

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 2015. 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 2015.

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 2015 except for the adoption of amendments to existing standards that are applicable to the Group for the financial period beginning 1 January 2016 as set out below.

MFRSs/ Amendments / Interpretations

MFRS14	Regulatory Deferral Accounts
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptance Method of Depreciation and Amortization
Amendments to MFRS 11	Accounting for Acquisition of Interest in Joint Operations
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 5	Annual Improvements to MFRSs 2012-2014 Cycle
MFRS 7, MFRS 119 and MFRS 134	
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception

Adoption of the above standards and interpretations has no material impact to the Group’s consolidated financial statements for the current year.

Note 3 Auditors’ Report on Preceding Annual Financial Statements

The audit report in respect of the financial statements for the year ended 31 December 2015 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 financial year.

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 financial year.

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 year.

Note 8 Dividends Paid

A final tax exempt (single tier) dividend of 1% on 40,533,330 ordinary shares amounting to a total dividend of RM405,333.33 for the year ended 31 December 2015 was approved in the 23rd AGM and was paid on 15 July 2016.

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 financial year.

Note 13 Contingent Liabilities

Contingent liabilities of the Company as at 31 December 2016 are in respect of bank guarantees for financing facilities of subsidiaries which amount to approximately RM1,545,000.00.

Note 14 Recurrent Related Party Transactions

There was no recurrent related party transaction for quarter and period ended 31 December 2016.

Note 15 Review of Performance For The Current Quarter VS. Corresponding Quarter of the Preceding Financial Year

For the quarter under review, the Group recorded revenue of RM5.01 million and a profit before tax ("PBT") of RM0.03 million respectively, as compared with the revenue of RM5.61 million and a PBT of RM1.54 million in the corresponding quarter of preceding financial year. The decrease in revenue for the quarter under review as compared with the same quarter of the preceding year is primarily attributed to general economic slowdown and market uncertainties within the local outdoor media industry. The PBT of the group is lower than the corresponding quarter of the preceding financial year due to one off late billing by the authorities on sites.

Note 16 Review of Performance for the Current Period VS. Preceding Period

In the period under review, the Group recorded higher revenue of RM5.01 million, as compared to the preceding period of RM4.39 million. The increase in revenue is due to the continuous efforts of the Management of the Group in pursuing business opportunities and sales, despite of stiff competition. Meanwhile, the PBT in the period under review is RM0.03million, as opposed to RM0.77 million in the preceding period. This mainly due to due to one off late billing by the authorities on sites in the current quarter.

Note 17 Coming 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 with provision of improvement on sites for rental and continuous support from the existing customers. 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 2016 are as follows: -

- i) at cost RM134,527
- ii) at book value RM190,425
- iii) at market value RM190,425

Note 22 Corporate Proposals

a) **Status of Corporate Proposals**

As at the date of this report, being the latest practicable date, there are no corporate proposals announced and pending completions, save for the following.

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 2016.

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 Federal Court of Malaya against Dato’ Hj Ahmad Termizi B. Hj Puteh (1st Defendant) and Majlis Bandaraya Petaling Jaya (2nd 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 cost RM60,000 to be paid by the plaintiffs to the 2nd Defendant.

Records and the Memorandum of Appeal has been filed and hearing date for the appeal at Federal Court has been fixed on 17 July 2017.

- 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 claimed against ACMS Resources Sdn Bhd (“ACMS”) for the sum of RM120,002.60 being services rendered.

ACMS Resources Sdn Bhd (“ACMS”) had been wound up by the Court via winding-up filed by another creditor. SJSB is currently considering for filing the proof of debts against ACMS at the Insolvency Department to claim for the debts owned by ACMS.

Note 26 Dividend

- (i) A final tax exempt (single tier) dividend of 1.0 sen per ordinary share of RM1 each was paid on 15 July 2016 in respect of the previous financial year.
- (ii) The Board of Directors recommend a final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2016 which is subjected to the approval of shareholders at the forthcoming 24th Annual General Meeting .

Note 27 Realised and Unrealised Profits/Losses

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

	Group RM'000	Company RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	20,115	2,091
- Unrealised	(523)	-
	19,592	2,091
Total share of retained profits from associate		
- Realised	-	-
- Unrealised	-	-
	19,592	2,091
Less: Consolidation adjustments	(5,587)	-
Retained profits as per financial statements	14,005	2,091

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: 28 February 2017