

ASIA MEDIA GROUP BERHAD

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

Quarterly report on consolidated results for the 1st quarter ended 31 March 2019 (Amended)

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
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	1,200	3,964	1,200	3,964
Operating expenses	(1,624)	(5,113)	(1,624)	(5,113)
Other operating income	5	21	5	21
Profit / (Loss) from operations	(419)	(1,128)	(419)	(1,128)
Finance cost	-	-	-	-
Profit / (Loss) before taxation ("PBT" / "LBT")	(419)	(1,128)	(419)	(1,128)
Taxation	-	-	-	-
Profit / (Loss) for the period	(419)	(1,128)	(419)	(1,128)
Profit / (Loss) for the period attributable to:				
Equity holders of the parent	(419)	(1,083)	(419)	(1,083)
Non-controlling interests	-	(45)	-	(45)
	(419)	(1,128)	(419)	(1,128)
Earning / (Loss) Per Share (Sen)				
(a) Basic	(0.17)	(0.45)	(0.17)	(0.45)
(b) Fully diluted	N/A	N/A	N/A	N/A

There were 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)

(1) The following is the reconciliation of PBT to EBITDA:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2018 RM'000	CURRENT YEAR QUARTER 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2018 RM'000
PBT / (LBT)	(419)	(1,128)	(419)	(1,128)
Amortisation	-	16	-	16
Depreciation	-	600	-	600
Finance costs	-	-	-	-
Interest income	(5)	(10)	(5)	(10)
EBITDA	<u>(424)</u>	<u>(522)</u>	<u>(424)</u>	<u>(522)</u>

(2) The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements of Asia Media Group Berhad ("Company") and its subsidiaries ("Group") for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31/03/2019 RM'000	As at preceding year financial year end 31/12/2018 RM'000
PROPERTY, PLANT AND EQUIPMENT	-	-
DEVELOPMENT COSTS	-	-
INTANGIBLE ASSETS	-	-
CURRENT ASSETS		
Trade receivables	516	-
Other receivables and prepaid expenses	-	-
Cash and bank balances	950	1,347
TOTAL CURRENT ASSETS	1,466	1,347
CURRENT LIABILITIES		
Trade payables	925	470
Other payables and accrued expenses	2,515	2,432
Deposit Received	-	-
Amount owing to director	-	-
Tax liabilities	-	-
	3,440	2,902
NET CURRENT ASSETS / (LIABILITIES)	(1,974)	(1,555)
	(1,974)	(1,555)
FINANCED BY:		
Share capital	24,773	24,773
Reserves	(26,514)	(26,095)
	(1,741)	(1,322)
Non-controlling interests	(233)	(233)
TOTAL EQUITY	(1,974)	(1,555)
NON CURRENT LIABILITIES	-	-
	(1,974)	(1,555)
Net assets per share attributable to ordinary equity holders of the parent (sen)	(0.82)	(0.65)

Note:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements of the Group for the financial year ended 31 December 2018 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 Owners of the Company				Total	Non-Controlling Interests	Total Equity
	Non-Distributable		Distributable	Retained Earnings			
	Share Capital	Share Premium			Warrant Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended 31 March 2019							
Balance as at 1 January 2019	24,773	-	-	(26,095)	(1,322)	(233)	(1,555)
Total comprehensive income / (loss) for the period	-	-	-	(419)	(419)	-	(419)
Disposal	-	-	-	-	-	-	-
Balance as at 31 March 2019	24,773	-	-	(26,514)	(1,741)	(233)	(1,974)
3 months period ended 31 March 2018							
Balance as at 1 January 2018	24,773	-	-	415	25,188	(188)	25,000
Total comprehensive income / (loss) for the period	-	-	-	(1,083)	(1,083)	(45)	(1,128)
Balance as at 31 March 2018	24,773	-	-	(668)	24,105	(233)	23,872

Note:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements of the Group for the financial year ended 31 December 2018 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)

