

ASIA MEDIA GROUP BERHAD

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

Quarterly report on consolidated results for the 2nd quarter ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2018 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2017 RM('000)	CURRENT YEAR TO DATE 30/06/2018 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2017 RM('000)
Revenue	3,577	3,932	7,541	7,681
Operating expenses	(4,091)	(4,370)	(9,066)	(7,882)
Other operating income	661	760	682	823
	32			
- Profit / (Loss) from operations -continued operations	147	322	(843)	622
- Profit / (Loss) from operations -discontinued operations	(216)	-	(354)	-
Finance cost	-	(14)	-	(29)
Profit / (Loss) before taxation ("PBT" / "LBT")	(69)	308	(1,197)	593
Taxation	-	-	-	-
Profit / (Loss) for the period	(69)	308	(1,197)	593
Profit / (Loss) for the period attributable to:				
Equity holders of the parent	(69)	309	(1,152)	639
Non-controlling interests	-	(1)	(45)	(46)
	(69)	308	(1,197)	593
Earning before interest, taxation, depreciation and amortisation ("EBITDA")	533	130	(5)	1,439
Earning / (Loss) Per Share (Sen)				
(a) Basic	(0.03)	0.13	(0.48)	0.27
(b) Fully diluted	(30.00)	N/A	N/A	N/A

Notes:

(1) Other Income and Expenses highlights

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	CURRENT YEAR QUARTER 30/06/2018 RM('000)	CURRENT YEAR TO DATE 30/06/2018 RM('000)
Interest income	7	17
Other income (exclude interest income)	654	665
Finance cost	-	-
Depreciation, amortisation and impairment	(592)	(1,209)

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
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM('000)	RM('000)	RM('000)	RM('000)
PBT / (LBT)	(69)	308	(1,197)	593
Amortisation	32	15	32	30
Depreciation	577	(160)	1,177	893
Finance costs	-	14	-	29
Interest income	(7)	(47)	(17)	(106)
EBITDA	<u>533</u>	<u>130</u>	<u>(5)</u>	<u>1,439</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 2017 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
	30/06/2018 RM('000)	30/06/2017 RM('000)	30/06/2018 RM('000)	30/06/2017 RM('000)
Profit / (Loss) for the period	(69)	308	(1,197)	593
Other comprehensive income / (loss), net of tax	-	-	-	-
	<u>32</u>			
Total comprehensive income / (loss)	<u>(69)</u>	<u>308</u>	<u>(1,197)</u>	<u>593</u>
Total comprehensive income / (loss) attributable to:				
Equity holders of the parent	(69)	309	(1,152)	639
Non-controlling interest	-	(1)	(45)	(46)
	<u>(69)</u>	<u>308</u>	<u>(1,197)</u>	<u>593</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 2017 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 30/06/2018 RM('000)	As at preceding year financial year end 31/12/2017 (audited) RM('000)
PROPERTY, PLANT AND EQUIPMENT	19,132	20,279
PLANTATION DEVELOPMENT EXPENDITURE	-	-
DEVELOPMENT COSTS	-	1
INTANGIBLE ASSETS	95	126
CURRENT ASSETS		
Trade receivables	711	771
Other receivables and prepaid expenses	2,560	42
Cash and bank balances	2,105	1,953
	5,376	2,766
Assets included in disposal group classified as held for sale	-	4,886
TOTAL CURRENT ASSETS	5,376	7,652
CURRENT LIABILITIES		
Trade payables	867	658
Other payables and accrued expenses	285	1,035
Deposit received	-	-
Amount owing to director	26	1,094
Tax liabilities	1	1
	1,179	2,788
Liabilities included in disposal group classified as held for sale	-	270
	1,179	3,058
NET CURRENT ASSETS / (LIABILITIES)	4,197	4,594
	23,424	25,000
FINANCED BY:		
Share capital	24,773	24,773
Reserves	(1,165)	415
	23,608	25,188
Non-controlling interests	(184)	(188)
TOTAL EQUITY	23,424	25,000
NON CURRENT LIABILITIES		
Hire purchase creditor	-	-
	23,424	25,000
Net assets per share attributable to ordinary equity holders of the parent (sen)	9.86	10.52

