

# **THE MEDIA SHOPPE BERHAD**

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

**Year 2015**

**Quarterly Announcement**

**For The Quarter Ended 30 June 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 30 JUNE 2015**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	2015	2014	2015	2014
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR-TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2015 (Unaudited) RM'000	30/6/2014 (Unaudited) RM'000	30/6/2015 (Unaudited) RM'000	30/6/2014 (Unaudited) RM'000
Revenue	31,057	57,030	91,498	117,532
Direct costs	(27,585)	(53,403)	(83,632)	(108,266)
<b>Gross profit</b>	<u>3,472</u>	<u>3,627</u>	<u>7,866</u>	<u>9,266</u>
Other income	156	218	385	701
	<u>3,628</u>	<u>3,845</u>	<u>8,251</u>	<u>9,967</u>
Operating expenses	(5,951)	(5,163)	(11,365)	(11,329)
Finance costs	(4)	(9)	(21)	(14)
<b>Loss before taxation</b>	<u>(2,327)</u>	<u>(1,327)</u>	<u>(3,135)</u>	<u>(1,376)</u>
Income tax expense	(217)	(261)	(583)	(398)
<b>Loss after taxation</b>	<u>(2,544)</u>	<u>(1,588)</u>	<u>(3,718)</u>	<u>(1,774)</u>
Other comprehensive income, net of tax	-	- *	- *	1
<b>Total comprehensive expenses</b>	<u>(2,544)</u>	<u>(1,588)</u>	<u>(3,718)</u>	<u>(1,773)</u>
<b>Loss after taxation attributable to:-</b>				
Owners of the Company	(2,273)	(1,521)	(3,552)	(1,598)
Non-controlling interests	(271)	(67)	(166)	(176)
	<u>(2,544)</u>	<u>(1,588)</u>	<u>(3,718)</u>	<u>(1,774)</u>
<b>Total comprehensive expenses</b> <b>attributable to:-</b>				
Owners of the Company	(2,273)	(1,521)	(3,552)	(1,598)
Non-controlling interests	(271)	(67)	(166)	(175)
	<u>(2,544)</u>	<u>(1,588)</u>	<u>(3,718)</u>	<u>(1,773)</u>
<b>Loss per share (LPS) (in sen)</b>				
Basic LPS	(0.26)	(0.17)	(0.41)	(0.18)
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 30 JUNE 2015**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As at</b>	<b>As at</b>
	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>		
Property and equipment	13,928	14,180
Other investments	250	250
Other intangible assets	1,643	650
Lease receivable	152	175
Goodwill on consolidation	7,184	7,184
	<b>23,157</b>	<b>22,439</b>
<b>Current Assets:</b>		
Inventories	19,497	18,671
Trade and other receivables	19,630	26,235
Lease receivable	46	45
Tax refundable	86	146
Short-term investments	14,028	15,280
Deposits with licensed banks	1,917	1,918
Cash and bank balances	12,834	18,050
	<b>68,038</b>	<b>80,345</b>
<b>TOTAL ASSETS</b>	<b>91,195</b>	<b>102,784</b>
<b>EQUITY AND LIABILITIES:</b>		
<b>EQUITY</b>		
Share capital	87,018	87,018
Reserves	(17,413)	(14,491)
Total equity attributable to owners of the Company	69,605	72,527
Non-controlling interests	(106)	628
<b>TOTAL EQUITY</b>	<b>69,499</b>	<b>73,155</b>
<b>Non-Current Liabilities:</b>		
Hire purchase payables	300	326
Deferred tax liabilities	30	30
	<b>330</b>	<b>356</b>
<b>Current Liabilities:</b>		
Trade and other payables	21,114	26,823
Short-term borrowings	51	2,303
Provision for taxation	201	147
	<b>21,366</b>	<b>29,273</b>
<b>TOTAL LIABILITIES</b>	<b>21,696</b>	<b>29,629</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>91,195</b>	<b>102,784</b>
<b>Net assets per share (sen)</b>	<b>8.00</b>	<b>8.33</b>

