Seni Jaya

SENI JAYA CORPORATION BERHAD (279860-X)
(Incorporated In Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30/06/19 RM' 000	Comparative Quarter Ended 30/06/18 RM' 000	Current Year To Date 30/06/19 RM' 000	Comparative Year To Date 30/06/18 RM' 000
Revenue	3,628	4,077	7,547	8,387
Operating Expenses	(4,586)	(4,053)	(9,351)	(8,248)
Other Operating Income	415	449	1,093	868
(Loss)/Profit from Operation	(543)	473	(711)	1,007
Share of result in Associates	17	(428)	16	(456)
Finance costs	-	-	-	-
(Loss)/Profit before tax	(526)	45	(695)	551
Income tax expense	-	(43)	-	(277)
(Loss)/Profit for the period	(526)	2	(695)	274
Shareholders of the company	(526)	2	(695)	274
Minority interest		-	-	-
	(526)	2	(695)	274
EPS - Basic (sen)	(1.30)	0.00	(1.71)	0.68
- Diluted	NA	NA	NA	NA

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

SENI JAYA CORPORATION BERHAD (279860-X)
(Incorporated In Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30/06/19 RM' 000	Comparative Quarter Ended 30/06/18 RM' 000	Current Year To Date 30/06/19 RM' 000	Comparative Year To Date 30/06/18 RM' 000
(Loss)/Profit for the period	(526)	2	(695)	274
	-	-	-	-
Total comprehensive income for the period, net of tax	(526)	2	(695)	274
Total comprehensive income attributable to:				
Shareholders of the company	(526)	2	(695)	274
Non-controlling interests	-	-	-	-
(Loss)/Profit for the period	(526)	2	(695)	274

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

SENI JAYA CORPORATION BERHAD (279860-X)
(Incorporated In Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				
		Distributable			
Period Ended 30/06/19	**Share Capital RM' 000**	**Retained Profits RM' 000**	**Total RM' 000**	**Minority Interest RM'000**	**Total Equity RM' 000**
As at 1 January 2019	40,533	12,656	53,189	-	53,189
Profit for the period	-	(695)	(695)	-	(695)
Dividend	-		-	-	-
As at 30 June 2019	40,533	11,961	52,494	-	52,494

	Attributable to shareholders of the Company				
		Distributable			
Period Ended 30/06/18	**Share capital RM' 000**	**Retained Profits RM' 000**	**Total RM' 000**	**Minority Interest RM'000**	**Total Equity RM' 000**
As at 1 January 2018	40,533	13,393	53,926	-	53,926
Profit for the period		(737)	(737)		(737)
Dividend	-		-		-
As at 31 December 2018	40,533	12,656	53,189	-	53,189

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying notes attached to the interim financial statements.

SENI JAYA CORPORATION BERHAD (279860-X)
(Incorporated In Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30/06/19 (Unaudited) RM' 000	As At 31/12/2018 (Audited) RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	20,989	10,037
Investment properties	11,391	11,517
Investment in associates	296	280
Other investments	3	3
Deferred tax assets	61	61
Total non-current assets	32,740	21,898
Current Assets		
Trade receivables	5,750	6,254
Other receivables	29,705	22,578
Short term placements	356	2,376
Marketable securities	187	141
Cash and bank balances	(77)	5,195
Tax recoverable	937	2,734
Total current assets	36,858	39,278
TOTAL ASSETS	**69,598**	**61,176**
EQUITY & LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,533	40,533
Retained profits	11,961	12,656
	52,494	53,189
Minority interest	-	-
Total Equity	52,494	53,189
Non-current liabilities		
Advance billings	1,158	1,933
Right of Use of Liability	10,308	-
Total non-current liabilities	11,466	1,933
Current liabilities		
Trade payables	1,115	698
Other payables	4,523	5,356
Tax Liabilities	-	-
Total current liabilities	5,638	6,054
Total Liabilities	17,104	7,987
TOTAL EQUITY & LIABILITIES	**69,598**	**61,176**
Net assets per share (RM)	**1.30**	**1.31**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying notes attached to the interim financial statements.

