

ASIA MEDIA GROUP BERHAD

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

Quarterly report on consolidated results for the 1st quarter ended 31 March 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 |
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| | RM('000) | RM('000) | RM('000) | RM('000) |
| Revenue | 3,749 | 2,468 | 3,749 | 2,468 |
| Operating expenses | (3,512) | (3,975) | (3,512) | (3,975) |
| Other operating income | 63 | 113 | 63 | 113 |
| Profit / (Loss) from operations | 300 | (1,394) | 300 | (1,394) |
| Finance cost | (15) | (14) | (15) | (14) |
| Profit / (Loss) before taxation ("PBT" / "LBT") | 285 | (1,408) | 285 | (1,408) |
| Taxation | - | - | - | - |
| Profit / (Loss) for the period | 285 | (1,408) | 285 | (1,408) |
| Profit / (Loss) for the period attributable to: | | | | |
| Equity holders of the parent | 330 | (1,363) | 330 | (1,363) |
| Non-controlling interests | (45) | (45) | (45) | (45) |
| | 285 | (1,408) | 285 | (1,408) |
| Earning before interest, taxation, depreciation and amortisation ("EBITDA") | 1,309 | (836) | 1,309 | (836) |
| Earning / (Loss) Per Share (Sen) | | | | |
| (a) Basic | 0.14 | (0.57) | 0.14 | (0.57) |
| (b) Fully diluted | N/A | N/A | N/A | N/A |

Notes:

(1) Other Income and Expenses highlights

| | INDIVIDUAL QUARTER | CUMULATIVE QUARTER |
|---|----------------------|----------------------|
| | CURRENT YEAR QUARTER | CURRENT YEAR TO DATE |
| | 31/03/2017 | 31/03/2017 |
| | RM('000) | RM('000) |
| Interest income | 59 | 59 |
| Other income (exclude interest income) | 4 | 4 |
| Finance cost | (15) | (15) |
| Depreciation, amortisation and impairment | (1,068) | (1,068) |

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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(These figures have not been audited)

(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 |
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| | RM('000) | RM('000) | RM('000) | RM('000) |
| PBT / (LBT) | 285 | (1,408) | 285 | (1,408) |
| Amortisation | 15 | 8 | 15 | 8 |
| Depreciation | 1,053 | 663 | 1,053 | 663 |
| Finance costs | 15 | 14 | 15 | 14 |
| Interest income | (59) | (113) | (59) | (113) |
| EBITDA | <u>1,309</u> | <u>(836)</u> | <u>1,309</u> | <u>(836)</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.

ASIA MEDIA GROUP BERHAD

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

Quarterly report on consolidated results for the 1st quarter ended 31 March 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 |
| | 31/03/2017 RM('000) | 31/03/2016 RM('000) | 31/03/2017 RM('000) | 31/03/2016 RM('000) |
| Profit / (Loss) for the period | 285 | (1,408) | 285 | (1,408) |
| Other comprehensive income / (loss), net of tax | - | - | - | - |
| Total comprehensive income / (loss) | <u>285</u> | <u>(1,408)</u> | <u>285</u> | <u>(1,408)</u> |
| Total comprehensive income / (loss) attributable to: | | | | |
| Equity holders of the parent | 330 | (1,363) | 330 | (1,363) |
| Non-controlling interest | <u>(45)</u> | <u>(45)</u> | <u>(45)</u> | <u>(45)</u> |
| | <u>285</u> | <u>(1,408)</u> | <u>285</u> | <u>(1,408)</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.

