

THE MEDIA SHOPPE BERHAD

Year 2014

4th Quarter Announcement

The Media Shoppe Berhad
(Incorporated in Malaysia - Company No. 383028-D)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the quarter ended 31 December 2014

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	2014 CURRENT YEAR QUARTER 31/12/2014 (Unaudited) RM'000	2013 PRECEDING YEAR CORRESPONDING QUARTER 31/12/2013 (Unaudited) RM'000	2014 CURRENT YEAR-TO-DATE 31/12/2014 (Unaudited) RM'000	2013 PRECEDING YEAR CORRESPONDING PERIOD 31/12/2013 (Audited) RM'000
Revenue	73,578	61,415	256,883	228,175
Direct costs	(67,478)	(56,506)	(237,029)	(209,542)
Gross profit	<u>6,100</u>	<u>4,909</u>	<u>19,854</u>	<u>18,633</u>
Other income	250	142	1,098	1,435
	<u>6,350</u>	<u>5,051</u>	<u>20,952</u>	<u>20,068</u>
Operating expenses	(4,873)	(6,247)	(21,298)	(24,427)
Finance costs	(35)	(5)	(56)	(60)
Profit/(Loss) before taxation	<u>1,442</u>	<u>(1,201)</u>	<u>(402)</u>	<u>(4,419)</u>
Income tax expense	(453)	(292)	(1,076)	(1,087)
Profit/(Loss) after taxation	<u>989</u>	<u>(1,493)</u>	<u>(1,478)</u>	<u>(5,506)</u>
Other comprehensive expenses, net of tax	- *	- *	- *	(1)
Total comprehensive income/(expenses)	<u>989</u>	<u>(1,493)</u>	<u>(1,478)</u>	<u>(5,507)</u>
Profit/(Loss) after taxation attributable to:-				
Owners of the Company	495	(1,500)	(1,725)	(5,375)
Non-controlling interests	494	7	247	(131)
	<u>989</u>	<u>(1,493)</u>	<u>(1,478)</u>	<u>(5,506)</u>
Total comprehensive income/(expenses) attributable to:-				
Owners of the Company	496	(1,500)	(1,725)	(5,375)
Non-controlling interests	493	7	247	(132)
	<u>989</u>	<u>(1,493)</u>	<u>(1,478)</u>	<u>(5,507)</u>
Earning/(Loss) per share (EPS/(LPS)) (in sen)				
Basic EPS/(LPS)	0.06	(0.17)	(0.20)	(0.68)
Diluted EPS/(LPS)	N/A	N/A	N/A	N/A

Note:-

* - Amount less than RM1,000

(The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

The Media Shoppe Berhad (383028-D)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	As at	As at
	31 December 2014	31 December 2013
	RM'000	RM'000
ASSETS:		
Non-Current Assets:		
Property and equipment	14,180	12,068
Other investments	250	250
Software development costs	650	250
Lease receivable	175	-
Goodwill on consolidation	7,184	7,184
	<u>22,439</u>	<u>19,752</u>
Current Assets:		
Inventories	18,671	13,693
Trade and other receivables	25,805	18,330
Lease receivable	45	-
Tax refundable	146	77
Cash and cash equivalents	35,678	38,208
	<u>80,345</u>	<u>70,308</u>
TOTAL ASSETS	<u>102,784</u>	<u>90,060</u>
EQUITY AND LIABILITIES:		
EQUITY		
Share capital	87,018	87,018
Reserves	(14,491)	(12,766)
Total equity attributable to owners of the Company	72,527	74,252
Non-controlling interests	628	136
TOTAL EQUITY	<u>73,155</u>	<u>74,388</u>
Non-Current Liabilities:		
Hire purchase payables	326	164
Deferred tax liabilities	30	38
	<u>356</u>	<u>202</u>
Current Liabilities:		
Trade and other payables	26,823	14,925
Short-term borrowings:		
- Bankers' acceptance	2,253	266
- Hire purchase payables	50	71
Provision for taxation	147	208
	<u>29,273</u>	<u>15,470</u>
TOTAL LIABILITIES	<u>29,629</u>	<u>15,672</u>
TOTAL EQUITY AND LIABILITIES	<u>102,784</u>	<u>90,060</u>
Net assets per share (sen)	8.33	8.53