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 2017 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----->							
	Share Capital	<-----Non-Distributable-----> Reserves -			Distributable Reserve -	Total	Non-Controlling Interests	Total Equity
		Share Premium	Warrant Reserve	Retained Earnings	Total			
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	
3 months period ended 30 June 2018								
Balance as at 1 January 2018	24,773	-	-	415	25,188	(188)	25,000	
Total comprehensive income / (loss) for the period	-	-	-	(1,152)	(1,152)	(45)	(1,197)	
Disposal	-	-	-	(428)	(428)	49	(379)	
Balance as at 30 June 2018	<u>24,805</u>	<u>-</u>	<u>-</u>	<u>(1,165)</u>	<u>23,608</u>	<u>(184)</u>	<u>23,424</u>	
3 months period ended 30 June 2017								
Balance as at 1 April 2017	23,947	826	3,520	(5,386)	22,907	(131)	22,776	
Total comprehensive income / (loss) for the period	-	-	-	639	639	(46)	593	
Balance as at 30 June 2017	<u>23,917</u>	<u>826</u>	<u>3,520</u>	<u>(4,747)</u>	<u>23,546</u>	<u>(177)</u>	<u>23,369</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 2017 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(These figures have not been audited)

	6 months ended 30/06/2018	6 months ended 30/06/2017
	RM('000)	RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation		
- Continuing operations	(1,197)	593
- Discontinued operations	-	-
Adjustments for:		
Amortisation of development cost	-	1
Amortisation of intangible assets	32	29
Depreciation of property, plant and equipment	1,177	893
Gain on disposal of subsidiaries	(654)	-
Finance cost	-	29
Interest income	(19)	(106)
Operating profit / (loss) before working capital changes	<u>(661)</u>	<u>1,439</u>
Changes in working capital:		
Net change in current assets	(667)	67
Net change in current liabilities	<u>(1,610)</u>	<u>(624)</u>
Cash generated from / (used in) operations	<u>(2,938)</u>	<u>882</u>
Finance cost paid	-	(29)
Interest received	19	106
Net cash from / (used in) operating activities	<u><u>(2,919)</u></u>	<u><u>959</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(30)</u>	<u>(4,513)</u>
Net cash used in investing activities	<u><u>(30)</u></u>	<u><u>(4,513)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from disposal	2,958	-
Repayment of short term borrowings	-	-
Net cash from financing activities	<u><u>2,958</u></u>	<u><u>-</u></u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	9	(3,554)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,096	8,098
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>2,105</u></u>	<u><u>4,544</u></u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
- Cash and bank balances	2,105	4,544
- Cash and bank balances included in disposal group	-	-
	<u><u>2,105</u></u>	<u><u>4,544</u></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 2017 and the accompanying explanatory notes attached to this interim financial report.

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NOTES

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The quarterly financial report ended 30 June 2018 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 2017. 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 2017.

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 2017. 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.

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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 QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM('000)	RM('000)	RM('000)	RM('000)
REVENUE				
Advertising	3,577	3,963	7,541	7,681
Plantations	-	(31)	-	-
	<u>3,577</u>	<u>3,932</u>	<u>7,541</u>	<u>7,681</u>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM('000)	RM('000)	RM('000)	RM('000)
PROFIT / (LOSS) BEFORE TAXATION				
Advertising	(514)	(468)	(1,525)	(227)
Plantations	(216)	16	(354)	(3)
	<u>(730)</u>	<u>(452)</u>	<u>(1,879)</u>	<u>(230)</u>
Other operating income	661	760	682	823
	<u>(69)</u>	<u>308</u>	<u>(1,197)</u>	<u>593</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 June 2018 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 30/06/2018 RM('000)
Fixed deposits placed with licenced banks	-
Cash and bank balances	2,105
	<u>2,105</u>
Less: Fixed deposit pledged to licensed banks	-
	<u>2,105</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 June 2018, the Group recorded revenue of RM3.577 million and a loss before tax of RM0.069 million compared to RM3.932 million in revenue and a profit before tax of RM0.308 million for the preceding year corresponding quarter ended 30 June 2017. The Group suffered losses due to lower in customer demand as well as increase in operating cost.

