



MEDIA PRIMA BERHAD (532975-A)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2019**

22 August 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | NOTE | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--|------|---------------------|-----------------------------------|---------------------|-----------------------------------|
| | | 30.6.2019 RM'000 | 30.6.2018 RM'000 (Restated) | 30.6.2019 RM'000 | 30.6.2018 RM'000 (Restated) |
| Revenue | A7 | 296,767 | 342,372 | 535,869 | 623,038 |
| Operating expenses | A8 | (307,657) | (358,666) | (588,459) | (661,089) |
| Other operating income | A9 | 5,137 | 53,303* | 7,979 | 56,494* |
| (Loss)/profit from operations | | (5,753) | 37,009 | (44,611) | 18,443 |
| Finance income | | 2,469 | 1,317* | 4,214 | 3,201* |
| Finance costs | | (3,991) | (6,099) | (7,761) | (11,962) |
| Share of results of an associate | | 40 | - | 62 | - |
| (Loss)/profit before tax | | (7,235) | 32,227 | (48,096) | 9,682 |
| Taxation | B1 | (3,548) | (526) | (5,508) | (980) |
| Net (loss)/profit and total comprehensive (loss)/income for the financial period | | (10,783) | 31,701 | (53,604) | 8,702 |
| (Loss)/profit and total comprehensive (loss)/income attributable to: | | | | | |
| - Owners of the Company | | (8,825) | 31,952 | (49,234) | 10,126 |
| - Non-controlling interests | | (1,958) | (251) | (4,370) | (1,424) |
| | | (10,783) | 31,701 | (53,604) | 8,702 |
| (Loss)/earnings per share (sen) | | | | | |
| - Basic and diluted | B11 | (0.80) | 2.88 | (4.44) | 0.91 |

* Interest income was reclassified to conform to current financial period presentation of finance income.

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | NOTE | AS AT 30.6.2019 RM'000 | AS AT 31.12.2018 RM'000 |
|--|------|------------------------------|-------------------------------|
| Assets | | | |
| Property, plant and equipment | | 287,562 | 304,966 |
| Right-of-use assets | | 194,916 | - |
| Investment properties | | 29,687 | 30,352 |
| Associates | | 1,562 | - |
| Financial assets at fair value through other comprehensive income | | 2,472 | 2,472 |
| Intangible assets | | 427,617 | 430,056 |
| Deferred tax assets | | 19,359 | 14,682 |
| Non-current assets | | 963,175 | 782,528 |
| Inventories | | 24,532 | 36,900 |
| Trade and other receivables | | 232,553 | 254,954 |
| Current tax recoverable | | 29,219 | 31,752 |
| Deposits, cash and bank balances | A13 | 214,590 | 210,114 |
| Current assets | | 500,894 | 533,720 |
| Non-current assets held for sale | | 225 | 1,354 |
| Total assets | | 1,464,294 | 1,317,602 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Trade and other payables | | - | 237 |
| Lease liabilities | | 176,268 | - |
| Deferred tax liabilities | | 36,663 | 40,985 |
| Non-current liabilities | | 212,931 | 41,222 |
| Trade and other payables | | 456,524 | 456,141 |
| Lease liabilities | | 54,763 | - |
| Borrowings | B5 | 6,678 | 4,169 |
| Current tax payable | | 1,751 | 1,683 |
| Current liabilities | | 519,716 | 461,993 |
| Total liabilities | | 732,647 | 503,215 |
| Equity and Reserves | | | |
| Share capital | | 1,524,735 | 1,524,735 |
| Reserves | | (794,483) | (716,113) |
| Equity attributable to owners of the Company | | 730,252 | 808,622 |
| Non-controlling interests | | 1,395 | 5,765 |
| Total equity | | 731,647 | 814,387 |
| Total liabilities and equity | | 1,464,294 | 1,317,602 |
| Net assets per share attributable to equity holders of the Company (sen)* | | 65.84 | 72.90 |

* Net assets per share is calculated by dividing the net assets (excluding the portion allocated to non-controlling interests) of the Group by the number of ordinary shares in issue at the statement of financial position date.

