



**SENI JAYA CORPORATION BERHAD (279860-X)**  
(Incorporated in Malaysia)

**Note 1 Basis of Preparation, Changes in Accounting Policies & Comparatives**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013 except for the below.

**Note 2 Summary of Significant Accounting Policies**

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2013.

**2.1 Adoption of New and Revised Malaysian Financial Reporting Standards**

In the current financial year, the Group and the Company have adopted all the new and revised Standards and Amendments issued by the Malaysian Accounting Standards Board (“MASB”) that are relevant to the operations and effective for annual periods beginning on or after 1 January 2014 as follows:

MFRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
MFRS 12	Disclosures of Interests in Other Entities
MFRS 12	Disclosures of Interest in Other Entities (Amendments relating to Transition Guidance)
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)

Amendments to MFRSs contained in the document entitled Annual Improvements 2009-2011 cycle.

The adoptions of these new and revised Standards and Amendments during the year during the financial year has no material impact on the amounts reported on the financial statements of the Group and of the Company except for as disclosed below



## Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

The Group and the Company have applied the amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income* for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to MFRS 101, the “statement of comprehensive income” is renamed as the “statement of profit or loss and other comprehensive income”. The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to MFRS 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to MFRS 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

### **2.2 Standards and Amendments in issue but Not Yet Effective**

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and by the Company are as listed below:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) <sup>1</sup>
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) <sup>1</sup>
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139) <sup>1</sup>
Amendments to MFRS 7 and MFRS 9	Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures <sup>1</sup>
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities <sup>2</sup>
MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions) <sup>3</sup>
Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) <sup>2</sup>
Amendments to MFRS 136	Impairment of assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets) <sup>2</sup>
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting) <sup>2</sup>

Amendments to MFRSs contained in the document entitled Annual Improvements to 2010 - 2012 Cycle<sup>3</sup>

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 - 2013 Cycle<sup>3</sup>



- <sup>1</sup> The mandatory effective date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) which was for annual periods beginning on or after 1 January 2015 has been removed with the issuance of MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139. The effective date of MFRS 9 will be decided when IASB's IFRS 9 (July 2014) is approved by MASB. However, each version of the MFRS 9 is available for early adoption. It is expected that the mandatory effective date of the revised MFRS 9 will be for annual periods beginning on or after 1 January 2018 (the mandatory effective date of IFRS 9)
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2014
- <sup>3</sup> Effective for annual periods beginning on or after 1 July 2014

The Directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

### **Note 3 Auditors' Report on Preceding Annual Financial Statements**

The audit report in respect of the financial statements for the year ended 31 December 2013 was not subject to any qualification.

### **Note 4 Seasonal or Cyclical Factors**

The business operations of the Group are not materially affected by seasonal or cyclical factors.

### **Note 5 Exceptional Items**

There were no exceptional or unusual items for the current period.

### **Note 6 Accounting Estimates**

There were no changes in estimates of amount reported in previous financial year that have a material effect in the current quarter.

### **Note 7 Debt and Equity Securities**

There was no issuance or repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter to date.

### **Note 8 Dividends Paid**

A final tax exempt (single tier) dividend of 2% on 40,533,330 ordinary shares amounting to a total dividend of RM810,667 for the year ended 31 December 2013 was approved in the 21<sup>st</sup> AGM as at 19 June 2014 and was paid on 11<sup>th</sup> July 2014.



#### **Note 9 Segmental Reporting**

No segment reporting is provided as the Group's activities are predominantly in the outdoor advertising industry and are conducted in Malaysia.

#### **Note 10 Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward without any amendment from the previous annual report.

#### **Note 11 Subsequent Material Events**

No material event has occurred subsequent to the current quarter that have not been reflected in the financial statements for the said quarter as at the date of issue of this quarterly report.

#### **Note 12 Changes in Composition of the Group**

There were no changes in the composition of the Group for current quarter.

#### **Note 13 Contingent Liabilities**

Contingent liabilities of the Company as at 31 December 2014 are in respect of bank guarantees for financing facilities of subsidiaries which amount to approximately RM 1,745,000.00.

#### **Note 14 Recurrent Related Party Transactions**

There was no recurrent related party transaction for quarter and period ended 31 December 2014.

#### **Note 15 Review of Performance For The Current Quarter VS. Preceding Quarter**

For the quarter under review, the Group recorded revenue of RM4.07 million and a loss before tax of RM0.17 million as opposed with the preceding quarter of RM4.96 million revenue and Profit Before Tax ("PBT") of RM0.54 million. The loss for the quarter under review is mainly due to provision for doubtful debt of RM0.61 million made after review of recoverability of receivables.

#### **Note 16 Review of Performance For The Current Year To Date VS. Previous Year To Date**

The Group recorded revenue of RM20.85 million and PBT of RM2.05 million respectively, compared with the revenue of RM27.02 million and PBT of RM4.93 million in the preceding year. The decrease in PBT is mainly due to slower rent take up rate in outdoor advertising during the year.