	3 months ended 31/03/2019	3 months ended 31/03/2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation		
- Continuing operations	(419)	(989)
- Discontinued operations	-	(139)
Adjustments for:		
Amortisation of development cost	-	-
Amortisation of intangible assets	-	16
Depreciation of property, plant and equipment	-	600
Gain on disposal of motor vehicle	-	-
Reversal of provision	-	-
Finance cost	-	-
Interest income	(5)	(10)
Operating profit / (loss) before working capital changes	(424)	(522)
Changes in working capital:		
Net change in current assets	(516)	(85)
Net change in current liabilities	538	254
Cash generated from / (used in) operations	(402)	(353)
Finance cost paid	-	-
Interest received	5	10
Tax paid	-	-
Net cash from / (used in) operating activities	(397)	(343)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(223)
Proceeds from disposal of motor vehicle	-	-
Net cash used in investing activities	-	(223)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	-	-
Repayment of short term borrowings	-	-
Net cash from financing activities	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(397)	(566)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,347	2,096
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	950	1,530

Note:

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements of the Group for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

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NOTES

A NOTES TO THE INTERIM FINANCIAL REPORT

A 1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The quarterly financial report ended 31 March 2019 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 2018. 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 2018.

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 2018. 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 has included a Disclaimer of Opinion in the report on the preceding year's annual financial statements of the Group as they were not able to obtain sufficient and adequate audit evidence to form the basis for an audit opinion on the annual financial statements.

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 QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
REVENUE				
Advertising	1,200	3,964	1,200	3,964
Plantations	-	-	-	-
	<u>1,200</u>	<u>3,964</u>	<u>1,200</u>	<u>3,964</u>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
PROFIT / (LOSS) BEFORE TAXATION				
Advertising	(424)	(1,010)	(424)	(1,010)
Plantations	-	(139)	-	(139)
	<u>(424)</u>	<u>(1,149)</u>	<u>(424)</u>	<u>(1,149)</u>
Other operating income	5	21	5	21
	<u>(419)</u>	<u>(1,128)</u>	<u>(419)</u>	<u>(1,128)</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

A listed issuer which triggered any of the Prescribed Criteria in Paragraph 2.1(a) to (e) of Practice Note 17 is required to comply with the provision of Paragraph 8.04 of Chapter 8. As at the date of this report, the Group reported a deficit in shareholders' fund, whereby it has triggered the Prescribed Criteria in Paragraph 2.1(a) of Practice Note 17. The current Board of Directors has deliberated on this and has therefore made the necessary announcement on 25 October 2019 and will take the necessary steps to comply with the Regularisation Plan as required by the relevant authorities.

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 other major contingent liabilities as at the end of the current financial quarter under review apart from those disclosed under Note B7.

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 31/3/2019 RM'000
Fixed deposits placed with licenced banks	-
Cash and bank balances	<u>950</u>
	950
Less: Fixed deposit pledged to licensed banks	<u>-</u>
	<u>950</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 2019, the Group recorded a revenue level of RM1.20 million and a net loss of RM0.42 million compared to RM3.96 million in revenue and a net loss of RM1.08 million in the corresponding quarter preceding year. Revenue declined in the current quarter under review mainly due to lower demand from customers. Net loss in the current quarter under review was lower despite lower revenue, mainly due to lower operating costs.

B2 Variation of results against preceding quarter

For the quarter ended 31 March 2019, the Group recorded a net loss of RM0.42 million compared to a net loss of RM0.97 million in the preceding quarter ended 31 December 2018. The reduction in losses was mainly contributed by the reduction in operating costs in the current quarter under review.

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 coming quarters will be extremely challenging due to the 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 were as follows:

	Current Year Quarter 31/03/2019 RM'000	Current Year To Date 31/03/2019 RM'000
Taxation based on short term deposit interest received	-	-

B6 Off-balance sheet financial instruments

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

B7 Material litigations

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

On 27 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;
- iii. Payment of costs incurred to dismantle and store the equipment amounting to RM48,540.00; and
- iv. Costs and interests.

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

On 17 September 2015, the Plaintiff obtained Summary Judgment against the Defendant for the sum of RM1,215,000.00. The execution of the Summary Judgment has been stayed pending the disposal of the trial of the other issues. Trial took place on 14 June 2016, and 11 to 13 July 2016 and written submissions have since been filed.