B2 Variation of results against preceding quarter

For the quarter ended 30 June 2018, the Group recorded a loss before tax of RM0.069 million compared to a loss before tax of RM1.128 million for the preceding quarter ended 31 March 2018. The reduction in losses mainly due to the recognition of gain on disposal as well as reduce in direct cost.

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 30/06/2018 RM('000)	Current Year To Date 30/06/2018 RM('000)
Taxation based on short term deposit interest received	-	-

B6 Off balance sheet financial instruments

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

B7 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.

Trial took place on 14th June 2016, and 11th to 13th July 2016. The date for the Judge to deliver her decision has not been fixed yet.

Our lawyer is of the view that the Company has a high likelihood of success in defending itself against the Rapid Rail's claim and establishing its counterclaim against Rapid Rail.

After trial concluded, the Defendant filed an application to amend its Counterclaim in July 2016, but the same was dismissed with costs of RM2,500.00. The Defendant then filed an appeal against the decision to the Court of Appeal in October 2016.

The hearing for the same took place on 10th July 2017, and our appeal was allowed, where costs was ordered to be in the cause.

Rapid Rail then filed an application in the High Court to call a further witness in September 2017. All relevant documents have been filed in relation to this application and it is pending the decision of the same.

AMSB filed an application in the High Court for extension of time to file its Amended Defence and Counterclaim in February 2018. This application was dismissed by the High Court with costs of RM4,500 on 29 March 2018 and AMSB filed an appeal on 2 April 2018. An application was also filed for this appeal to be heard on an urgent basis. No hearing date has been fixed but the next case management at the Court of Appeal is scheduled on 26 June 2018.

AMSB had filed an application on 13 April 2018 for the proceedings at the High Court to be stayed pending the appeal stated at paragraph (8) above. This stay application was allowed on 26 April 2018 with costs of RM8,000 payable by the Defendant to the Plaintiff in any event. The High Court also fixed the next case management on 18 September 2018 for parties to update the High Court on the progress at the Court of Appeal.

B8 Dividends

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

B9 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 30/06/2018 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2017 RM('000)	CURRENT YEAR TO DATE 30/06/2018 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2017 RM('000)
Earning / (Loss) attributable to ordinary equity holders of the parent	<u>(69)</u>	<u>309</u>	<u>(1,152)</u>	<u>639</u>
Weighted average number of ordinary shares in issue ('000)	<u>239,464</u>	<u>239,464</u>	<u>239,464</u>	<u>239,464</u>
Basic earnings / (losses) per share (sen)	(0.03)	0.13	(0.48)	0.27

(b) Diluted earnings / (loss) per share

The Group has no dilution in their earnings/(loss) per ordinary share as there is not convertible as at the quarter ended 30 June 2018.

B10 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 30/06/2018 RM('000)	As at 31/12/2017 (audited) RM('000)
Retained earnings/(losses) of the Company and its subsidiaries		
- Realised	(108,918)	(107,790)
- Unrealised	<u>(1,823)</u>	<u>(1,823)</u>
	<u>(110,741)</u>	<u>(109,613)</u>
Add: Consolidation adjustments	<u>109,576</u>	<u>110,028</u>
Total retained earnings as per Consolidated Statements of Financial Position	<u>(1,165)</u>	<u>415</u>

B11 Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors on 13th August 2018.