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

The Media Shoppe Berhad (383028-D)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the twelve (12) months ended 31 December 2014

	(UNAUDITED) CURRENT YEAR-TO-DATE 31 December 2014 RM'000	(AUDITED) PRECEDING YEAR CORRESPONDING PERIOD 31 December 2013 RM'000
CASH FLOW FOR OPERATING ACTIVITIES		
Loss before taxation	(402)	(4,419)
Adjustments for non-cash items:		
Amortisation of software development costs	72	78
Bad debts written off	-	40
Depreciation of property and equipment	1,851	1,533
Equipment written off	4	1
Impairment losses on receivables	732	673
Interest expense	47	60
Share-based payment arising from ESOS	-	4,000
Software development costs written-off	178	-
Unrealised loss on foreign exchange	-	-
Fair value gain on lease asset	(23)	-
Gain on disposal of equipment	(71)	-
Interest income	(537)	(453)
Reversal of impairment losses on receivables	(372)	(981)
Reversal of write-down on inventories	-	(75)
Operating profit before changes in working capital	1,479	457
Net change in inventories	(4,978)	1,282
Net change in trade & other receivables	(7,836)	10,728
Net change in trade & other payables	11,898	(18,903)
Cash flow from/(for) operations	563	(6,436)
Income tax paid	(1,214)	(1,630)
Income tax refund	-	81
Interest paid	(47)	(60)
Net cash for operating activities	(698)	(8,045)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	537	453
Proceeds from disposal of equipment	188	1
Repayment from lease receivable	22	-
Purchase of property and equipment	(3,902)	(7,670)
Software development costs paid	(650)	-
Net cash inflow on acquisition of subsidiaries	-	4,508
Net cash for investing activities	(3,805)	(2,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(259)	(79)
Repayment of term loan	-	(968)
Net Drawdown of bankers' acceptance	1,987	266
Proceeds from NCI for share of the acquiree's net assets	245	-
Proceeds from exercise of ESOS	-	14,000
Expenses incurred in relation to acquisition of subsidiaries	-	(405)
Proceeds from issuance of shares pursuant to Private Placement, net of expenses	-	7,828
Net cash from financing activities	1,973	20,642
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,530)	9,889
EFFECT OF FOREIGN EXCHANGE TRANSLATION	-	(1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	38,208	28,320
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	35,678	38,208

Note:-

* - Amount less than RM1,000

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

Note 1

Cash and Cash Equivalents:

	31/12/2014	31/12/2013
Short-term investments	15,280	14,441
Deposits with licensed bank	2,348	929
Cash and bank balances	18,050	22,838
	35,678	38,208

The Media Shoppe Berhad (383028-D)
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the twelve (12) months ended 31 December 2014

	Non-Distributable		Distributable			Total RM'000				
	Share Capital RM'000	Share Premium Reserve RM'000	Warrant Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Employees Share Option Reserve RM'000		Accumulated Losses RM'000	Attributable To Owners of the Company RM'000	Non- Controlling Interest ("NCI") RM'000	
12 months ended 31 December 2014										
Balance as at 1 January 2014	87,018	4,055	10,146	-	*	1,200	(28,167)	74,252	136	74,388
Transactions with owners of the Company:-										
NCI share of the acquiree's net identifiable assets	-	-	-	-	-	-	-	-	245	245
Total transactions with owners	-	-	-	-	-	-	-	-	245	245
Loss after taxation for the 12 months ended 31 December 2014	-	-	-	-	-	-	(1,725)	(1,725)	247	(1,478)
Other comprehensive expenses for the 12 months ended 31 December 2014 - Foreign currency translation	-	-	-	-	*	-	-	-	*	-
Total comprehensive expenses for the 12 months ended 31 December 2014	-	-	-	-	*	-	(1,725)	(1,725)	247	(1,478)
Balance as at 31 December 2014	87,018	4,055	10,146	-	*	1,200	(29,892)	72,527	628	73,155

