

# **THE MEDIA SHOPPE BERHAD**

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

**Year 2015**

**Quarterly Announcement**

**For The Quarter Ended 31 March 2015**

**THE MEDIA SHOPPE BERHAD**  
**(Company No. 383028-D)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2015**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	2015 CURRENT YEAR QUARTER  31/3/2015 <u>(Unaudited)</u> RM'000	2014 PRECEDING YEAR CORRESPONDING QUARTER 31/3/2014 <u>(Unaudited)</u> RM'000	2015 CURRENT YEAR-TO-DATE  31/3/2015 <u>(Unaudited)</u> RM'000	2014 PRECEDING YEAR CORRESPONDING PERIOD 31/3/2014 <u>(Unaudited)</u> RM'000
Revenue	60,441	60,502	60,441	60,502
Direct costs	(56,047)	(54,863)	(56,047)	(54,863)
Gross profit	<u>4,394</u>	<u>5,639</u>	<u>4,394</u>	<u>5,639</u>
Other income	229	483	229	483
	<u>4,623</u>	<u>6,122</u>	<u>4,623</u>	<u>6,122</u>
Operating expenses	(5,414)	(6,166)	(5,414)	(6,166)
Finance costs	(17)	(5)	(17)	(5)
Loss before taxation	<u>(808)</u>	<u>(49)</u>	<u>(808)</u>	<u>(49)</u>
Income tax expense	(366)	(137)	(366)	(137)
Loss after taxation	<u>(1,174)</u>	<u>(186)</u>	<u>(1,174)</u>	<u>(186)</u>
Other comprehensive income, net of tax	- *	1	- *	1
Total comprehensive expenses	<u>(1,174)</u>	<u>(185)</u>	<u>(1,174)</u>	<u>(185)</u>
Loss after taxation attributable to:-				
Owners of the Company	(1,279)	(77)	(1,279)	(77)
Non-controlling interests	105	(109)	105	(109)
	<u>(1,174)</u>	<u>(186)</u>	<u>(1,174)</u>	<u>(186)</u>
Total comprehensive expenses attributable to:-				
Owners of the Company	(1,279)	(77)	(1,279)	(77)
Non-controlling interests	105	(108)	105	(108)
	<u>(1,174)</u>	<u>(185)</u>	<u>(1,174)</u>	<u>(185)</u>
Loss per share (LPS) (in sen)				
Basic LPS	(0.15)	(0.01)	(0.15)	(0.01)
Diluted 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 2014 and the accompanying explanatory notes attached to the interim financial statements.)

**THE MEDIA SHOPPE BERHAD**  
**(Company No. 383028-D)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2015**

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	As at	As at
	31 March 2015	31 December 2014
	RM'000	RM'000
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>		
Property and equipment	14,187	14,180
Other investments	250	250
Other intangible assets	1,736	650
Lease receivable	164	175
Goodwill on consolidation	7,184	7,184
	<u>23,521</u>	<u>22,439</u>
<b>Current Assets:</b>		
Inventories	16,190	18,671
Trade and other receivables	22,020	26,235
Lease receivable	46	45
Tax refundable	73	146
Short-term investments	14,408	15,280
Deposits with licensed banks	1,917	1,918
Cash and bank balances	16,638	18,050
	<u>71,292</u>	<u>80,345</u>
<b>TOTAL ASSETS</b>	<u><b>94,813</b></u>	<u><b>102,784</b></u>
<b>EQUITY AND LIABILITIES:</b>		
<b>EQUITY</b>		
Share capital	87,018	87,018
Reserves	(16,162)	(14,491)
Total equity attributable to owners of the Company	70,856	72,527
Non-controlling interests	105	628
<b>TOTAL EQUITY</b>	<u><b>70,961</b></u>	<u><b>73,155</b></u>
<b>Non-Current Liabilities:</b>		
Hire purchase payables	313	326
Deferred tax liabilities	30	30
	<u><b>343</b></u>	<u><b>356</b></u>
<b>Current Liabilities:</b>		
Trade and other payables	23,219	26,823
Short-term borrowings	51	2,303
Provision for taxation	239	147
	<u><b>23,509</b></u>	<u><b>29,273</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>23,852</b></u>	<u><b>29,629</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>94,813</b></u>	<u><b>102,784</b></u>
<b>Net assets per share (sen)</b>	8.14	8.33

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

**THE MEDIA SHOPPE BERHAD**  
(Company No. 383028-D)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE THREE(3) MONTHS ENDED 31 MARCH 2015**