After the trials concluded, the Defendant filed an application to amend its Counterclaim which was dismissed with costs but was then allowed by the Court of Appeal on 10 July 2017. However, the Defendant did not file the Amended Defence and Counterclaim within the stipulated timeframe allowed.

The Plaintiff had, on 6 September 2017, filed an application in the High Court to call a further witness. All relevant documents have been filed in relation to this application and it is pending the decision of the same.

The Defendant filed an application for an extension of time to file its Amended Defence and Counterclaim which was dismissed by the High Court and the Court of Appeal. The Defendant then filed for leave to appeal to the Federal Court and was dismissed by the Federal Court on 20 August 2019.

The Defendant has also filed another application at the Court of Appeal for the High Court proceedings to be stayed pending the disposal of its application for leave to appeal to the Federal Court and was dismissed by the Court of Appeal.

The High Court has yet to set a hearing date for oral submissions on the remaining issues.

Our lawyer is of the view that the Company has an even chance of success in defending itself against the Plaintiff's claim and establishing its Counterclaim. However, the Board of Directors has upon the recommendation by the Management, given its approval for the Management to find an amicable settlement with the Plaintiff.

The Group has made a provision for litigation claims of RM1,245,500 in the annual financial statements for financial year ended 31 December 2018.

B7 Material litigations (continued)

2) Shah Alam High Court Suit No. BA-22NCvC-729-12/2017: Plisch Broadcast Asia Pacific Pte. Ltd. ("Plaintiff") v Asia Media Sdn. Bhd. ("AMSB", "Defendant")

The Plaintiff has on 14 December 2017 filed a Writ of Summons and Statement of Claim in the High Court against the AMSB in connection with the payment for the Plaintiff to supply, install and commission transmitter devices on a project known as "Terrestrial Digital Multimedia Broadcast Centre System and Transmitter" which AMSB purportedly has not paid to Plaintiff. The Plaintiff's claims are as follows:

- a) Outstanding payment on invoices number IV-11/00027 and IV-2012-11-001 for the sum of €511,999.99;
- b) Interest at the rate of 5% per annum on the above sum from 30 April 2015 to the date of judgment;
- c) Cost and Interest.

The Defendant filed for the Counter Claim for the sum of Euro 26,017.33 to be returned and other costs and interests.

Trial took place on 17 October 2018, 18 October 2018, 19 October 2018, 14 December 2018, 23 January 2019, 19 February 2019, 20 February 2019, 2 April 2019, 9 April 2019 and 31 May 2019 in the High Court and written submissions have been filed.

On 7 August 2019, the High Court has ruled that:

- (a) AMSB shall pay to the Plaintiff:
 - (i) €161,226.66; and
 - (ii) 5% interest on the sum of €135,209.33 (after deducting the down payment) from 30 April 2015
- (b) Plaintiff to refund / repay to the Defendant a total of €26,017.33 and interest at a rate of 5% on the amount of €26,017.33 from the date of filing the counter claim
- (c) Defendant to return 24 transmitters and the Plaintiff to recover 10 transmitters.

The Plaintiff was dissatisfied with the Judgment on 7 August 2019 and have filed a Notice of Appeal at the Court of Appeal on 5.9.2019 against the entire Judgment. The Court of Appeal has fixed the above matter for case management on 16 December 2019 pending preparations of the Record of Appeal.

The Board of Directors has upon the recommendation by the Management, given its approval for the Management to find an amicable settlement with the Plaintiff.

The Group has made a provision for litigation claims and 5% interest on the sum of €166,402, approximately RM786,732 in the annual financial statements for financial year ended 31 December 2018.

B8 Dividends

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

B9 Earnings per share

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 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2018 RM'000	CURRENT YEAR TO DATE 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2018 RM'000
Profit / (Loss) attributable to ordinary equity holders of the parent	(419)	(1,083)	(419)	(1,083)
Weighted average number of ordinary shares in issue ('000)	239,464	239,464	239,464	239,464
Basic earnings / (losses) per share (sen)	(0.17)	(0.45)	(0.17)	(0.45)

B10 Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors on 25 October 2019.