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2017

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Unaudited as at 31/03/2017 RM('000) | As at preceding year financial year end (audited) 31/12/2016 RM('000) |
|---|---|---|
| PROPERTY, PLANT AND EQUIPMENT | 17,806 | 16,779 |
| PLANTATION DEVELOPMENT EXPENDITURE | 3,016 | 2,437 |
| DEVELOPMENT COSTS | 1 | 1 |
| INTANGIBLE ASSETS | 173 | 189 |
| CURRENT ASSETS | | |
| Trade Receivables | 640 | 603 |
| Other Receivables and Prepaid Expenses | 101 | 165 |
| Cash and Bank Balances | 6,684 | 8,098 |
| | <u>7,425</u> | <u>8,866</u> |
| CURRENT LIABILITIES | | |
| Trade Payables | 641 | 955 |
| Other Payables and Accrued Expenses | 2,373 | 2,273 |
| Short Term Borrowings | 1,500 | 1,500 |
| Amount Owing to Director | 845 | 767 |
| Tax Liabilities | 1 | 1 |
| | <u>5,360</u> | <u>5,496</u> |
| NET CURRENT ASSETS / (LIABILITIES) | 2,065 | 3,370 |
| | <u>23,061</u> | <u>22,776</u> |
| FINANCED BY: | | |
| Share Capital | 23,947 | 23,947 |
| Reserves | (710) | (1,040) |
| | <u>23,237</u> | <u>22,907</u> |
| Non-Controlling Interests | (176) | (131) |
| TOTAL EQUITY | <u>23,061</u> | <u>22,776</u> |
| NON CURRENT LIABILITIES | | |
| Hire Purchase Creditor | - | - |
| | <u>23,061</u> | <u>22,776</u> |
| Net assets per share attributable to ordinary equity holders of the parent (sen) | 9.70 | 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.

ASIA MEDIA GROUP BERHAD

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Quarterly report on consolidated results for the 1st quarter ended 31 March 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

| | <-----Attributable to Owner of the Company-----> | | | | | | Non-Controlling Interests | Total Equity |
|--|--|---------------|----------------------|----------------|---------------|--------------|------------------------------|--------------|
| | <-----Non-Distributable-----> | | | Distributable | | Total | | |
| | Share Capital | Share Premium | Warrant Reserve | Reserve - | | | | |
| RM('000) | RM('000) | RM('000) | Retained Earnings | Reserve - | RM('000) | RM('000) | RM('000) | |
| 3 months period ended 31 March 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 | - | - | - | 330 | 330 | (45) | 285 | |
| Balance as at 31 March 2017 | <u>23,947</u> | <u>826</u> | <u>3,520</u> | <u>(5,056)</u> | <u>23,237</u> | <u>(176)</u> | <u>23,061</u> | |
| 3 months period ended 31 March 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 | - | - | - | (1,363) | (1,363) | (45) | (1,408) | |
| Balance as at 31 March 2016 | <u>23,947</u> | <u>826</u> | <u>3,520</u> | <u>3,287</u> | <u>31,580</u> | <u>(120)</u> | <u>31,460</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

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

Quarterly report on consolidated results for the 1st quarter ended 31 March 2017

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(These figures have not been audited)

| | 3 months ended 31/03/2017 | 3 months ended 31/03/2016 |
|---|---------------------------------|---------------------------------|
| | RM('000) | RM('000) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (loss) before taxation | 285 | (1,408) |
| Adjustments for: | | |
| Amortisation of development cost | 1 | 1 |
| Amortisation of intangible assets | 14 | 7 |
| Depreciation of property, plant and equipment | 1,053 | 663 |
| Finance cost | 15 | 14 |
| Interest income | (59) | (113) |
| Operating profit / (loss) before working capital changes | <u>1,309</u> | <u>(836)</u> |
| Changes in working capital: | | |
| Net change in current assets | 27 | (389) |
| Net change in current liabilities | (136) | (1,355) |
| Cash generated from operations | <u>1,200</u> | <u>(2,580)</u> |
| Finance cost paid | (15) | 113 |
| Interest received | 59 | (14) |
| Tax paid | - | - |
| Net cash from / (used in) operating activities | <u>1,244</u> | <u>(2,481)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (2,658) | (124) |
| Net cash used in investing activities | <u>(2,658)</u> | <u>(124)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceed from drawdown of credit facilities | - | - |
| Uplift of fixed deposits | - | - |
| Repayment of short term borrowings | - | - |
| Net cash from financing activities | <u>-</u> | <u>-</u> |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (1,414) | (2,605) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 8,098 | 13,432 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u>6,684</u> | <u>10,827</u> |

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.