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to owners of the Company | | | | Non-controlling interests RM'000 | Total equity RM'000 |
|--|---------------------------------------|--------------------------|------------------------------|-----------------|-------------------------------------|------------------------|
| | Share capital RM'000 | Other reserves RM'000 | Accumulated losses RM'000 | Total RM'000 | | |
| 2019 | | | | | | |
| At 31 December 2018, as previously reported | 1,524,735 | 1,755 | (717,868) | 808,622 | 5,765 | 814,387 |
| Effects of adoption of MFRS 16 | - | - | (29,136) | (29,136) | - | (29,136) |
| At 1 January 2019, as restated | 1,524,735 | 1,755 | (747,004) | 779,486 | 5,765 | 785,251 |
| Net loss and total comprehensive loss for the period | - | - | (49,234) | (49,234) | (4,370) | (53,604) |
| At 30 June 2019 | 1,524,735 | 1,755 | (796,238) | 730,252 | 1,395 | 731,647 |
| 2018 | | | | | | |
| At 1 January 2018 | 1,524,735 | 1,755 | (759,840) | 766,650 | 5,530 | 772,180 |
| Net profit and total comprehensive income for the period | - | - | 10,126 | 10,126 | (1,424) | 8,702 |
| <u>Transaction with owners:</u> | | | | | | |
| Equity contribution from non-controlling interest | - | - | - | - | 400 | 400 |
| At 30 June 2018 | 1,524,735 | 1,755 | (749,714) | 776,776 | 4,506 | 781,282 |

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| NOTE | FOR THE PERIOD ENDED 30.6.2019 RM'000 | FOR THE PERIOD ENDED 30.6.2018 RM'000 |
|---|---|---|
| Cash flows from operating activities | | |
| (Loss)/profit for the financial period | (53,604) | 8,702 |
| Adjustments for: | | |
| - Non-cash items | 125,453 | 60,756 |
| - Interest expense | 7,761 | 11,962 |
| - Interest income | (4,214) | (3,201) |
| Operating cash flows before changes in working capital | 75,396 | 78,219 |
| Changes in working capital | (30,224) | (57,046) |
| Cash flows from operations | 45,172 | 21,173 |
| Income tax paid | (2,632) | (2,379) |
| Net cash flows generated from operating activities | 42,540 | 18,794 |
| Cash flows from investing activities | | |
| Acquisition of interest in an associate | (1,500) | - |
| Settlement of remaining consideration for the acquisition of subsidiaries in prior year | - | (5,000) |
| Property, plant and equipment: | | |
| - Additions | (23,517) | (26,839) |
| - Proceeds from disposals | 157 | 1,154 |
| Non-current assets held for sale: | | |
| - Proceeds from disposals | 3,310 | 14,371 |
| Proceeds from sale of share of an associate | - | 45,342 |
| Interest received | 4,214 | 3,201 |
| Net cash flows (used in)/generated from investing activities | (17,336) | 32,229 |
| Cash flows from financing activities | | |
| Interest paid | (6,549) | (10,109) |
| Increase in restricted bank balances | - | (335) |
| Drawdown of borrowings | 10,372 | 6,789 |
| Repayment of borrowings | (7,863) | (20,903) |
| Repayment of lease financing | (16,688) | - |
| Equity contribution from non-controlling interest | - | 400 |
| Net cash flows used in financing activities | (20,728) | (24,158) |
| Net movement in cash and cash equivalents | 4,476 | 26,865 |
| Cash and cash equivalents at beginning of the financial period | 209,914 | 197,215 |
| Cash and cash equivalents at end of the financial period | 214,390 | 224,080 |

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2018.

NOTES TO THE INTERIM FINANCIAL REPORT

A1. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2018, which were prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The explanatory notes attached to the 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 financial year ended 31 December 2018.

