

THE MEDIA SHOPPE BERHAD

Year 2009

4th Quarter Announcement

The Media Shoppe Berhad
(Incorporated in Malaysia - Company No. 383028-D)
CONDENSED INCOME STATEMENTS
For the 12 months ended 31 Dec 2009
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2009 QUARTER ENDED 12/31/2009 RM'000	2008 QUARTER ENDED 12/31/2008 RM'000	2009 YEAR TO DATE 12/31/2009 RM'000	2008 YEAR TO DATE 12/31/2008 RM'000
Revenue	1,916	743	7,883	9,898
Other operating income	7	16	58	76
Operating expenses	(1,909)	(3,110)	(9,671)	(13,011)
Profit/(Loss) from operations	14	(2,351)	(1,730)	(3,037)
Finance costs, net	(25)	(29)	(117)	(131)
Loss before taxation	(11)	(2,380)	(1,847)	(3,168)
Taxation	-	-	-	-
Loss after taxation	(11)	(2,380)	(1,847)	(3,168)
Minority interests	-	-	-	-
Loss attributable to shareholders	(11)	(2,380)	(1,847)	(3,168)
Loss per share				
(i) Basic (Sen)	(0.01)	(1.81)	(1.40)	(2.41)
(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 Dec 2008)

The Media Shoppe Berhad (383028-D)
CONDENSED BALANCE SHEET
As at 31 Dec 2009

	(UNAUDITED)	(AUDITED)
	As at 31 Dec 2009 RM'000	As at 31 Dec 2008 RM'000
Plant and equipment	3,286	3,566
Other investment	51	77
Software development expenditure	2,890	3,715
Goodwill	3,139	3,139
Current Assets		
Trade and other receivables	2,879	3,487
Cash and cash equivalents	2,755	2,749
	<u>5,634</u>	<u>6,236</u>
Current Liabilities		
Trade and other payables	2,301	1,684
Hire purchase creditor	52	52
Bank overdraft	(205)	211
Taxation	1	(5)
Term loan	57	50
	<u>2,206</u>	<u>1,992</u>
Net Current Assets	3,428	4,244
	<u>12,794</u>	<u>14,741</u>
Capital and Reserves		
Share capital	13,164	13,164
Reserves	(1,558)	276
Shareholder's equity	<u>11,606</u>	<u>13,440</u>
Long term liabilities		
Hire purchase creditor	122	174
Term loan	1,066	1,127
	<u>12,794</u>	<u>14,741</u>
Net assets per share (Sen)	8.82	10.21

(The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008)

The Media Shoppe Berhad (383028-D)
Condensed Cash Flow Statement
For the 12 months ended 31 Dec 2009

	(UNAUDITED) 31 Dec 2009 RM'000	(AUDITED) 31 Dec 2008 RM'000
OPERATING ACTIVITIES		
Loss before taxation	(1,847)	(3,168)
Adjustment for non cash items :		
Allowance for doubtful debts	(706)	565
Amortisation of software development cost	1,209	1,088
Bad debts written off	1	2
Bad debts recovered	-	(26)
Depreciation of plant and equipment	382	379
Interest expense	110	116
Gain on disposal of other investment	(5)	-
Plant and equipment written off	-	293
Interest income	(58)	(77)
Operating loss before working capital changes	<u>(914)</u>	<u>(828)</u>
Changes in working capital		
Net change in trade & other receivables	1,313	88
Net change in trade & other payables	617	820
Net cash generated from operations	<u>1,016</u>	<u>80</u>
Interest paid	(110)	(116)
Income tax paid	(1)	-
Income tax refund	7	-
Net cash generated from operating activities	<u>912</u>	<u>(36)</u>
INVESTING ACTIVITIES		
Interest received	58	77
Software development cost paid	(384)	(1,556)
Purchase of plant and equipment	(102)	(1,171)
Proceeds from disposal of other investment	31	-
Net cash used in investing activities	<u>(397)</u>	<u>(2,650)</u>
FINANCING ACTIVITIES		
Repayment of hire purchase creditor	(52)	(52)
Repayment of term loan	(54)	(42)
Net cash used in financing activities	<u>(106)</u>	<u>(94)</u>
Effects of foreign exchange rate changes on cash and cash equivalents	13	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	422	(2,780)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,538	5,318
CASH AND CASH EQUIVALENTS END OF YEAR Note 1	<u>2,960</u>	<u>2,538</u>