The Media Shoppe Berhad (383028-D)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the twelve (12) months ended 31 December 2014

	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Employees Share Option Reserve RM'000	Accumulated Losses RM'000	Attributable To Owners of the Company RM'000	Non-Controlling Interest ("NCI") RM'000	Total RM'000
12 months ended 31 December 2013									
Balance as at 1 January 2013	50,628	1,742	10,146	-	-	(22,792)	39,724	-	39,724
Transactions with owners of the Company:-									
Issuance of shares pursuant to acquisition of subsidiaries	14,480	-	-	-	-	-	14,480	-	14,480
Expenses incurred in relation to acquisition of subsidiaries	-	(405)	-	-	-	-	(405)	-	(405)
NCI share of the acquiree's net identifiable assets	-	-	-	-	-	-	-	268	268
Share option granted under ESOS	-	-	-	-	4,000	-	4,000	-	4,000
Exercise of ESOS	14,000	2,800	-	-	(2,800)	-	14,000	-	14,000
Issuance of shares pursuant to Private Placement	7,910	-	-	-	-	-	7,910	-	7,910
Expenses incurred in relation to Private Placement	-	(82)	-	-	-	-	(82)	-	(82)
Total transactions with owners	36,390	2,313	-	-	1,200	-	39,903	268	40,171
Loss after taxation for the 12 months ended 31 December 2013	-	-	-	-	-	(5,375)	(5,375)	(131)	(5,506)
Other comprehensive expenses for the 12 months ended 31 December 2013	-	-	-	-	*	-	-	(1)	(1)
- Foreign currency translation	-	-	-	-	-	-	-	(1)	(1)
Total comprehensive expenses for the 12 months ended 31 December 2013	-	-	-	-	*	(5,375)	(5,375)	(132)	(5,507)
Balance as at 31 December 2013	87,018	4,055	10,146	-	1,200	(28,167)	74,252	136	74,388

Note:-

* - Amount less than RM1,000

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

THE MEDIA SHOPPE BERHAD (“TMS” or “The Company”)

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of The Media Shoppe Berhad (“TMS” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2013. The explanatory notes attached to the condensed consolidated 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 2013.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2013.

The adoption of the following MFRSs, Amendments to MFRSs and IC Interpretation that came into effect on or after 1 January 2014 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies
- Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions
- Annual Improvements to MFRSs 2010 - 2012 Cycle
- Annual Improvements to MFRSs 2011 - 2013 Cycle

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2013 was not qualified.

A4. Seasonality or Cyclicity of Operations

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

A5. Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter under review.

A6. Material Changes in Estimates

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

A7. Issuances, Repurchases, and Repayments of 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.

A8. Dividends Paid

There were no dividends paid during the quarter under review.

A9. Operating Segment Information

The segment information for the current quarter is as follows:-

	Provision of Integrated Web-Based and Workflow System RM'000	Trading of IT and ICT Products RM'000	The Group RM'000
Current quarter ended 31 December 2014			
Revenue			
External revenue	2,868	70,710	73,578
Results			
Segment results	(23)	1,842	1,819
Interest income	139	59	198
Reversal of impairment losses on receivables	72	-	72
Amortisation of software development costs	(13)	-	(13)
Software development costs written-off	(178)	-	(178)
Depreciation of property and equipment	(86)	(240)	(326)
Impairment losses on receivables	(97)	-	(97)
Interest expense	(5)	(28)	(33)
	(191)	1,633	1,442
Income tax expense	6	(459)	(453)
Consolidated (loss)/profit after taxation	(185)	1,174	989
Assets			
Segment assets/Consolidated total assets	33,926	68,858	102,784
Liabilities			
Segment liabilities/Consolidated total liabilities	2,410	27,219	29,629

A9. Operating Segment Information (Cont'd)