Except for MFRS 16 “Leases”, the adoption of the following applicable amendments and improvements to MFRS that came into effect on 1 January 2019 did not have any significant impact on the Group upon the initial application.

| Description | |
|------------------------|--|
| Amendments to MFRS 9 | Prepayment Features with Negative Compensation |
| Amendments to MFRS 119 | Plan Amendment, Curtailment or Settlement |
| Amendments to MFRS 128 | Long-term Interests in Associates and Joint Ventures |
| MFRS 16 | Leases |
| IC Interpretation 23 | Uncertainty over Income Tax Treatments |

MFRS 16 “Leases” (“MFRS 16”)

Effective 1 January 2019, the Group had adopted MFRS 16 which replaces the guidance in MFRS 117 “Leases” (“MFRS 117”) on the recognition, measurement, presentation and disclosure of leases. The adoption of MFRS 16 from 1 January 2019 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial report. The Group applied the simplified transition approach and in accordance with the transitional provisions in MFRS 16, comparative figures for the period prior to first adoption have not been restated.

All right-of-use (“ROU”) assets were measured at the present values as if the standard had been applied since the commencement date while all lease liabilities will be measured at the present value of the remaining lease payments. The ROU asset is depreciated in accordance with the principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income.

NOTES TO THE INTERIM FINANCIAL REPORT

A1. BASIS OF PREPARATION (CONTINUED)

MFRS 16 “Leases” (“MFRS 16”) (continued)

In applying MFRS 16 for the first time, the Group had used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group will be adopting the following MFRSs when they become effective in the respective financial periods.

| Description | Effective for annual periods beginning on or after |
|--|--|
| Amendments to MFRS 3 Definition of a business | 1 January 2020 |
| Amendments to MFRS 101 and 108 Definition of material | 1 January 2020 |

The adoption of the above MFRSs are not expected to have a material impact in the financial statements of the Group.

A2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2018 was not qualified.

A3. SEASONAL OR CYCLICAL FACTORS

The operations of our major business segments are generally affected by the major festive seasons.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There was no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the second quarter ended 30 June 2019.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the second quarter ended 30 June 2019.

NOTES TO THE INTERIM FINANCIAL REPORT

A6. SEGMENTAL REPORTING

The Group determines and presents its operating segments based on information reported internally to the Group Managing Director and the Board of Directors. The Group predominantly operates in Malaysia and consequently, there is no disclosure on geographical segment being made. The segment information for the current financial period is as follows:

| Period ended | Television Networks RM'000 | Radio Networks RM'000 | Out-of- Home RM'000 | Publishing RM'000 | Digital Media RM'000 | Content Creation RM'000 | Home Shopping RM'000 | Corporate RM'000 | Elimination RM'000 | Total RM'000 |
|--|----------------------------------|-----------------------------|---------------------------|----------------------|----------------------------|-------------------------------|----------------------------|---------------------|-----------------------|-----------------|
| 30 June 2019 | | | | | | | | | | |
| Revenue from external customers | 192,758 | 18,566 | 78,353 | 103,450 | 23,449 | 5,034 | 114,259 | - | - | 535,869 |
| Inter-segment revenue | 6,620 | - | 655 | 1,941 | 12,284 | 35,479 | - | 49,616 | (106,595) | - |
| | 199,378 | 18,566 | 79,008 | 105,391 | 35,733 | 40,513 | 114,259 | 49,616 | (106,595) | 535,869 |
| Royalties | (979) | (92) | - | - | - | - | - | - | - | (1,071) |
| | 198,399 | 18,474 | 79,008 | 105,391 | 35,733 | 40,513 | 114,259 | 49,616 | (106,595) | 534,798 |
| Reportable segment (loss)/profit after tax before non-controlling interest | (12,841) | (2,278) | 1,600 | (36,143) | 1,578 | 4,720 | (7,613) | (7,201) | 4,574 | (53,604) |
| 30 June 2018 | | | | | | | | | | |
| Revenue from external customers | 225,323 | 28,312 | 85,483 | 157,674 | 23,792 | 6,433 | 96,021 | - | - | 623,038 |
| Inter-segment revenue | 5,124 | 1,296 | 1,360 | 1,808 | 21,103 | 44,265 | - | 48,127 | (123,083) | - |
| | 230,447 | 29,608 | 86,843 | 159,482 | 44,895 | 50,698 | 96,021 | 48,127 | (123,083) | 623,038 |
| Royalties | (1,131) | (148) | - | - | - | - | - | - | - | (1,279) |
| | 229,316 | 29,460 | 86,843 | 159,482 | 44,895 | 50,698 | 96,021 | 48,127 | (123,083) | 621,759 |
| Reportable segment (loss)/profit after tax before non-controlling interest | (31,132) | 8,802 | 10,292 | 27,184 | 6,625 | 6,487 | (2,550) | (13,639) | (3,367) | 8,702 |

