

THE MEDIA SHOPPE BERHAD

Year 2008

4th Quarter Announcement

The Media Shoppe Berhad
(Incorporated in Malaysia - Company No. 383028-D)
CONDENSED INCOME STATEMENTS
For the 12 months ended 31 December 2008
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2008 QUARTER ENDED 12/31/2008	2007 QUARTER ENDED 12/31/2007	2008 YEAR TO DATE 12/31/2008	2007 YEAR TO DATE 12/31/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	743	1,799	9,898	6,790
Other operating income	16	40	76	187
Operating expenses	(3,110)	(2,958)	(13,011)	(10,829)
Loss from operations	(2,351)	(1,119)	(3,037)	(3,852)
Finance costs, net	(29)	(31)	(131)	(93)
Loss before taxation	(2,380)	(1,150)	(3,168)	(3,945)
Taxation	-	-	-	(1)
Loss after taxation	(2,380)	(1,150)	(3,168)	(3,946)
Minority interests	-	-	-	-
Loss attributable to shareholders	(2,380)	(1,150)	(3,168)	(3,946)
Earnings per share				
(i) Basic (Sen)	(1.81)	(0.87)	(2.41)	(3.00)
(ii) Diluted (Sen)	N/A	N/A	N/A	N/A

(The Condensed Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007)

The Media Shoppe Berhad (383028-D)
CONDENSED BALANCE SHEET
As at 31 December 2008

	(UNAUDITED)	(AUDITED)
	As at	As at
	31 Dec 2008	31 Dec 2007
	RM'000	RM'000
Plant and equipment	3,566	3,067
Other investment	76	77
Software development expenditure	3,716	3,248
Goodwill	3,139	3,139
Current Assets		
Trade and other receivables	3,487	4,116
Cash and cash equivalents	2,749	5,847
	<u>6,236</u>	<u>9,963</u>
Current Liabilities		
Trade and other payables	1,684	864
Hire purchase creditor	52	64
Bank overdraft	211	529
Taxation	(5)	(5)
Term loan	50	43
	<u>1,992</u>	<u>1,495</u>
Net Current Assets	4,244	8,468
	<u>14,741</u>	<u>17,999</u>
Capital and Reserves		
Share capital	13,164	13,164
Reserves	276	3,444
Shareholder's equity	<u>13,440</u>	<u>16,608</u>
Long term liabilities		
Hire purchase creditor	174	214
Term loan	1,127	1,177
	<u>14,741</u>	<u>17,999</u>
Net assets per share (Sen)	10.21	12.62

(The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007)

The Media Shoppe Berhad (383028-D)
Condensed Cash Flow Statement
For the 12 months ended 31 December 2008

	(UNAUDITED)	(AUDITED)
	31 Dec 2008	31 Dec 2007
	RM'000	RM'000
OPERATING ACTIVITIES		
Loss before taxation	(3,168)	(3,945)
Adjustment for non cash items :		
Allowance for doubtful debts	541	235
Amortisation of software development cost	1,088	942
Depreciation of plant and equipment	379	372
Interest expense	116	84
Gain on disposal of plant and equipment	-	(31)
Plant and equipment written off	294	-
Bad debts written off	-	11
Interest income	(77)	(187)
Operating loss before working capital changes	(827)	(2,519)
Changes in working capital		
Net change in trade & other receivables	88	1,184
Net change in trade & other payables	820	200
Net cash generated from/(used in) operations	81	(1,135)
Interest paid	(116)	(84)
Income tax paid	-	(5)
Net cash used in operating activities	(35)	(1,224)
INVESTING ACTIVITIES		
Interest received	77	187
Software development cost paid	(1,555)	(1,011)
Disposal of plant and equipment	(1)	31
Purchase of plant and equipment	(1,171)	(2,627)
Net cash used in investing activities	(2,650)	(3,420)
FINANCING ACTIVITIES		
Repayment of hire purchase creditor	(52)	(124)
(Repayment)/Drawdown of term loan	(43)	1,220
Net cash (used in)/from financing activities	(95)	1,096
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,780)	(3,548)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,318	8,866
CASH AND CASH EQUIVALENTS END OF YEAR Note 1	2,538	5,318

(The Condensed Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007)

Note 1

Cash and Cash Equivalents:	12/31/2008	12/31/2007
Deposits	2,294	5,668
Cash and bank balances	455	179
Bank overdraft	(211)	(529)
	2,538	5,318

The Media Shoppe Berhad (383028-D)
Condensed Statement of Changes in Equity
For the 12 months ended 31 December 2008

	Share Capital	Share Premium	Accumulated Losses	Exchange Reserves	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 December 2008					
Balance as at 31 December 2007	13,164	9,551	(6,094)	(13)	16,608
Foreign exchange difference	-	-	-	-	-
Net loss for the 12 months ended 31 December 2008	-	-	(3,168)	-	(3,168)
Balance as at 31 December 2008	13,164	9,551	(9,262)	(13)	13,440
12 months ended 31 December 2007					
Balance as at 31 December 2006	13,164	9,551	(2,148)	(13)	20,554
Foreign exchange difference	-	-	-	-	-
Net loss for the 12 months ended 31 December 2007	-	-	(3,946)	-	(3,946)
Balance as at 31 December 2007	13,164	9,551	(6,094)	(13)	16,608

(The Condensed Statement of changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007)

THE MEDIA SHOPPE BERHAD

(Company No. 383028-D)
(Incorporated in Malaysia)