	Provision of Integrated Web-Based and Workflow System RM'000	Trading of IT and ICT Products RM'000	The Group RM'000
Corresponding quarter ended 31 December 2013			
Revenue			
External revenue	1,954	59,461	61,415
Inter-segment revenue	4,709	-	4,709
	<u>6,663</u>	<u>59,461</u>	<u>66,124</u>
Adjustments and eliminations			<u>(4,709)</u>
			<u>61,415</u>
Results			
Segment results	(735)	945	210
Interest income	127	14	141
Reversal of impairment losses on receivables	198	-	198
Amortisation of software development costs	(20)	-	(20)
Depreciation of property and equipment	(106)	(327)	(433)
Impairment losses on receivables	(92)	-	(92)
Interest expense	(3)	(2)	(5)
Share-based payment arising from ESOS	(1,200)	-	(1,200)
	<u>(1,831)</u>	<u>630</u>	<u>(1,201)</u>
Income tax expense	(14)	(278)	(292)
Consolidated (loss)/profit after taxation	<u>(1,845)</u>	<u>352</u>	<u>(1,493)</u>
Assets			
Segment assets/Consolidated total assets	31,308	58,752	<u>90,060</u>
Liabilities			
Segment liabilities/Consolidated total liabilities	1,181	14,491	<u>15,672</u>

The Group operates principally in Malaysia.

A10. Material Events Subsequent to the End of the Interim Period

Save for the following, there were no material events subsequent to the end of the current quarter up to 17 February 2015, being the last practicable date from the date of the issue of this report that are expected to have an operational or financial impact on the Group.

On 6 January 2015, AmInvestment Bank Berhad (“AmInvestment Bank”) on behalf of the Board of Directors (“the Board”) of TMS announced that the Company proposed to undertake the following proposals:-

- (i) Proposed share capital reduction by the cancellation of RM0.05 of the par value of every existing ordinary shares in TMS (“TMS Share(s)” or “Share(s)”) of RM0.10 each pursuant to Section 64 of the Companies Act, 1965 (“Proposed Share Capital Reduction”); and
 - (ii) Pursuant thereto, the Company will undertake a proposed share consolidation involving the consolidation of every two (2) TMS Shares of RM0.05 each into one (1) new TMS Share of RM0.10 each after the Proposed Share Capital Reduction (“Proposed Share Consolidation”).
- (collectively referred to as the “Proposals”)

On 16 January 2015, AmInvestment Bank on behalf of the Board of TMS announced that the application in respect of the Proposals has been submitted to Bursa Securities.

On 23 February 2015, AmInvestment Bank on behalf of the Board of TMS announced that Bursa Securities had vide its letter dated 13 February 2015, had approved the Proposed Share Consolidation. However, due to technical reasons, the letter was received by AmInvestment Bank on 23 February 2015.

A11. Changes in the Composition of the Group

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

A12. Changes in Contingent Liabilities and Contingent Assets since the Last Annual Balance Sheet Date

Since the last annual balance sheet date, there were no material changes in contingent liabilities and contingent assets for the Group as at 17 February 2015 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

A13. Capital Commitments

	RM'000
Approved and Contracted for:-	
Property and equipment	348

Save for the above, there were no capital commitments as at 17 February 2015 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

A14. Related Party Transactions

The Group's related party transactions in the current quarter and the cumulative period-to-date ended 31.12.2014 are as follows:

	Current quarter RM'000	Cumulative period-to-date RM'000
Professional services rendered by a company in which a director is a common director and has substantial financial interest	26	106
Direct purchases from a related party	6	10
Subscription fee charged by a related party	2	14
Research expenses charged by a related party	30	70
Training fee charged by a related party	9	9
Administrative expenses charged to a related party	5	13
Staff secondment fee charged to a related party	126	258
Software development costs payable to a related party	-	650
Key management personnel:-		
- salaries and allowances	138	486
- defined contribution plans	18	62
- others	- *	1
- fee	36	136

Note:-

* - Amount less than RM1,000

A15. Changes in Fair Value of Financial Assets and Financial Liabilities, Transfers and Classifications

There have been no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities in the current quarter ended 31 December 2014.