NOTES TO THE INTERIM FINANCIAL REPORT

A7. REVENUE

| Individual quarter for the period ended 30 June 2019 | Traditional RM'000 | Digital RM'000 | Home Shopping RM'000 | Group RM'000 |
|---|-----------------------|-------------------|----------------------------|-----------------|
| Advertising | 188,479 | 24,614 | - | 213,093 |
| Circulation | 16,647 | - | - | 16,647 |
| Commerce | 3,365 | 1,317 | 59,793 | 64,475 |
| Content | 1,608 | - | - | 1,608 |
| Property and others | 944 | - | - | 944 |
| | 211,043 | 25,931 | 59,793 | 296,767 |

| Cumulative quarters for the period ended 30 June 2019 | Traditional RM'000 | Digital RM'000 | Home Shopping RM'000 | Group RM'000 |
|--|-----------------------|-------------------|----------------------------|-----------------|
| Advertising | 337,505 | 41,381 | - | 378,886 |
| Circulation | 31,744 | - | - | 31,744 |
| Commerce | 5,577 | 1,964 | 114,259 | 121,800 |
| Content | 1,621 | - | - | 1,621 |
| Property and others | 1,818 | - | - | 1,818 |
| | 378,265 | 43,345 | 114,259 | 535,869 |

| Individual quarter for the period ended 30 June 2018 | Traditional RM'000 | Digital RM'000 | Home Shopping RM'000 | Group RM'000 |
|---|-----------------------|-------------------|----------------------------|-----------------|
| Advertising* | 224,701 | 24,551 | - | 249,252 |
| Circulation | 19,919 | - | - | 19,919 |
| Commerce* | 17,816 | 1,202 | 51,975 | 70,993 |
| Content | 1,599 | - | - | 1,599 |
| Property and others | 609 | - | - | 609 |
| | 264,644 | 25,753 | 51,975 | 342,372 |

| Cumulative quarters for the period ended 30 June 2018 | Traditional RM'000 | Digital RM'000 | Home Shopping RM'000 | Group RM'000 |
|--|-----------------------|-------------------|----------------------------|-----------------|
| Advertising* | 416,359 | 42,262 | - | 458,621 |
| Circulation | 41,350 | - | - | 41,350 |
| Commerce* | 19,127 | 2,557 | 96,021 | 117,705 |
| Content | 4,018 | - | - | 4,018 |
| Property and others | 1,344 | - | - | 1,344 |
| | 482,198 | 44,819 | 96,021 | 623,038 |

* Revenue classification was reclassified to conform to current period presentation for advertising and commerce revenue.

NOTES TO THE INTERIM FINANCIAL REPORT

A8. OPERATING EXPENSES

Included within operating expenses for the financial period under review are the following expenses:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|---|---------------------------|-----------|----------------------------|-----------|
| | 30.6.2019 | 30.6.2018 | 30.6.2019 | 30.6.2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Depreciation and amortisation | 28,930 | 18,688 | 54,630 | 37,587 |
| Net loss on impairment of financial instruments | 1,183 | 15,415 | 4,039 | 16,566 |
| Foreign exchange loss | 399 | - | 801 | 184 |

A9. OTHER OPERATING INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--|---------------------------|------------|----------------------------|------------|
| | 30.6.2019 | 30.6.2018 | 30.6.2019 | 30.6.2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | | (Restated) | | (Restated) |
| Other income | 2,799 | 3,152 | 5,641 | 6,343 |
| Gain on disposal of property, plant and equipment | 157 | 170 | 157 | 170 |
| Gain on disposal of non-current assets held for sale | 2,181 | 4,639 | 2,181 | 4,639 |
| Proceeds from sale of share in an associate | - | 45,342 | - | 45,342 |
| | 5,137 | 53,303 | 7,979 | 56,494 |

Interest income was reclassified to conform to current period presentation of finance income.