(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 SIX(6) MONTHS ENDED 30 JUNE 2015**

	(UNAUDITED) CURRENT YEAR-TO-DATE 30 June 2015 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING PERIOD 30 June 2014 RM'000
<b>CASH FLOW FOR OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(3,135)	(1,376)
Adjustments for non-cash items:		
Amortisation of software development costs	207	39
Bad debts written off	1	-
Depreciation of property and equipment	1,039	1,013
Loss on disposal of a subsidiary	122	-
Equipment written off	-	3
Impairment losses on receivables	24	618
Interest expense	21	14
Share-based payment arising from ESOS	1,200	-
Gain on disposal of equipment	-	(71)
Interest income	(268)	(222)
Reversal of impairment losses on receivables	(26)	(372)
Unrealised gain on foreign exchange	(4)	-
Operating loss before changes in working capital	(819)	(354)
Net change in inventories	(826)	(3,725)
Net change in trade & other receivables	6,609	(1,129)
Net change in trade & other payables	(5,703)	5,660
Cash flow (for)/from operations	(739)	452
Income tax paid	(471)	(563)
Income tax refund	2	-
Interest paid	(21)	(14)
<b>Net cash for operating activities</b>	(1,229)	(125)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	268	222
Proceeds from disposal of equipment	-	188
Repayment from lease receivable	22	-
Disposal of subsidiaries, net of cash	(245)	-
Purchase of property and equipment	(787)	(3,003)
Net placement of deposits with licensed banks	-	(595)
Additional investment in a subsidiary	(1,020)	-
Purchase of intangible asset	(1,200)	-
<b>Net cash for investing activities</b>	(2,962)	(3,188)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(25)	(228)
Net (repayment)/drawdown of bankers' acceptance	(2,253)	66
<b>Net cash for financing activities</b>	(2,278)	(162)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(6,469)	(3,475)
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	-	1
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	34,209	37,765
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	Note 1 <b>27,740</b>	<b>34,291</b>

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:**

	30 June 2015 RM'000	30 June 2014 RM'000
Short-term investments	14,028	14,146
Deposits with licensed bank	1,917	2,215
Cash and bank balances	12,834	18,968
	<b>28,779</b>	<b>35,329</b>
Less: Deposits pledged to licensed banks	-	(1,029)
Less: Fixed deposits with maturity period more than 3 months	(1,039)	(9)
	<b>27,740</b>	<b>34,291</b>



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX(6) MONTHS ENDED 30 JUNE 2015 (Cont'd)

	Non-Distributable		Distributable		Total				
	Share Premium	Warrant Reserve	Foreign Exchange Translation Reserve	Employees Share Option Reserve		Accumulated Losses			
Share Capital	Share Premium	Warrant Reserve	Foreign Exchange Translation Reserve	Employees Share Option Reserve	Accumulated Losses	Attributable To Owners of the Company	Non-Controlling Interest ("NCI")	Total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>6 months ended 30 June 2014</b>									
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 6 months ended 30 June 2014	-	-	-	-	-	(1,598)	(1,598)	(176)	(1,774)
Other comprehensive expenses for the 6 months ended 30 June 2014	-	-	-	*	-	-	-	*	1
- Foreign currency translation	-	-	-	*	-	-	-	*	1
Total comprehensive expenses for the 6 months ended 30 June 2014	-	-	-	*	-	(1,598)	(1,598)	(175)	(1,773)
Balance as at 30 June 2014	87,018	4,055	10,146	*	1,200	(29,765)	72,654	206	72,860

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 30 JUNE 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 current financial period under review that were unusual because of their nature, size or incidence.

#### **A6. Material Changes in Estimates**

There were no material changes in estimates during the current financial period 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 since the last annual reporting date.

#### **A8. Dividends Paid**

There were no dividends paid during the current financial period 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.