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements****B1. Detailed Analysis of Overall Performance**

	Individual Quarter		Cumulative Period	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue	73,578	61,415	256,883	228,175
Profit/(Loss) before taxation	1,442	(1,201)	(402)	(4,419)

For the current quarter under review, the Group generated revenue of RM73.6 million, representing an increase of 20% as compared to RM61.4 million reported in the quarter ended 31 December 2013. The increase in revenue is mainly due to increase in revenue from the trading of Information Technology (IT) and Information Communication Technology (ICT) products of RM11.2 million. Loss before taxation has reduced by RM2.6 million as compared with the corresponding quarter ended 31 December 2013 and recorded a profit before taxation of RM1.4 million for the quarter ended 31 December 2014. The reasons for the reduction were mainly due to the cost of option under the Employees Share Option Scheme ("ESOS") which was amounted to RM1.2 million incurred in the corresponding quarter ended 31 December 2013 and contribution from both divisions as a result of revenue increased.

For the cumulative period under review, the Group generated revenue of RM256.9 million, representing an increase of 13% as compared to RM228.2 million reported in the financial year ended 31 December 2013. The increase in revenue is mainly derived from the trading of IT and ICT products of RM21.6 million. Loss before taxation has reduced by RM4.0 million mainly due to the cost of option under the ESOS which was amounted to RM4.0 million incurred in year 2013.

B2. Comments on Material Changes in the Profit/(Loss) Before Taxation for the Quarter Reported as Compared with the Preceding Quarter

	Current quarter ended 31.12.2014 RM'000	Previous quarter ended 30.9.2014 RM'000
Revenue	73,758	65,773
Profit/(Loss) before taxation	1,442	(468)

The increase in revenue in the current quarter was RM8.0 million, representing an increase of 12% as compared to the previous quarter. This is due to the increase in revenue from IT and ICT division.

The Group recorded a profit before taxation of RM1.4 million, an improvement of RM1.9 million, as compared to the previous quarter. This is mainly attributable to the higher revenue contribution and lower selling and distribution expenses incurred from IT and ICT division coupled with more projects from the division of provision of integrated web-based and workflow system to cover the division's fixed operating costs.

B3. Detailed Analysis of the Group's Operating Segments

There are two operating segments for the current quarter which consists of:-

(1) Provision of integrated web-based and workflow system

By excluding the effect of the cost of option under the ESOS, the performance of this division in the current financial year is relatively consistent to the previous financial year in terms of contribution from revenue and operating results. The challenges faced by the division are mainly from securing more projects to cover the fixed operating costs and at the same time to control and/or reduce especially the manpower cost, to run the division.

(2) Trading of IT and ICT products

Contribution from revenue has increased as a result of additional orders from customers in the current financial year as compared to the previous financial year. The operating costs have also increased mainly due to the higher operating costs especially from selling and distribution. The management able to maintain the profitability of this division and continuing looks for opportunities of expansion.

B4. Commentary on Prospects

The Group strives for better performance by continue looking at areas of growth in the business segments as well as strengthening the Group's position in the market. Barring unforeseen circumstances, the Group's performance for the next financial year is expected to be better than of the current financial year.

B5. Variance between Actual Profit and Forecast Profit or Profit Guarantee

The Company has entered into a profit guarantee agreement with the vendors of Open Adventure Sdn Bhd ("OA") and Viewnet Computer System Sdn Bhd ("Viewnet"), respectively, that the audited profit after tax of OA and Viewnet shall not be less than RM0.6 million and RM2.5 million, respectively, until the financial year ended 31 December 2014. OA and Viewnet have met the profit guarantee in the current financial year.

B6. Tax Expense

The tax expense is as follows:

	Current Year Quarter RM'000	Current Year-To-Date RM'000
Current tax expense:		
- For the current financial period	(462)	(1,080)
- Over/(Under)provision in the previous financial year	1	(4)
	<u>(461)</u>	<u>(1,084)</u>
Deferred tax expense:		
- Current deferred tax	8	8
	<u>(453)</u>	<u>(1,076)</u>

B7. Status of Corporate Proposals

On 6 January 2015, AmInvestment Bank on behalf of the Board of TMS announced that the Company proposed to undertake the Proposals as defined in Section A10 above. Please refer to Section A10 for the status of the Proposals.

