

**The Media Shoppe Berhad**  
(Incorporated in Malaysia - Company No. 383028-D)  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the 6 months period ended 30 June 2011  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2011 QUARTER ENDED 6/30/2011 RM'000	2010 QUARTER ENDED 6/30/2010 RM'000	2011 YEAR TO DATE 6/30/2011 RM'000	2010 YEAR TO DATE 6/30/2010 RM'000
Revenue	866	931	1,560	1,717
Other operating income	152	722	187	729
Operating expenses	(2,323)	(2,431)	(4,380)	(4,899)
<b>Loss from operations</b>	<b>(1,305)</b>	<b>(778)</b>	<b>(2,633)</b>	<b>(2,453)</b>
Finance costs, net	(37)	(24)	(58)	(46)
<b>Loss before taxation</b>	<b>(1,342)</b>	<b>(802)</b>	<b>(2,691)</b>	<b>(2,499)</b>
Taxation	-	-	-	-
<b>Loss after taxation</b>	<b>(1,342)</b>	<b>(802)</b>	<b>(2,691)</b>	<b>(2,499)</b>
Minority interests	-	-	-	-
<b>Loss attributable to shareholders</b>	<b>(1,342)</b>	<b>(802)</b>	<b>(2,691)</b>	<b>(2,499)</b>
<b>Earnings per share</b>				
(i) Basic (sen)	(0.93)	(0.57)	(1.86)	(1.84)
(ii) Diluted (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

The Media Shoppe Berhad (383028-D)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2011

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	As at	As at
	30 June 2011	31 Decemeber 2010
	RM'000	RM'000
Property, plant and equipment	3,230	3,051
Other investments	250	250
Software development costs	545	603
<b>Current Assets</b>		
Trade and other receivables	1,547	2,773
Cash and cash equivalents	4,765	6,487
	<u>6,312</u>	<u>9,260</u>
<b>Current Liabilities</b>		
Trade and other payables	883	1,129
Hire purchase payable	56	52
Term loan	53	52
Provision for sales commission	17	77
Provision for taxation	(3)	(3)
	<u>1,006</u>	<u>1,307</u>
<b>Net Current Assets</b>	5,306	7,953
	<u>9,331</u>	<u>11,857</u>
<b>Capital and Reserves</b>		
Share capital	14,481	14,481
Reserves	(6,404)	(3,713)
Shareholder's equity	<u>8,077</u>	<u>10,768</u>
<b>Non-current Liabilities</b>		
Hire purchase payable	261	70
Term loan	993	1,019
	<u>9,331</u>	<u>11,857</u>
<b>Net assets per share (sen)</b>	5.58	7.67

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

The Media Shoppe Berhad (383028-D)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
For the 6 months period ended 30 Jun 2011

	(UNAUDITED) 30 June 2011 RM'000	(AUDITED) 30 June 2010 RM'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(2,691)	(2,499)
Adjustment for non-cash items:		
Allowance for doubtful debts/(Write-back of allowance for doubtful debts)	343	675
Amortisation of software development costs	198	528
Depreciation of property, plant and equipment	184	201
Interest expenses	58	46
Interest income	(64)	(15)
Provision for sales commission	40	46
Gain on disposal of plant & equipment	(118)	-
Gain on deconsolidation	-	(712)
<b>Operating loss before working capital changes</b>	<b>(2,050)</b>	<b>(1,730)</b>
Changes in working capital:		
Net change in trade & other receivables	883	105
Net change in trade & other payables	(246)	(754)
Net change in provision for sales commission	(100)	(69)
<b>Net cash used in operations</b>	<b>(1,513)</b>	<b>(2,448)</b>
Interests paid	(58)	(46)
<b>Net cash used in operating activities</b>	<b>(1,571)</b>	<b>(2,494)</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	64	15
Software development costs paid	(140)	(97)
Purchase of plant and equipment	(370)	(149)
Proceed from disposal of plant and equipment	125	-
Investment in Open Dynamics Sdn Bhd	-	(199)
Deconsolidation of a subsidiary, net cash & cash equivalent	-	1,064
<b>Net cash (used in)/generated from investing activities</b>	<b>(321)</b>	<b>634</b>
<b>FINANCING ACTIVITIES</b>		
Financing from hire purchase	330	-
Repayment of hire purchase payable	(135)	(26)
Repayment of term loan	(25)	(28)
Issue of share capital	-	1,317
<b>Net cash generated from in financing activities</b>	<b>170</b>	<b>1,263</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,722)</b>	<b>(597)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>6,487</b>	<b>2,960</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> Note 1	<b>4,765</b>	<b>2,363</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statement for the year ended 31 December 2010)

**Note 1**

**Cash and Cash Equivalents:**

	6/30/2011	6/30/2010
Short-term investments	4,467	1,088
Deposits with licensed bank	24	24
Cash and bank balances	274	1,251
	<b>4,765</b>	<b>2,363</b>

The Media Shoppe Berhad (383028-D)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the 6 months period ended 30 Jun 2011