	(UNAUDITED) CURRENT YEAR-TO-DATE  31 March 2015 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING PERIOD  31 March 2014 RM'000
<b>CASH FLOW FOR OPERATING ACTIVITIES</b>		
Loss before taxation	(808)	(49)
Adjustments for non-cash items:		
Amortisation of software development costs	114	20
Bad debts written off	1	-
Depreciation of property and equipment	494	505
Equipment written off	-	3
Impairment losses on receivables	5	584
Interest expense	17	5
Interest income	(138)	(112)
Reversal of impairment losses on receivables	(26)	(372)
Unrealised gain on foreign exchange	(4)	-
Operating profit before changes in working capital	(345)	584
Net change in inventories	2,481	(2,858)
Net change in trade & other receivables	4,239	(10,224)
Net change in trade & other payables	(3,604)	9,835
Cash flow from/(for) operations	2,771	(2,663)
Income tax paid	(203)	(285)
Income tax refund	2	-
Interest paid	(17)	(5)
Net cash for operating activities	2,553	(2,953)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	138	112
Repayment from lease receivable	11	-
Purchase of property and equipment	(501)	(1,522)
Net (placement)/withdrawal of deposits with licensed banks	1,029	(595)
Additional investment in a subsidiary	(1,020)	-
Purchase of intangible asset	(1,200)	-
Net cash for investing activities	(1,543)	(2,005)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(12)	(20)
Repayment of bankers' acceptance	(2,253)	(26)
Net cash from financing activities	(2,265)	(46)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,255)	(5,004)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	34,209	37,765
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	Note 1 <u>32,954</u>	<u>32,761</u>

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 2014 and the accompanying explanatory notes attached to the interim financial statements.)

**Note 1**

Cash and Cash Equivalents at End of the Financial Period comprised:

	31 March 2015 RM'000	31 March 2014 RM'000
Short-term investments	14,408	14,545
Deposits with licensed bank	1,917	1,929
Cash and bank balances	16,638	17,325
	<u>32,963</u>	<u>33,799</u>
Less: Deposits pledged to licensed banks	-	(1,029)
Less: Fixed deposits with maturity period more than 3 months	(9)	(9)
	<u>32,954</u>	<u>32,761</u>

THE MEDIA SHOPPE BERHAD  
(Company No. 383028-D)  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE(3) MONTHS ENDED 31 MARCH 2015

	Non-Distributable			Distributable			
	Share Premium	Warrant Reserve	Foreign Exchange Translation Reserve	Employees Share Option Reserve	Accumulated Losses	Attributable To Owners of the Company	Non-Controlling Interest ("NCI")
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31 March 2015							
Balance as at 1 January 2015	87,018	4,055	10,146	*	1,200	(29,892)	72,527
Transactions with owners of the Company:-							
Acquisition of additional interest in a subsidiary	-	-	-	-	(392)	(392)	(628)
Employees' share options lapsed	-	-	-	(1,200)	1,200	-	-
Total transactions with owners	-	-	-	(1,200)	808	(392)	(628)
Loss after taxation for the 3 months ended 31 March 2015	-	-	-	-	(1,279)	(1,279)	105
Other comprehensive expenses for the 3 months ended 31 March 2015 - Foreign currency translation	-	-	-	*	-	-	*
Total comprehensive expenses for the 3 months ended 31 March 2015	-	-	-	*	(1,279)	(1,279)	105
Balance as at 31 March 2015	87,018	4,055	10,146	-	(30,363)	70,856	105

73,155

(1,020)

(1,174)

70,961

THE MEDIA SHOPPE BERHAD  
(Company No. 383028-D)  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE(3) MONTHS ENDED 31 MARCH 2015 (Cont'd)

	Non-Distributable				Distributable			Total RM'000	
	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
3 months ended 31 March 2014									
Balance as at 1 January 2014	87,018	4,055	10,146	- *	1,200	(28,167)	74,252	136	74,388
Loss after taxation for the 3 months ended 31 March 2014	-	-	-	-	-	(77)	(77)	(109)	(186)
Other comprehensive expenses for the 3 months ended 31 March 2014	-	-	-	-	-	-	-	*	1
- Foreign currency translation									
Total comprehensive expenses for the 3 months ended 31 March 2014	-	-	-	- *	-	(77)	(77)	(108)	(185)
Balance as at 31 March 2014	87,018	4,055	10,146	- *	1,200	(28,244)	74,175	28	74,203

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 2014 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 MARCH 2015

### 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 2014. 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 2014.

##### 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 2014.

The adoption of the following accounting standards and interpretations (including the consequential amendments) that came into effect on or after 1 January 2015 is expected to have no material impact on the unaudited condensed consolidated financial statements upon their initial application.