(The Condensed Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008)

Note 1

<u>Cash and Cash Equivalents:</u>	12/31/2009	12/31/2008
Deposits	1,099	2,294
Cash and bank balances	1,656	455
Bank overdraft	205	(211)
	<u>2,960</u>	<u>2,538</u>

The Media Shoppe Berhad (383028-D)
 Condensed Statement of Changes in Equity
 For the 12 months ended 31 Dec 2009

	Share Capital RM'000	Share Premium RM'000	Accumulated Losses RM'000	Exchange Reserves RM'000	Total RM'000
12 months ended 31 December 2009					
Balance as at 31 December 2008	13,164	9,551	(9,262)	(13)	13,440
Foreign exchange difference	-	-	-	13	13
Net loss for the 12 months ended 31 December 2009	-	-	(1,847)	-	(1,847)
Balance as at 31 December 2009	13,164	9,551	(11,109)	-	11,606

	Share Capital RM'000	Share Premium RM'000	Accumulated Losses RM'000	Exchange Reserves RM'000	Total 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	-	-	-	-	-
Balance as at 31 December 2008	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 2008)

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 Ace 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 2008.

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 2008 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 129 ₂₀₀₄ 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 2010 to 24 February 2010 (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 24 February 2010 (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 at 24 February 2010 (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 RM1.9 million for the quarter ended 31 December 2009, representing an increase in revenue of 158% as compared to the quarter ended 31 December 2008 of RM0.7 million. The increase in revenue is mainly due to the higher sales of in-house software development as compared to the same quarter in the last financial year.

As a result of the higher sales, the Group incurred a loss before taxation of RM11,000 for the quarter ended 31 December 2009.

15. Commentary on Material Changes in Loss before Taxation

	Quarter ended 31/12/09 Unaudited RM'000	Quarter ended 30/09/09 Unaudited RM'000	Change (%)
Revenue	1,916	1,503	27%
Loss before taxation	(11)	(1,153)	99%

The increase in revenue is mainly due the delivery of in-house application software development during the quarter. In line with the increase in revenue and the reversal of general provision of doubtful debt, the loss before taxation has improved as compared to the last quarter.

16. Commentary on Prospects

The Group anticipates that the financial performance for coming quarter ended 31 March 2010 will remain challenging.

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%. The Company and TMS Software Sdn Bhd ("TMSS"), a wholly-owned subsidiary were granted the Multimedia Super Corridor status which confers the Company and TMSS the pioneer status incentive where the income from pioneer activities is exempted from tax during the pioneer period from 1 September 2004 to 31 August 2009, and from 30 May 2003 to 29 May 2008, respectively. After the expiry of pioneer status the Company has surrendered its MSC status. TMSS is currently applying for a renewal of its pioneer status incentive.

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

On 31 December 2009, the Company announced its proposed private placement of up to 10% of the issued and paid-up share capital (Proposed Private Placement). Subsequently, on 3 February 2010, the Company received the approval from Bursa Malaysia Securities Berhad for the listing and quotation of up to 13,164,300 new ordinary shares of RM0.10 each to be issued pursuant to the Proposed Private Placement.

Other than the above, there were no other corporate proposals as at 24 February 2010 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion.

22. Group Borrowings and Debt Securities

The Group's interest-bearing borrowings as at 31 December 2009 are in respect of hire purchase of a motor vehicle and a term loan for the office as follows:

	RM' 000
Current – secured	
Hire purchase creditor – payable within 12 months	52
Term loan – payable within 12 months	57
	<hr/>
	109
	<hr/>
Non-Current –secured	
Hire purchase creditor – payable after 12 months	122
Term loan – payable after 12 months	1,066
	<hr/>
	1,188
	<hr/>
	1,297
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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 profit/(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)	(11)	(1,847)
Weighted average number of ordinary shares	131,643,600	131,643,600
Basic loss per share (Sen)	(0.01)	(1.81)
Diluted earnings per share (Sen)	N/A	N/A

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 24 February 2010.