Segmental information is provided based on business segments, as follows:

	Provision of Integrated Web-Based and Workflow System RM'000	Trading of IT and ICT Products RM'000	The Group RM'000
<b>Current quarter ended 30 June 2015</b>			
<b>Revenue</b>			
External revenue	650	30,407	31,057
<b>Results</b>			
Segment results	(1,299)	825	(474)
Interest income	120	10	130
Amortisation of software development costs	(93)	-	(93)
Depreciation of property and equipment	(81)	(464)	(545)
Impairment losses on receivables	(19)	-	(19)
Interest expense	(4)	-	(4)
Loss on disposal of a subsidiary	(122)	-	(122)
Share-based payment arising from ESOS	(645)	(555)	(1,200)
Consolidated loss before taxation	(2,143)	(184)	(2,327)
Income tax expense	(5)	(212)	(217)
Consolidated loss after taxation	(2,148)	(396)	(2,544)
<b>Assets</b>			
Segment assets/Consolidated total assets	34,742	56,453	91,195
<b>Liabilities</b>			
Segment liabilities/Consolidated total liabilities	3,366	18,330	21,696

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

<b>Corresponding quarter ended 30 June 2014</b>	Provision of Integrated Web-Based and Workflow System RM'000	Trading of IT and ICT Products RM'000	The Group RM'000
<b>Revenue</b>			
External revenue	2,731	54,299	57,030
<b>Results</b>			
Segment results	(1,878)	940	(938)
Gain on disposal of equipment	71	-	71
Interest income	103	7	110
Amortisation of software development costs	(19)	-	(19)
Depreciation of property and equipment	(78)	(430)	(508)
Impairment losses on receivables	(34)	-	(34)
Interest expense	(3)	(6)	(9)
Consolidated (loss)/profit before taxation	(1,838)	511	(1,327)
Income tax expense	-	(261)	(261)
Consolidated (loss)/profit after taxation	(1,838)	250	(1,588)
<b>Assets</b>			
Segment assets/Consolidated total assets	31,147	63,174	<u>94,321</u>
<b>Liabilities</b>			
Segment liabilities/Consolidated total liabilities	2,396	19,065	<u>21,461</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 18 August 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.

**(a) Proposed Share Capital Reduction and Proposed Share Consolidation**

On 21 July 2015, AmInvestment Bank Berhad (“AIBB”) on behalf of the Board of Directors of TMS announced that the High Court of Malaya had granted an order confirming the cancellation of RM0.05 of the par value of every ordinary share of RM0.10 each in TMS with regards to the Proposed Share Capital Reduction (“Court Order”).

## Part A

### **Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)**

#### **A10. Material Events Subsequent to the End of the Interim Period (Cont’d)**

(a) Proposed Share Capital Reduction and Proposed Share Consolidation (Cont’d)

On 28 July 2015, AIBB on behalf of the Board of Directors of TMS announced that the sealed Court Order confirming the cancellation of RM0.05 of the par value of every ordinary share of RM0.10 each in TMS in relation to the share capital reduction pursuant to the Proposed Share Capital Reduction had been extracted and an office copy of the same has been lodged with the Companies Commission of Malaysia. Accordingly, the share capital reduction has become effective the same day.

On 11 August 2015, AIBB on behalf of the Board of Directors of TMS announced that as a result of the Proposed Share Consolidation, 870,182,890 ordinary shares of RM0.05 each in TMS have been consolidated into 435,091,445 new ordinary shares of RM0.10 each in TMS (“Consolidated Shares”) and the Proposed Share Consolidation has been completed following the listing and quotation of the Consolidated Shares on the ACE Market of Bursa Securities on 12 August 2015.

(b) Proposed Transfer of Properties

On 23 July 2015, the Board of Directors of TMS announced that TMS referred to as the Vendor entered into a Master Sale and Purchase Agreement with Nuone Sdn Bhd, a wholly owned subsidiary of TMS, as the Purchaser for an internal transfer of properties which involves the transfer of six (6) parcels of leasehold properties held by TMS for a total cash consideration of RM2,230,417.