MFRSs and/or IC Interpretations (Including the Consequential Amendments):-

- MFRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)
- MFRS 15: Revenue from Contracts with Customers
- Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an investor and its Associate or Joint Venture
- Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception
- Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants
- Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements
- Annual Improvements to MFRSs 2012 - 2014 Cycle

**Part A**

**Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS")**  
**134 Interim Financial Reporting (Cont'd)**

**A3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2014 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.



**Part A****Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS")  
134 Interim Financial Reporting (Cont'd)****A9. Operating Segment Information**

The Group business segments comprise the following:-

- (i) Provision of integrated web-based and workflow system segment - involved in the research and development and marketing of computer software, provision of system networking support, provision of information technology system and integration services; and
- (ii) Trading of IT and ICT products segment - involved in the trading in Information Technology and Information Communication Technology products and retail distribution of software and hardware.

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

	Provision of Integrated Web-Based and Workflow System RM000	Trading of IT and ICT Products RM000	The Group RM000
<b>Current quarter ended 31 March 2015</b>			
<b>Revenue</b>			
External revenue	1,922	58,519	60,441
Inter-segment revenue	523	-	523
	<u>2,445</u>	<u>58,519</u>	<u>60,964</u>
Adjustments and eliminations			<u>(523)</u>
			<u>60,441</u>
<b>Results</b>			
Segment results	(1,431)	1,089	(342)
Interest income	128	10	138
Reversal of impairment losses on receivables	26	-	26
Amortisation of software development costs	(114)	-	(114)
Depreciation of property and equipment	(86)	(408)	(494)
Impairment losses on receivables	(5)	-	(5)
Interest expense	(5)	(12)	(17)
Consolidated (loss)/profit before taxation	<u>(1,487)</u>	<u>679</u>	<u>(808)</u>
Income tax expense	(40)	(326)	(366)
Consolidated (loss)/profit after taxation	<u>(1,527)</u>	<u>353</u>	<u>(1,174)</u>
<b>Assets</b>			
Segment assets/Consolidated total assets	34,952	59,861	<u>94,813</u>
<b>Liabilities</b>			
Segment liabilities/Consolidated total liabilities	3,483	20,369	<u>23,852</u>

**Part A****Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS")  
134 Interim Financial Reporting (Cont'd)****A9. Operating Segment Information (Cont'd)**

	Provision of Integrated Web-Based and Workflow System RM000	Trading of IT and ICT Products RM000	The Group RM000
<b>Corresponding quarter ended 31 March 2014</b>			
<b>Revenue</b>			
External revenue	4,187	56,315	60,502
<b>Results</b>			
Segment results	231	353	584
Interest income	105	7	112
Reversal of impairment losses on receivables	372	-	372
Amortisation of software development costs	(20)	-	(20)
Depreciation of property and equipment	(82)	(423)	(505)
Equipment written off	(3)	-	(3)
Impairment losses on receivables	(584)	-	(584)
Interest expense	(2)	(3)	(5)
Consolidated profit/(loss) before taxation	17	(66)	(49)
Income tax expense	-	(137)	(137)
Consolidated profit/(loss) after taxation	17	(203)	(186)
<b>Assets</b>			
Segment assets/Consolidated total assets	34,080	65,464	99,544
<b>Liabilities</b>			
Segment liabilities/Consolidated total liabilities	3,068	22,273	25,341

The Group operates principally in Malaysia.

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

There were no material events subsequent to the end of the current quarter up to 15 May 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.

**A11. Changes in the Composition of the Group**

On 18 March 2015, the Group acquired an additional 34% equity interest in Open Adventure Sdn Bhd for a cash consideration of RM1,020,000, increasing its ownership from 66% to 100%.

Save for the above, there were no other changes in the composition of the Group in the current period under review.

## Part A

### Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting (Cont'd)

#### **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 15 May 2015 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

#### **A13. Capital Commitments**

There were no capital commitments as at 15 May 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 31.3.2015 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	26
Research expenses charged by a related party	30	30
Administrative expenses charged to a related party	10	10
Staff secondment fee charged to a related party	90	90
Key management personnel:-		
- salaries and allowances	148	148
- defined contribution plans	19	19
- others	- *	- *
- fee	36	36

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 March 2015.

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

	Individual Quarter		Cumulative Period	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Revenue	60,441	60,502	60,441	60,502
Loss before taxation	(808)	(49)	(808)	(49)

The Group generated revenue of RM60.4 million for the quarter ended 31 March 2015 as compared to RM60.5 million reported in the quarter ended 31 March 2014. The marginal decrease in revenue is due to decrease in revenue from the division of provision of integrated web-based and workflow system of RM2.3 million coupled with the increase in revenue from the division of trading of Information Technology (IT) and Information Communication Technology (ICT) products of RM2.2 million.