ASIA MEDIA GROUP BERHAD

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Quarterly report on consolidated results for the 1st quarter ended 31 March 2017

NOTES

A NOTES TO THE INTERIM FINANCIAL REPORT

A 1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The quarterly financial report ended 31 March 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 |
| | 31/03/2017 | QUARTER | 31/03/2017 | PERIOD |
| | RM('000) | 31/03/2016 | 31/03/2016 | RM('000) |
| | RM('000) | RM('000) | RM('000) | RM('000) |
| REVENUE | | | | |
| Advertising | 3,718 | 2,468 | 3,718 | 2,468 |
| Plantations | 31 | - | 31 | - |
| | <u>3,749</u> | <u>2,468</u> | <u>3,749</u> | <u>2,468</u> |

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------|----------------|--------------------|----------------|
| | CURRENT YEAR | PRECEDING YEAR | CURRENT YEAR | PRECEDING YEAR |
| | QUARTER | CORRESPONDING | TO DATE | CORRESPONDING |
| | 31/03/2017 | QUARTER | 31/03/2017 | PERIOD |
| | RM('000) | 31/03/2016 | 31/03/2016 | RM('000) |
| | RM('000) | RM('000) | RM('000) | RM('000) |
| PROFIT / (LOSS) BEFORE TAXATION | | | | |
| Advertising | 241 | (1,521) | 241 | (1,521) |
| Plantations | (19) | - | (19) | - |
| | <u>222</u> | <u>(1,521)</u> | <u>222</u> | <u>(1,521)</u> |
| Other operating income | 63 | 113 | 63 | 113 |
| | <u>285</u> | <u>(1,408)</u> | <u>285</u> | <u>(1,408)</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 31 March 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 31/03/2017 |
|---|------------------|
| | RM('000) |
| Fixed deposits placed with licenced banks | - |
| Cash and bank balances | 6,684 |
| | <u>6,684</u> |
| Less: Fixed deposit pledged to licensed banks | - |
| | <u>6,684</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 31 March 2017, the Group recorded revenue of RM3.749 million and a profit before tax of RM0.285 million compared to RM2.468 million in revenue and a loss before tax of RM1.408 million for the preceding year corresponding quarter ended 31 March 2016. The increase in revenue was mainly attributable to the increase in customers' demand for the financial period ended ("FPE") 31 March 2017. The reduction in losses due to better cost control by the Company in current quarter ended 31 March 2017.

B2 Variation of results against preceding quarter

For the quarter ended 31 March 2017, the Group recorded a profit before tax of RM0.285 million compared to a loss before tax of RM4.924 million for the preceding quarter ended 31 December 2016. This was mainly due to the impairment charges impact in the preceding quarter.

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 be challenging due to existing competitive business environment.

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 31/03/2017 RM('000) | Current Year To Date 31/03/2017 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 31/03/2017 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 has filed an appeal to the Court of Appeal, and the hearing date has been set for 10th July 2017.

Parties have filed their submissions in relation to the main suit, and are now waiting for a date to be fixed for the Judge to deliver her decision.

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 31/03/2017 RM('000) | PRECEDING YEAR CORRESPONDING QUARTER 31/03/2016 RM('000) | CURRENT YEAR TO DATE 31/03/2017 RM('000) | PRECEDING YEAR CORRESPONDING PERIOD 31/03/2016 RM('000) |
| Earning / (Loss) attributable to ordinary equity holders of the parent | 330 | (1,363) | 330 | (1,363) |
| Weighted average number of ordinary shares in issue ('000) | 239,464 | 239,464 | 239,464 | 239,464 |
| Basic earnings / (losses) per share (sen) | 0.14 | (0.57) | 0.14 | (0.57) |

(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 31/03/2017 RM('000) | As at 31/12/2016 (audited) RM('000) |
|--|---------------------------------|--|
| Retained earnings/(losses) of the Company and its subsidiaries | | |
| - Realised | (115,416) | (115,702) |
| - Unrealised | (1,823) | (1,823) |
| | (117,239) | (117,525) |
| Add: Consolidation adjustments | 112,183 | 112,138 |
| Total retained earnings as per Consolidated Statements of Financial Position | (5,056) | (5,387) |

B12 Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors on 24th April 2017.