SENI JAYA CORPORATION BERHAD (279860-X)
(Incorporated In Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended 30/06/19 RM' 000	Period Ended 30/06/18 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(695)	551
Adjustment for non-cash flow :-		
Non cash items	3,072	1,180
Operating profit before changes in working capital	2,377	1,731
Changes in working capital		
Net change in assets	(13,474)	(3,700)
Net change in liabilities	9,117	(8,198)
Cash flow used in oprerations	(1,980)	(10,167)
Taxation & interest refund / (paid)	1,798	(618)
Net cash flow used in operating activities	(182)	(10,785)
CASHFLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,109)	-
Equity investment	-	-
Other investment	570	6,110
Net cash used in investing activities	(539)	6,110
CASHFLOW FROM FINANCING ACTIVITIES		
Advances to associates	(4,554)	-
Net cash used in financing activities	(4,554)	-
Net decrease in cash and cash equivalents	(5,275)	(4,675)
Cash and cash equivalents at the beginning of the Year	5,195	8,587
Unrealised gain/(loss) on foreign exchange	3	-
Cash and cash equivalents at the end of the Year	(77)	3,912
Cash and cash equivalent at the end of the financial year comprise the following:		
Cash on hand and at banks	(2,224)	1,714
Deposits with licensed banks	2,147	2,198
	(77)	3,912

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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 2018. 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 2018.

Note 2 Summary of Significant Accounting Policies

At the date of authorisation for issue of this interim financial report, the relevant new and revised Standards, IC Interpretations and Amendments relevant to the Group and the Company which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 16	Leases[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[1]
IC Interpretation 23	Uncertainty over Income Tax Treatments[1]
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2019
[2] Effective date to be determined

The directors anticipate that the abovementioned Standards, IC Interpretations and Amendments adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards, IC Interpretations and Amendments will have no material impact on the financial statements of the Group and of the Company in the period of initial application except as disclosed below:

a) Adoption of MFRS 9 "Financial Instrument"

MFRS 9 replaces MFRS 139"Financial Instruments: Recognition and Measurement". The adoption has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

(i) Classification and measurement of financial instruments

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and FVOCI.

The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

The adoption of MFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in MFRS 9, comparative figures have not been restated.

The total impact on the Group's accumulated losses as are as follows:

	2018
	RM'000
Closing retained earnings as at 31 December 2017	13,587
Adjustment to retained earnings from adoption of MFRS 9 on 1 January 2018:	
Increase in provision for trade and other receivables	(211)
Increase in deferred tax assets relating to impairment provisions	18
	(194)
Opening accumulated losses 1 January 2018	13,393

(ii) Impairment of financial assets

MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group assesses on a forward-looking basis the ECLs associated with its financial assets classified at amortised cost and contract assets under MFRS 15 Revenue from Contracts with Customers. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

On the date of initial application, MFRS 9 did not affect the classification and measurement of the Group assets and financial liabilities, except that retained earnings had decreased by RM193,692 as at 1 January 2018 as a result of applying the ECL model on trade receivables. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus these adjustments were recognised in the opening retained earnings of the current period/year.

(b) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in MFRS 15 provide a more structured approach (i.e. five-step model) to measure and recognise revenue. The five-step model that applies to revenue recognition under MFRS 15 is as follows:

(1) Identify the contract(s) with a customer;
(2) Identify the performance obligations in the contract(s);
(3) Determine the transaction price;
(4) Allocate the transaction price to the performance obligations in the contract(s); and
(5) Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group has adopted MFRS 15 in the current financial period/year. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

In accordance with the transitional provisions in MFRS 15, the Group does not expect the application of MFRS 15 to result in significant impact on the Group's Financial Statements.

c) MFRS 16 Leases

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases. The only exceptions are short-term and low-value leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' ('MFRS16') and the lease liability is accreted over time with interest expense recognised in profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently. As such, the Group and Company does not expect any significant impact from activities as a lessor on the financial statements. However, some additional disclosures will be required from next year.