#### **Note 17 Current Year's Prospects**

Barring unforeseen circumstances, the Board is of the opinion that the Group's performance will remain positive in the next financial year. The Group is striving for providing best service to the local advertisers and working aggressively to obtain a bigger market penetration.

#### **Note 18 Profit Forecast or Profit Guarantee**

##### **a) Profit Forecast**

This is not applicable to the Group for the quarter under review.

##### **b) Profit Guarantee**

This is not applicable to the Group for the quarter under review.

#### **Note 19 Taxation**

The effective rate of taxation of the Group is higher than the statutory rate of taxation principally due to certain expenses being disallowed for taxation purposes.

#### **Note 20 Profit on Sale of Unquoted Investments and/or Properties**

There was no disposal for the financial quarter under review.

#### **Note 21 Acquisitions or Disposal of Quoted Securities**

There were no acquisitions and disposals of quoted securities by the Group during the financial quarter under review.

Investments in quoted securities as at 31 December 2014 are as follows: -

- i) at cost RM134,527
- ii) at book value RM237,361
- iii) at market value RM237,361

#### **Note 22 Corporate Proposals**

##### **a) Status of Corporate Proposals**

There was no corporate proposal announced but not completed as at to-date.

##### **b) Status of Utilisation of Proceeds**

This is not applicable to the Group for the quarter under review.

#### **Note 23 Group Borrowings and Debt Securities**

There were no borrowings and debt securities as at 31 December 2014.



#### **Note 24 Financial Instruments with off Balance Sheet Risks**

There is no financial instrument with off balance sheet risks as at the date of this report.

#### **Note 25 Material Litigation**

- i) SJSB and Orion Mesra Sdn Bhd (“The Plaintiffs”) have instituted a legal suit in the Shah Alam High Court of Malaya against Dato’ Hj Ahmad Termizi B. Hj Puteh (1<sup>st</sup> Defendant) and Majlis Bandaraya Petaling Jaya (2<sup>nd</sup> Defendant) for breach of contract and damages commensurate with the substantial losses suffered by the SJSB and Orion.

The aforesaid legal suit was dismissed by Shah Alam High Court on 31 December 2014 with costs RM60,000 to be paid by the plaintiffs to the 2<sup>nd</sup> defendant.

An appeal to the Court of Appeal was filed by the plaintiffs on 26 January 2015. No further hearing date is fixed for the time being.

- ii) SJSB and SJP claimed against Ghazand Media Sdn. Bhd. (“GM”) for the sum of RM437,841.45 and RM75,123.50 respectively being services rendered.

The Shah Alam Sessions Court has granted decision on 2 December 2014 in favour of SJSB and SJP, and has ordered full settlement of the abovementioned claim amount with applicable interests and costs of RM3,000 to be paid by GM to SJSB and SJP.

The sealed order and judgement pertaining to the above has been served to GM’s solicitor as at 26 January 2015. However to-date, GM has not made any payment pertaining to the settlement. SJSB and SJP is currently in midst of considering further legal alternatives to be taken against GM.

- iii) SJSB and SJP claimed against Impress Led Advertise Sdn. Bhd. (“ILA”) for the sum of RM35,139 and RM2,700 respectively being services rendered.

The Shah Alam Magistrate’s Court has granted decision on 14 January 2015 in favour of SJSB and SJP, for the abovementioned claim amount and costs of RM800 to be paid by ILA to SJSB and SJP, and also dismissed ILA’s application for transfer of proceedings from Shah Alam Magistrate’s Court to Georgetown Magistrate’s Court.

Nevertheless appeals to the Shah Alam High Court were filed by ILA pertaining to the above judgments. The Court has fixed the mention dates for the appeals to be on 25 February 2015 and 10 March 2015 respectively.



## Note 26 Dividend

- (i) The Board has recommended a final tax exempt (single-tier) dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2014 (2013: final tax exempt single-tier dividend 2.0 sen per share). The proposed final tax exempt (single-tier) dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date to the final tax exempt (single-tier) dividend shall be determined by the Board at a subsequent stage
- (ii) The date of payment of the recommended final dividend shall be determined by the Directors and announced at a later date

## Note 27 Realised and Unrealised Profits/Losses

Realised and unrealised profits/losses of the Group is analysed as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Total retained profits of the Company and its subsidiaries		
- Realised	18,685	329
- Unrealised	(807)	-
	<hr/> 17,878	<hr/> 329
Total share of retained profits from associate		
- Realised	-	-
- Unrealised	-	-
	<hr/> 17,878	<hr/> 329
Less: Consolidation adjustments	(4,911)	-
Retained profits as per financial statements	<hr/> <hr/> 12,967	<hr/> <hr/> 329

## Note 28 Earnings Per Share

The basic earnings per share for the current period and comparative period are calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

By Order of the Board

**CHUA SIEW CHUAN (MAICSA 0777689)**

**YAU JYE YEE (MAICSA 7059233)**

Company Secretaries

Date: 25 February 2015