABILITIES		
Hire Purchase Creditor	-	-
	23,430	22,776
Net assets per share attributable to ordinary equity holders of the parent (sen)	9.86	9.57

Note:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	<-----Attributable to Owner of the Company----->						
	<-----Non-Distributable----->			Distributable			
	Share Capital	Share Premium	Warrant Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
9 months period ended 30 September 2017							
Balance as at 1 January 2017	23,947	826	3,520	(5,386)	22,907	(131)	22,776
Total comprehensive income / (loss) for the period	-	-	-	701	701	(47)	654
Balance as at 30 September 2017	<u>23,947</u>	<u>826</u>	<u>3,520</u>	<u>(4,685)</u>	<u>23,608</u>	<u>(178)</u>	<u>23,430</u>
9 months period ended 30 September 2016							
Balance as at 1 January 2016	23,947	826	3,520	4,650	32,943	(75)	32,868
Total comprehensive income / (loss) for the period	-	-	-	(5,123)	(5,123)	(47)	(5,170)
Balance as at 30 September 2016	<u>23,947</u>	<u>826</u>	<u>3,520</u>	<u>(473)</u>	<u>27,820</u>	<u>(122)</u>	<u>27,698</u>

Note:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.

ASIA MEDIA GROUP BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(These figures have not been audited)

	9 months ended 30/09/2017	9 months ended 30/09/2016
	RM('000)	RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	654	(5,170)
Adjustments for:		
Amortisation of development cost	1	1
Amortisation of intangible assets	45	56
Depreciation of property, plant and equipment	1,338	3,767
Impairment loss on property, plant and equipment	-	1
Gain on disposal of property, plant and equipment	-	(1)
Finance cost	43	43
Interest income	(140)	(290)
Operating profit / (loss) before working capital changes	1,941	(1,593)
Changes in working capital:		
Net change in current assets	660	(1,259)
Net change in current liabilities	(578)	(448)
Cash generated from operations	2,023	(3,300)
Finance cost paid	(43)	(43)
Interest received	140	290
Tax paid	(1)	(1)
Net cash from / (used in) operating activities	2,119	(3,054)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,373)	(1,573)
Proceeds from disposal of property, plant and equipment	-	1
Net cash used in investing activities	(6,373)	(1,572)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from drawdown of credit facilities	-	-
Net cash from financing activities	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,254)	(4,626)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8,098	13,432
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,844	8,806

Note:

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.

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Quarterly report on consolidated results for the 3rd quarter ended 30 September 2017

NOTES

A NOTES TO THE INTERIM FINANCIAL REPORT

A 1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The quarterly financial report ended 30 September 2017 is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016. The explanatory notes attached to the quarterly financial report provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

The accounting policies and methods of computation adopted by the Group in the quarterly financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2016. The Group adopted the Malaysian Financial Reporting Standards Framework ("MFRS Framework") relevant to the Group as explained below:

Convergence of the FRS Framework in Malaysia with the IFRS Framework issued by the IASB

On 19 November 2011, Malaysian Accounting Standard Board ("MASB") issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer ("Transitioning Entities").

The Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2016. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening undistributed income.

The adoption of the MFRSs does not have any significant impact on the interim financial statements of the Group and the Company.

A2 Audit report of preceding annual financial statements

The auditors' report on the preceding year's audited financial statements of the Group was not subject to any qualification.

A3 Seasonal or cyclical factors

The Group's business operations were not subject to any seasonal or cyclical changes.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A5 Material changes in estimates

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

A6 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A7 Dividend paid

There were no dividends paid during the current financial quarter under review.

A8 Segment information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30/09/2017	QUARTER	30/09/2017	PERIOD
	RM('000)	30/09/2016	RM('000)	30/09/2016
		RM('000)		RM('000)
REVENUE				
Advertising	4,001	2,407	11,682	7,290
Plantations	-	-	-	-
	<u>4,001</u>	<u>2,407</u>	<u>11,682</u>	<u>7,290</u>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30/09/2017	QUARTER	30/09/2017	PERIOD
	RM('000)	30/09/2016	RM('000)	30/09/2016
		RM('000)		RM('000)
PROFIT / (LOSS) BEFORE TAXATION				
Advertising	22	(2,801)	(205)	(5,460)
Plantations	-	-	(3)	-
	<u>22</u>	<u>(2,801)</u>	<u>(208)</u>	<u>(5,460)</u>
Other operating income	39	81	862	290
	<u>61</u>	<u>(2,720)</u>	<u>654</u>	<u>(5,170)</u>

A9 Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter ended 30 September 2017 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

A12 Contingent liabilities

There were no contingent liabilities as at the end of the current financial quarter under review.

A13 Capital commitments

There were no capital commitments as at the end of the current financial quarter under review.

A14 Significant related party transactions

There were no significant related party transactions as at the end of the current financial quarter under review.