(c) Changes in the Composition of the Group

On 27 July 2015, the Board of Directors of TMS announced that its wholly-owned subsidiary, Open Adventure Sdn Bhd had disposed 70% equity interests in Open Adventure (Australia) Pty Ltd (“OAA”) which comprises 3,500 ordinary shares of AUD1.00 each to Khoo Teng Ken for a total cash consideration of AUD1.00 (equivalent to RM3.00). In consequence thereof, OAA has ceased to be a subsidiary of the Company.

On 18 August 2015, the Company acquired 100% equity interest in Exonion Sdn Bhd (“Exon”) for a total cash consideration of RM2.00. Exon was incorporated on 22 December 2010 and its present authorised share capital is RM100,000. Exon is presently dormant and the intended principal activities are property development, property investment and general trading.

## Part A

### Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

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

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

- (a) On 21 April 2015, the Company disposed 51% equity interest in Lephone (SEA) Sdn Bhd (“LSSB”). The Company and Shenzhen Blephone Technology Co., Ltd. had mutually agreed to terminate the Joint Venture and Shareholders’ Agreement. Pursuant to the termination, the entire equity interest in LSSB which comprises 500,000 ordinary shares of RM1.00 each had been disposed to Leow Soon Lok and Liew Hann Tsy for a total cash consideration of RM500,000. The consideration received by the Company was RM255,000. In consequence thereof, LSSB has ceased to be a subsidiary of the Company; and
- (b) On 11 May 2015, Open Adventure Sdn Bhd, a wholly-owned subsidiary of the Company, disposed 70% equity interest in Open Adventure Technologies Sdn Bhd (“OAT”) which comprises 7,000 ordinary shares of RM1.00 each to Goh Yeong Hui and Wan Ezwilme Bin Wan Omar for a total cash consideration of RM2. In consequence thereof, OAT has ceased to be a subsidiary of the Company.

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

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

##### **Approved and Contracted for:-**

Property

RM’000

3,150

Save for the above, there were no capital commitments as at 18 August 2015 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

**Part A****Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS")**  
**134 Interim Financial Reporting (Cont'd)****A14. Related Party Transactions**

The Group's related party transactions in the current quarter and the cumulative period-to-date ended 30.6.2015 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	6	32
Outsourcing fee charged by a related party	20	50
Administrative expenses charged to a related party	3	14
Staff secondment fee charged to a related party	90	180
Key management personnel:-		
- salaries and allowances	151	300
- defined contribution plans	20	39
- others	- *	1
- fee	36	72

*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 financial period under review.

## Part B

### Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements

#### B1. Detailed Analysis of Overall Performance

	Individual Quarter		Cumulative Period	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
Revenue	31,057	57,030	91,498	117,532
Loss before taxation	(2,327)	(1,327)	(3,135)	(1,376)

For the current quarter under review, the Group generated revenue of RM31.1 million, representing a decrease of 45%, as compared to RM57.0 million reported in the quarter ended 30 June 2014. The decrease in revenue is mainly due to decrease in revenue from the division of trading of Information Technology (IT) and Information Communication Technology (ICT) products. Loss before taxation has increased by RM1.0 million mainly due to the share-based payment arising from the granting of option pursuant to an Employees Share Option Scheme ("ESOS") of the Company which was amounted to RM1.2 million in the current quarter.