	Share Capital	Share Premium	Accumulated Losses	Total
	RM'000	RM'000	RM'000	RM'000
<b>6 months ended 30 June 2011</b>				
Balance as at 31 December 2010	14,481	9,551	(13,264)	10,768
Net loss for the 6 months period ended 30 June 2011	-	-	(2,691)	(2,691)
Balance as at 30 June 2011	14,481	9,551	(15,955)	8,077

	Share Capital	Share Premium	Accumulated Losses	Total
	RM'000	RM'000	RM'000	RM'000
<b>6 months ended 30 June 2010</b>				
Balance as at 31 December 2009	13,164	9,551	(11,109)	11,606
Issue and paid up share capital	1,317	-	-	1,317
Net loss for the 6 months period ended 30 June 2010	-	-	(2,499)	(2,499)
Balance as at 30 June 2010	14,481	9,551	(13,608)	10,424

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

# 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 subsidiaries ("the Group") for the year ended 31 December 2010.

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 2010, except for the changes from the adoption of new Financial Reporting Standards ("FRSs") applicable to the Group, the accounting policies and method of computation adopted for the interim financial statements as follows:

### FRSs and Amendments

Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendment to FRS 3	Improvements to FRSs (2010)
Amendment to FRS 7	Improving Disclosures about Financial Instruments
Amendment to FRS 7	Improvements to FRSs (2010)
Amendment to FRS 101	Improvements to FRSs (2010)
Amendment to FRS 121	Improvements to FRSs (2010)
Amendment to FRS 128	Improvements to FRSs (2010)
Amendment to FRS 131	Improvements to FRSs (2010)
Amendment to FRS 132	Improvements to FRSs (2010)
Amendment to FRS 134	Improvements to FRSs (2010)
Amendment to FRS 139	Improvements to FRSs (2010)

### Interpretations and Amendments

IC Interpretation 4	Determining Whether an Arrangement contains a Lease
Amendment to IC Interpretation 13	Improvements to FRSs (2010)
IC Interpretation 18	Transfers of Assets from Customers

## 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 loss after taxation is principally contributed from the provision of integrated web-based and workflow system 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 14 May 2011 to 10 August 2011 that have not been reflected in the interim financial report. (the latest practicable date not earlier than seven (7) days from the date of issue of this report)

## **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 10 August 2011 (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 10 August 2011 (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 RM0.87 million for the quarter ended 30 June 2011, representing a decrease of 7% as compared to RM0.93 million reported in the quarter ended 30 June 2010. The decrease in revenue is mainly due to the lower sale of in-house software development and hosting and maintenance as compared to the same quarter in the last financial year.

As a result of the lower sale, the Group recorded higher loss before taxation of RM1.3 million for the quarter ended 30 June 2011.

#### 15. Commentary on Material Changes in Loss before Taxation

	Quarter ended 30/06/11 Unaudited RM'000	Quarter ended 31/03/11 Unaudited RM'000	Change (%)
Revenue	866	694	25%
Loss before taxation	(1,342)	(1,349)	(1%)

The increase in revenue is mainly due to the sale of in-house software development and product licensing.

#### 16. Commentary on Prospects

Based on the existing orders on hand, the revenue of the Group and its financial performance are not expected to improve in the coming quarter ended 30 September 2011.

#### 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 2010 is 25%. The Company and the wholly-owned subsidiary, TMS Software Sdn Bhd ("TMSS"), were granted the Multimedia Super Corridor ("MSC") 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.

#### 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 29 July 2011, the Company announced that it proposes to undertake the proposed private placement, being the issuance of up to 10% of the issued and paid-up capital of TMS.

There were no other corporate proposals as at 10 August 2011 (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 30 June 2011 are in respect of hire purchase of motor vehicles and a term loan for the office lots as follows:

	RM' 000
<b>Current – secured</b>	
Hire purchase payable – payable within 12 months	56
Term loan – payable within 12 months	53
	<hr/> 109
<b>Non-current –secured</b>	
Hire purchase payable – payable after 12 months	261
Term loan – payable after 12 months	993
	<hr/> 1,254
	<hr/> <hr/> 1,363

## 23. Off Balance Sheet Financial Instruments

Pursuant to Bursa Malaysia's directive dated 25 March 2010, the Group does not has any derivatives, fair value changes of financial liabilities and realised/unrealised profits/losses occur during the quarter under review after.

## 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)	1,342	2,691
Weighted average number of ordinary shares	144,807,900	144,807,900
Basic earnings per share (sen)	<u>(0.93)</u>	<u>(1.86)</u>
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>

## 27. Disclosure of realised and unrealised losses

Pursuant to the directive dated 25 March 2010 issued by Bursa Malaysia Securities Berhad, the breakdown of the accumulated losses can be analysed as follows:

	Quarter ended 30.06.2011 RM'000	Quarter ended 31.03.2011 RM'000
Total retained losses of the Group		
- Realised	1,342	1,349
- Unrealised	<u>0</u>	<u>0</u>
	<u>1,342</u>	<u>1,349</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1 "*Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*", issued by the Malaysian Institute of Accountants on 20 December 2010.

## 28. 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 10 August 2011.