A10. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE INTERIM FINANCIAL REPORT

A11. CONTINGENT LIABILITIES

The Group is a defendant in 18 legal suits (as at 31.12.2018: 17 suits) with contingent liabilities amounting to approximately RM4.9 million (as at 31.12.2018: RM4.6 million). The legal suits consist of claims on defamation, breach of contract and infringement of intellectual property.

As at the date of this report, there are no new material litigation against the Group.

The material litigation that was reported in the Group's Interim Financial Report for Q1 ended 31.3.2019 remains an outstanding matter as the defamation suit is still pending appeal to the Court of Appeal in relation to the RM1.1 million judgement sum that was awarded to the Plaintiff.

Apart from the aforementioned matters, the Directors are not aware of any other proceedings pending against the Group and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Group and/or its subsidiaries.

A12. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 30 June 2019 are as follows:

| | RM'000 |
|---------------------------------|----------------|
| Approved but not contracted: | |
| - Property, plant and equipment | 56,040 |
| - Intangible assets | 79,013 |
| Approved and contracted for: | |
| - Property, plant and equipment | 14,361 |
| - Intangible assets | 445 |
| | 149,859 |

A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

| | As at 30.6.2019 RM'000 | As at 30.6.2018 RM'000 |
|---|---------------------------------------|---------------------------------------|
| Cash and bank balances | 142,061 | 97,404 |
| Deposits with licensed banks | 72,529 | 135,759 |
| Deposits, cash and bank balances | 214,590 | 233,163 |
| <i>Less: Restricted deposits</i> | | |
| Deposits with licensed banks | (200) | (9,083) |
| Cash and cash equivalents | 214,390 | 224,080 |

ADDITIONAL LISTING REQUIREMENT INFORMATION

B1. TAXATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|-----------------------------------|---------------------------|-----------|----------------------------|-----------|
| | 30.6.2019 | 30.6.2018 | 30.6.2019 | 30.6.2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In respect of the current period: | | | | |
| - Current income tax | 3,565 | 611 | 5,542 | 1,150 |
| - Deferred taxation | (17) | (85) | (34) | (170) |
| | 3,548 | 526 | 5,508 | 980 |

The Group's tax expense for the financial period is primarily due to income tax expense by profitable subsidiaries within the Group.

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 June 2019, the Group does not have any financial liabilities measured at fair value through profit or loss.

B3. STATUS OF CORPORATE PROPOSAL

On 10 July 2019, Rev Asia Holdings Sdn Bhd ("RAHSB"), an indirect wholly-owned subsidiary of the Company has entered into a conditional Share Sale Purchase Agreement with Mr Jaffa Sany bin Md Ariffin to acquire 520,000 ordinary shares in The Vocket Sdn Bhd ("Vocket"), for a cash consideration of RM2.60 million ("Proposed Acquisition"). Upon the completion of the Proposed Acquisition, Vocket will become a 52% owned indirect subsidiary of the Company.