For the cumulative period under review, the Group generated revenue of RM91.5 million, representing a decrease of 22%, as compared to RM117.5 million reported in the cumulative period ended 30 June 2014. The decrease in revenue came from the division of trading of IT and ICT products of RM21.7 million and provision of integrated web-based and workflow system of RM4.3 million. Loss before taxation has increased by RM1.8 million as compared to the corresponding cumulative period ended 30 June 2014. By excluding the effect of the cost of option under the ESOS which was amounted to RM1.2 million, loss before taxation has increased by RM0.6 million. This is due 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 Before Taxation for the Quarter Reported as Compared with the Preceding Quarter

	Current quarter ended 30.6.2015 RM'000	Previous quarter ended 31.3.2015 RM'000
Revenue	31,057	60,441
Loss before taxation	(2,327)	(808)

The decrease in revenue in the current quarter was RM29.4 million, representing a decrease of 49% as compared to the previous quarter. This is mainly due to the decrease in revenue from IT and ICT division.

By excluding the effect of the cost of option under the ESOS, loss before taxation has increased by RM0.3 million as compared with the previous quarter as a result of lesser revenue contribution from IT and ICT division.

## **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 30 June 2014, respectively. This is mainly due to lesser revenue contribution from third party products and services and training, hosting and maintenance fee.

By excluding the effect of the cost of option under the ESOS in the current quarter, loss before taxation has reduced by RM0.3 million.

##### **(2) Trading of IT and ICT products**

Revenue from this division has decreased in the current quarter as compared to the previous quarter and corresponding quarter ended 30 June 2014, respectively. This is mainly due to lesser orders from customers.

By excluding the effect of the cost of option under the ESOS in the current quarter, loss before taxation for the current quarter has reduced marginally as compared with previous quarter and corresponding quarter ended 30 June 2014.

#### **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. The Group will also from time to time look for more opportunities and when appropriate, implement the necessary changes which include diversify its income stream. The acquisition of Exon marks another milestone of the Group to explore into property development and construction. Management expects that the overall outlook for the Group's performance for the rest of the year will be challenging due to the uncertainties in the current economic and political conditions.

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

There were no profit forecast or profit guarantee made public for the current 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 Quarter RM'000	Current Year-To-Date RM'000
Current tax expense:		
- For the current financial period	(217)	(563)
- Underprovision in the previous financial year	-	(20)
	<u>(217)</u>	<u>(583)</u>

**B7. Status of Corporate Proposals**

There were no corporate proposals as at 18 August 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 30.6.2015	Revised Timeframe for Utilisation	Deviation		Explanation
	RM'000	RM'000		RM'000	%	
Working capital requirements	9,004	9,004	Within 36 months	-	-	
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	19,263				

N1 Pending utilisation.



**Part B****Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****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 30.6.2015 RM'000</b>
<b>Current - unsecured</b>	
Hire purchase payable - payable within 12 months	51
<b>Non-current - unsecured</b>	
Hire purchase payable - payable after 12 months	300
	351

**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 current financial period 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:

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>Current Year Quarter Ended 30.6.2015</b>	<b>Preceding Year Corresponding Quarter Ended 30.6.2014</b>	<b>Current Year-to-date Ended 30.6.2015</b>	<b>Preceding Year Corresponding Period Ended 30.6.2014</b>
<b>Basic loss per share</b>				
Loss after taxation attributable to the owners of the Company (RM'000)	(2,273)	(1,521)	(3,552)	(1,598)
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)	(0.26)	(0.17)	(0.41)	(0.18)
Diluted loss per share	N/A	N/A	N/A	N/A

**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 30/6/2015 RM'000	Current year-to-date 30/6/2015 RM'000
Interest income	130	268
Other income	26	87
Interest expense	4	21
Depreciation of property and equipment	545	1,039
Amortisation of software development costs	93	207
Impairment losses on receivables	19	24
Reversal of impairment losses on receivables	-	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
Realised loss on foreign exchange	-	*
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

Note:-

\* - Amount less than RM1,000

**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 30.6.2015 RM'000	As at 31.12.2014 RM'000
Total accumulated losses of the Group:		
- realised	(37,799)	(35,015)
- unrealised	-	-
	(37,799)	(35,015)
Less: Consolidation Adjustments	4,985	5,123
	(32,814)	(29,892)

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 25 August 2015.