A15 Cash and cash equivalents

	As at 30/09/2017
	RM('000)
Fixed deposits placed with licenced banks	-
Cash and bank balances	<u>3,844</u>
	<u>3,844</u>
Less: Fixed deposit pledged to licensed banks	<u>-</u>
	<u>3,844</u>

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of performance

For the current quarter ended 30 September 2017, the Group recorded revenue of RM4.001 million and a profit before tax of RM0.061 million compared to RM2.407 million in revenue and a loss before tax of RM2.720 million for the preceding year corresponding quarter ended 30 September 2016. The increase in revenue was mainly attributable to the increase in customers' demand for the financial period ended ("FPE") 30 September 2017. The reduction in losses due to better cost control by the Company in current quarter ended 30 September 2017.

B2 Variation of results against preceding quarter

For the quarter ended 30 September 2017, the Group recorded a profit before tax of RM61 thousand compared to a profit before tax of RM308 thousand for the preceding quarter ended 30 June 2017. This was mainly due to the non-recurring other income being recognised in preceding quarter ended 30 June 2017.

B3 Prospects

Based on the above and barring any unforeseen circumstances, the Board of Directors is of the opinion that the prospects for the Group for the next quarter will remain favourable due to increasing customers' demand.

B4 Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee during the financial quarter under review.

B5 Taxation

The taxation for the current financial quarter under review and year to date is as follow:-

	Current Year Quarter 30/09/2017 RM('000)	Current Year To Date 30/09/2017 RM('000)
Taxation based on short term deposit interest received	-	-

Asia Media Sdn Bhd has been awarded Multimedia Super Corridor status. Accordingly, there is no tax charge on the business income for the financial quarter under review as Asia Media Sdn Bhd has been granted pioneer status under the Promotion of Investments (Amendment) Act, 1986.

B6 Group's borrowings and debt securities

	As at 30/09/2017 RM('000)
Secured:	
<u>Short term borrowings</u>	
Revolving Financing-i	1,500
Hire purchase	-
	1,500
<u>Long term borrowings</u>	
Hire purchase	-
Total borrowings	1,500

B7 Off balance sheet financial instruments

There were no off balance financial instruments as at the date of this report.

B8 Material litigations

Shah Alam High Court Civil Suit No. 22NCVC-186-03/2015: Rapid Rail Sdn. Bhd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant")

On 27th March 2015, the Plaintiff filed the Writ and Statement of Claim against the Defendant seeking, inter alia:

- (i) Payment of Minimum Guaranteed Sum ("MGS" amounting to RM 1,215,000.00 for Year 5 of the Licence Agreement;
- (ii) Payment of cumulative MGS for the extended period amounting to RM607,500.00; and
- (iii) Costs and interests.

By the Defence and Counterclaim dated 14th May 2015, the Defendant counter claimed against the Plaintiff for breach of the License Agreement and pleaded the defence of set-off.

On 3rd July 2015, the Plaintiff filed the Summary Judgement application and the High court allowed the Plaintiff's summary judgement application against the Defendant for the sum of RM1,215,000 in 17th September 2015. This Judgement is presently stayed pending the disposal of the trial in respect of the Defendant's counterclaim.

Trial took place on 14th June 2016, and 11th to 13th July 2016.

The Defendant filed an application to amend its Counterclaim, and the same was dismissed with costs of RM2,500.00. The Defendant then filed an appeal to the Court of Appeal, and the hearing of the same took place on 10th July 2017, whereat the appeal was allowed with costs to be in the cause.

Parties have filed their submissions in relation to the main suit previously, but will be filing further submissions in respect of the amended Defence and Counterclaim.

The Plaintiff filed an application to reopen the case to call a further witness, which the Defendant objects to. All affidavits and submissions have been filed in relation to this application, and parties are now waiting to hear from the judge as to the hearing date of this application.

B9 Dividends

No dividend has been declared during the current financial quarter under review.

B10 Earnings per share**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2017 RM('000)	30/09/2016 RM('000)	30/09/2017 RM('000)	30/09/2016 RM('000)
Earning / (Loss) attributable to ordinary equity holders of the parent	62	(2,719)	701	(5,123)
Weighted average number of ordinary shares in issue ('000)	239,464	239,464	239,464	239,464
Basic earnings / (losses) per share (sen)	0.03	(1.14)	0.29	(2.14)

(b) Diluted earnings per share

The fully diluted earnings per share have not been presented as there is no diluted effect for the shares.

B11 Realised and Unrealised Retained Earnings

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	As at 30/09/2017 RM('000)	As at 31/12/2016 (audited) RM('000)
Retained earnings/(losses) of the Company and its subsidiaries		
- Realised	(115,047)	(115,702)
- Unrealised	(1,823)	(1,823)
	(116,870)	(117,525)
Add: Consolidation adjustments	112,185	112,138
Total retained earnings as per Consolidated Statements of Financial Position	(4,685)	(5,387)

B12 Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors on 20th November 2017.