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in MFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

The Group and Company will apply the standard from 1 January 2019 and intends to apply the simplified transition approach and will not restate comparatives for the year prior to first adoption. All right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

Note 3 Auditors' Report on Preceding Annual Financial Statements

The audit report in respect of the financial statements for the year ended 31 December 2018 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 Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows That Are Unusual Because of Nature, Size or Incidence

There were no items during this quarter affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

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 period.

Note 8 Dividends Paid

There was no dividend paid in the financial quarter and period under review.

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 period.

Note 13 Contingent Liabilities

Contingent liabilities of the Company as at 30 June 2019 are in respect of corporate guarantee given by a subsidiary towards payment obligations for an associate which amounting to approximately RM4,120,000 and bank guarantees for financing facilities of subsidiaries which amount to approximately RM1,450,000.00.

Note 14 Capital Commitments

The amount of commitments for capital expenditure not provided for in the condensed consolidated financial statements as at 30 June 2019 are as follows:

	As at 30.6.2019 RM'000	**As at 30.6.2018 RM'000**
Capital expenditure commitments:		
Property, plant and equipment		
-Authorised and contracted for	-	368

Note 15 Recurrent Related Party Transactions

There was no significant recurrent related party transaction for quarter and period ended 30 June 2019.

Note 16 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 RM3.63 million and a loss before tax of RM0.52 million respectively, as compared with the revenue of RM4.07 million and a profit before tax of RM0.04 million in the corresponding quarter of preceding financial year. The decrease in revenue was due to less media contract renewed and short term advertising contracts in the current quarter. The loss before tax of the group was mainly due to the drop in revenue, higher costs in advertising space rental and electrical maintenance work.

Note 17 Review of Performance for the Current Period VS. Preceding Period

In the period under review, the Group recorded lower revenue of RM7.55 million, as compared to the preceding period of RM8.38 million. Meanwhile, the loss before tax in the current period under review is RM0.69 million, as opposed to profit before tax of RM0.55 million in the preceding period. This mainly contributed by the drop of revenue.

Note 18 Coming Year's Prospects

Barring unforeseen circumstances, the Board is of the opinion that the Group's performance will remain positive in this financial year 2019. The Board of Directors and senior management has used their best endeavors to improve on the services offered and obtaining more approval for billboards at strategic locations. Management team is committed to support the Group's business activities at all times and to further strengthen the market position of the Group.

Note 19 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 20 Taxation

The effective rate of taxation of the Group is higher than the statutory rate of taxation mainly due to certain expenses were not tax allowable.

Note 21 Profit on Sale of Unquoted Investments and/or Properties

There was no disposal for the financial quarter under review.

Note 22 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 30 June 2019 are as follows: -

i) at cost RM134,527
ii) at book value 187,062
iii) at market value RM187,062

Note 23 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.

b) **Status of Utilisation of Proceeds**

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

Note 24 Group Borrowings and Debt Securities

There were no borrowings and debt securities as at 30 June 2019.

Note 25 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 26 Material Litigation

There is no material litigation as at the date of this report.

Note 27 Profit before tax is arrived at after charging / (crediting):

	Quarter Ended 30 June 2019 RM'000	**Financial Period Ended 30 June 2019 RM'000**
Interest Income	(23)	(57)
Allowance for impairment no longer required on trade receivables	-	-
Other income	(391)	(1,036)
Interest on lease asset	116	347
Depreciation property, plant and equipment	419	839
Depreciation on investment properties	63	126
Depreciation on lease asset	1,232	2,464

Note 28 Dividend

No interim dividend has been recommended for the current quarter under review (Quarter 4, 2018: Nil).

Seni Jaya

Note 29 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.

Note 30 Authority For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
YAU JYE YEE (MAICSA 7059233)
Company Secretaries