Loss before taxation has increased by of RM0.8 million as compared to the quarter ended 31 March 2014. This is mainly attributable to lesser revenue contribution and higher operating costs for projects from the division of provision of integrated web-based and workflow system.

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

	Current quarter ended 31.3.2015 RM'000	Previous quarter ended 31.12.2014 RM'000
Revenue	60,441	73,578
(Loss)/Profit before taxation	(808)	1,442

The decrease in revenue in the current quarter was RM13.1 million, representing a decrease of 18% as compared to the previous quarter. This is mainly due to the decrease in revenue from IT and ICT division.

Loss before taxation has increased by RM2.2 million as compared with the previous quarter as a result of lesser revenue contribution and increased operating costs for projects in provision of integrated web-based and workflow system division. Apart from that, the operating costs for IT and ICT division have also increased especially payroll related expenses.

## **Part B**

### **Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)**

#### **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

Revenue from this division has decreased in the current quarter as compared to the previous quarter and corresponding quarter ended 31 March 2014, respectively. This is mainly due to lesser revenue contribution from third party products and services, application software development and ERP set up. The reduced revenue as mentioned above is also a contributing factor for loss before taxation in the current quarter as insufficient to cover the fixed operating costs.

(2) Trading of IT and ICT products

Contribution from revenue has increased in the current quarter as compared to the corresponding quarter ended 31 March 2014 as a result of additional orders from customers. Profit before taxation has increased mainly due to lesser operating costs especially from selling and distribution.

Revenue from this division has decreased by RM12.2 million in the current quarter as compared to the previous quarter mainly due to lesser orders from customers. The operating costs have also increased mainly due to the higher operating costs especially from payroll related expenses.

#### **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 current financial year is expected to be better than of the previous financial year.

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

There were no profit forecast or profit guarantee made public for the financial period under review.

## Part B

### Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

#### 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	(346)	(346)
- Underprovision in the previous financial year	(20)	(20)
	<u>(366)</u>	<u>(366)</u>

#### B7. Status of Corporate Proposals

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.

The Proposals were approved by the shareholders of the Company at the extraordinary general meeting held on 6 April 2015.

There were no other corporate proposals as at 15 May 2015 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion.

**Part B****Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****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 31.3.2015	Revised Timeframe for Utilisation	Deviation		Explanation
	RM'000	RM'000		RM'000	%	
Working capital requirements	9,004	6,188	Within 36 months	2,816	31.3	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	-	-	
<b>Total</b>	<b>31,263</b>	<b>16,447</b>				

N1 Pending utilisation.

**B9. Details of Group Borrowings and Debt Securities**

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

	<b>As at 31.3.2015</b> <b>RM'000</b>
<b>Current - secured</b>	
Hire purchase payable - payable within 12 months	51
<b>Non-current - secured</b>	
Hire purchase payable - payable after 12 months	313
	364

**Part B****Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****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. Loss per Share**

The basic loss per share was calculated by dividing the 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 31.3.2015	Preceding Year Corresponding Quarter Ended 31.3.2014	Current Year-to-date Ended 31.3.2015	Preceding Year Corresponding Period Ended 31.3.2014
<b>Basic loss per share</b>				
Loss after taxation attributable to the owners of the Company (RM'000)	(1,279)	(77)	(1,279)	(77)
Weighted average number of ordinary shares in issue	870,182,890	870,182,890	870,182,890	870,182,890
Basic loss per share (sen)	(0.15)	(0.01)	(0.15)	(0.01)
Diluted loss per share	N/A	N/A	N/A	N/A

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**Part B****Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B13. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

	Current quarter 31/3/2015 RM'000	Current year-to-date 31/3/2015 RM'000
Interest income	138	138
Other income	61	61
Interest expense	17	17
Depreciation of property and equipment	494	494
Amortisation of software development costs	114	114
Impairment losses on receivables	5	5
Reversal of impairment losses on receivables	26	26
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 on foreign exchange	4	4
Realised gain/loss on foreign exchange	N/A	N/A
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 31.3.2015 RM'000	As at 31.12.2014 RM'000
Total accumulated losses of the Group:		
- realised	(35,498)	(35,015)
- unrealised	-	-
	<u>(35,498)</u>	<u>(35,015)</u>
Less: Consolidation Adjustments	5,135	5,123
	<u>(30,363)</u>	<u>(29,892)</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.

**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 22 May 2015.