There were no other corporate proposals as at 17 February 2015 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion.

B8. Utilisation of Proceeds

Rights Issue with Warrants

On 19 January 2012, Hong Leong Investment Bank Berhad on behalf of TMS announced that the Rights Issue with Warrants has been completed following the listing of and quotation for 312,631,700 Rights Shares together with 234,473,775 Warrants on the ACE Market of Bursa Securities.

Purposes	Proposed Utilisation	Actual Utilisation As At 31.12.2014	Revised Timeframe for Utilisation	Deviation		Explanation
	RM'000	RM'000		RM'000	%	
Working capital requirements	9,004	5,560	Within 36 months	3,444	38.2	N1
Expansion of existing business	9,782	9,782	Within 24 months	-	-	
Overseas expansion	12,000	-	Within 36 months	12,000	100.0	N1
Estimated expenses in relation to the Rights Issue with Warrants	477	477	Within 1 month	-	-	
Total	31,263	15,819				

B8. Utilisation Of Proceeds (Cont'd)Rights Issue with Warrants (Cont'd)

N1 The difference represents balance of the proceeds pending utilisation. The Board of TMS had resolved, approved and announced on 16 January 2015 to extend the timeframe for the utilisation of the balance of the proceeds for working capital requirements and overseas expansion for another twelve (12) months until 18 January 2016.

B9. Details of Group Borrowings and Debt Securities

The Group's interest-bearing borrowings as at the end of the reporting period are as follows:

	As at 31.12.2014 RM'000
Current - secured	
Hire purchase payable - payable within 12 months	50
Bankers' acceptance	2,253
	<hr/> 2,303 <hr/>
Non-current - secured	
Hire purchase payable - payable after 12 months	326
	<hr/> 2,629 <hr/>

B10. Gains and Losses arising from Fair Value Changes of Financial Liabilities

No gains or losses were recognised for changes in fair values of financial liabilities during the quarter under review.

B11. Dividends

No interim dividend has been declared or proposed for the quarter under review.

B12. Earning/(Loss) per Share

The basic earning/(loss) per share was calculated by dividing the profit/(loss) after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue in the respective period as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter Ended 31.12.2014	Preceding Year Corresponding Quarter Ended 31.12.2013	Current Year-to-date Ended 31.12.2014	Preceding Year Corresponding Period Ended 31.12.2013
Basic earning/(loss) per share				
Profit/(Loss) after taxation attributable to the owners of the Company (RM'000)	495	(1,500)	(1,725)	(5,375)
Weighted average number of ordinary shares in issue	870,182,890	870,182,890	870,182,890	795,541,027
Basic earning/(loss) per share (sen)	0.06	(0.17)	(0.20)	(0.68)
Diluted earning/(loss) per share	N/A	N/A	N/A	N/A

B13. Notes to the Statement of Profit or Loss and Other Comprehensive Income

	Current quarter 31/12/2014 RM'000	Current year-to-date 31/12/2014 RM'000
Interest income	198	537
Other income	52	116
Interest expense	33	47
Depreciation of property and equipment	326	1,851
Amortisation of software development costs	13	72
Impairment losses on receivables	97	732
Reversal of impairment losses on receivables	72	372
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Unrealised (gain)/loss on foreign exchange	N/A	N/A
Realised gain on foreign exchange	-	1
Realised loss on foreign exchange	5	5
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

B14. Disclosure of Realised and Unrealised Profit or Losses

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

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Total accumulated losses of the Group:		
- realised	(35,015)	(30,008)
- unrealised	-	-
	<hr/>	<hr/>
	(35,015)	(30,008)
Less: Consolidation Adjustments	5,123	1,841
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	(29,892)	(28,167)
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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.

B15. 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 2015.