1. Basis of Preparation.

The interim financial report is unaudited and is prepared in accordance with FRS 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the MESDAQ Market and should be read in conjunction with the audited consolidated financial statements of The Media Shoppe Berhad and its subsidiary (“**the Group**”) for the year ended 31 December 2007.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 December 2007 except for the adoption of the following revised Financial Reporting Standards (“FRS”) and Issues Committee Interpretations (“IC Interpretation”) that are effective for the Group’s financial statements commencing 1 January 2008:

FRS 107:	Cash Flow Statements
FRS 111:	Construction Contracts
FRS 112:	Income Taxes
FRS 118:	Revenue
FRS 120:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134:	Interim Financial Reporting
FRS 137:	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121:	The Effects of Changes in Foreign Exchange Rates Net Investment in a Foreign Operation
IC Interpretation 1:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2:	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5:	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6:	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7:	Applying the Restatement Approach under FRS 1292004 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8:	Scope of FRS 2

FRS 111, FRS 120, Amendment to FRS 121 and all IC Interpretations are not relevant to the Group’s operations. The adoption of the other standards did not have any material impact to the Group.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditor’s report of the preceding annual financial statements was not subject to any qualification.

3. Comments About Seasonal or Cyclical Factors

The Group's interim operations are not materially affected by any seasonal or cyclical factors.

4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items during the quarter under review.

5. Changes in Estimates

There were no changes in estimates during the quarter under review.

6. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter under review.

7. Dividends Paid

There were no dividends paid during the quarter under review.

8. Segmental Information

No segmental information is provided as the Group's revenue and profit after taxation is principally contributed from the provision of integrated web-based and mobile applications and solutions and the Group operates principally in Malaysia.

9. Carrying Amount of Revalued Assets

The Group did not revalue any of its property, plant and equipment during the quarter under review.

10. Subsequent Events

There were no material events between 1 January 2009 to 19 February 2009 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) that have not been reflected in the interim financial statements.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review.

12. Contingent Liabilities

There were no contingent liabilities as at 19 February 2009 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

13. Capital Commitments

There were no capital commitments as 19 February 2009 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

14. Performance review

The Group generated revenue of approximately RM0.7 million for the quarter ended 31 December 2008, representing a decrease in revenue of approximately 59% as compared to the corresponding quarter ended 31 December 2007. The lower revenue for the quarter is mainly due to the lower delivery of in-house developed software as compared to the corresponding quarter. In line with the decrease in revenue, the specific provision for doubtful debt as well as the writing off of plant and equipment during the quarter, the Group incurred a loss before taxation of approximately RM2.4 million for the quarter ended 31 December 2008, representing an increase of approximately 107% as compared to the corresponding quarter ended 31 December 2007.

For the financial year ended 31 December 2008, the Group generated revenue of approximately RM9.9 million, representing an increase in revenue of approximately 46% as compared to the corresponding year ended 31 December 2007. In line with the higher delivery of application software development as well as the higher sales of third party product and services throughout the current financial year, the loss before taxation has reduced by approximately 20% from the previous financial year.

15. Commentary on Material Changes in Profit/(Loss) before Taxation

	Quarter ended 31/12/08 Unaudited RM'000	Quarter ended 30/09/08 Unaudited RM'000	Change (%)
Revenue	743	3,090	(76%)
Loss before taxation	(2,380)	(441)	(440%)

The decrease in revenue is mainly due to the slower delivery of application software development as well as lower sales of third party products and services as compared to the last quarter.

In line with the decrease in revenue, the loss before taxation has increased as compared to the last quarter. In addition, the Group has also made a specific provision for doubtful debt amounting to approximately RM0.5 million as well as RM0.3 million on writing off of plant and equipment as a result of moving to new office.

16. Commentary on Prospects

As reported in our last quarterly report, the Group anticipated the current unfavourable economic conditions would continue to affect the Group's performance. However, given the orders in hand, the Group anticipates the financial performance would improve in the coming quarter.

17. Profit Forecast and Profit Guarantee

The Company did not issue any profit forecast or profit guarantee in any public document during the quarter under review.

18. Taxation

The tax rate of the Group for YA 2009 is 25% and no provision for taxation is made as the Company has been granted Multimedia Super Corridor ("MSC") status and enjoyed the tax exemption during the quarter under review.

19. Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and properties during the quarter under review.

20. Quoted Securities

The Group did not have any investment in quoted securities as at the date of this report.

21. Status of Corporate Proposals

There were no corporate proposals as at 19 February 2009 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

22. Group Borrowings and Debt Securities

The Group's interest-bearing borrowings as at 31 December 2008 are in respect of hire purchase of a motor vehicle, a term loan and bank overdraft for the office as follows:

	RM' 000
Current – secured	
Hire purchase creditor – payable within 12 months	52
Term loan – payable within 12 months	50
Bank overdraft	211
	<hr/> 313 <hr/>
Non-Current –secured	
Hire purchase creditor – payable after 12 months	174
Term loan – payable after 12 months	1,127
	<hr/> 1,301 <hr/>
	<hr/> 1,614 <hr/>

23. Off Balance Sheet Financial Instruments

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

24. Changes in Material Litigation

Neither the Company nor its subsidiaries are engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

25. Dividend Payable

No interim dividend has been declared or proposed.

26. Earnings per Share

The earnings per share were calculated by dividing the Company's loss after taxation and minority interest by the weighted average number of ordinary shares in the respective period as follows:

	Current Year Quarter	Current Year To Date
Loss after taxation (RM'000)	(2,380)	(3,168)
Weighted average number of ordinary shares	131,643,600	131,643,600
Basic loss per share (Sen)	<u>(1.81)</u>	<u>(2.41)</u>
Diluted earnings/(loss) per share (Sen)	<u>N/A</u>	<u>N/A</u>

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 February 2009.

By order of the Board
Mah Li Chen (MAICSA 7022751)
Company Secretary
Kuala Lumpur