B4. MATERIAL LITIGATION

Apart from the material litigation disclosed under Note A11, there was no other material litigation in the period under review since the last announcement.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B5. BORROWINGS

| | As at 30.6.2019 RM'000 | As at 30.6.2018 RM'000 |
|--------------------------------------|---------------------------------------|------------------------------|
| <u>Non-Current Borrowings</u> | | |
| Secured: | | |
| - Term loan (Note a) | - | 295,107 |
| <u>Current Borrowings</u> | | |
| Unsecured: | | |
| - Banker's acceptance (Note b) | 6,678 | 6,789 |
| Total borrowings | 6,678 | 301,896 |

The Group's borrowings are denominated in Ringgit Malaysia.

a) Term loan

On 13 December 2017, the Group obtained a RM300.0 million secured loan which bears a fixed interest rate of 2.75% per annum above effective cost of funds. The loan was secured by a charge over certain property, plant and equipment of a subsidiary within the Group. The Group have fully repaid the term loan on 28 December 2018.

b) Banker's acceptance

During the financial period, the Group had drawn down RM10.4 million banker's acceptance facility with a term of 3 months. The facility effective interest rate is 4.01% per annum and is repayable in entirety on its maturity date.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B6. REVIEW OF PERFORMANCE FOR THE CURRENT QUARTER VS. PRECEDING QUARTER

| | Quarter ended 30.6.2019 RM'000 | Quarter ended 31.3.2019 RM'000 |
|-----------------|---|--------------------------------------|
| Revenue | 296,767 | 239,102 |
| Loss Before Tax | (7,235) | (40,861) |
| Loss After Tax | (10,783) | (42,821) |

The Group's revenue for 2QFY19 improved by RM57.7 million or 24% against the immediate preceding quarter (1QFY19) due to improved advertising and commerce revenue, in line with the festive season during 2QFY19.

The performance of the respective business platforms for 2QFY19 against 1QFY19 is as follows:

- a) Television Networks – Increase in revenue by 41% against the immediate preceding quarter as a result of higher spending by advertisers during the festive season.
- b) Publishing – Higher advertising and education services revenue contributed to 15% overall increase in revenue against the immediate preceding quarter.
- c) Out-of-Home – Revenue grew by 11% against 1QFY19 due to improved occupancy rate.
- d) Radio Networks – Revenue improved by 11% with stronger support from returning advertisers.
- e) Digital Media – Recorded a growth of 28% in revenue against the immediate preceding quarter.
- f) Content Creation – An increase of 12% in revenue due to increase in television productions for festive programs.
- g) Home Shopping – Festive period contributed to a revenue growth of 10% against 1QFY19.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B7. REVIEW OF PERFORMANCE FOR THE CURRENT FINANCIAL PERIOD TO DATE VS. PREVIOUS FINANCIAL PERIOD TO DATE

| | Period ended 30.6.2019 RM'000 | Period ended 30.6.2018 RM'000 |
|--|--|-------------------------------------|
| Revenue | 535,869 | 623,038 |
| (Loss)/Profit Before Tax ("LBT")/("PBT") | (48,096) | 9,682 |
| (Loss)/Profit After Tax ("LAT")/("PAT") | (53,604) | 8,702 |

Revenue for 1HFY19 was lower by 14% against the corresponding financial period as a result of lower revenue especially from the traditional revenue segment. Nevertheless, the home shopping business has continued its revenue growth, partially mitigating the decline in the traditional revenue segment. The Group posted a LAT of RM53.6 million against PAT of RM8.7 million in the corresponding financial period. The PAT for 1HFY18 was contributed by the one-off gain on sale of shares in an associate amounting to RM45.3 million. Excluding the one-off gain, 1HFY18 would have recorded a LAT of RM36.6 million.

The performance of respective platforms for the financial period ended 30 June 2019 as compared to the comparative financial period is as follows:

- a) Television Networks – Lower adex take up in the Free-to-Air Television segment led to the decrease in revenue of 13%. However, continuous cost management had narrowed its LAT by 59%.
- b) Publishing – Performance for Publishing remains challenging as contribution from newspaper advertising and circulation recorded lower revenue by 27% and 30% respectively.
- c) Out-of-Home – Revenue declined by 9% against the corresponding financial period due to lower occupancy on static panels and cautious spending by advertisers.
- d) Radio Networks – Overall revenue decreased by 37% against the corresponding financial period due to lower advertising take up by advertisers.
- e) Digital Media – Excluding the one-off seasonal spending in 1HFY18, revenue recorded an overall growth of 13% in 1HFY19, mainly contributed by its media venture business revenue comprising of licensed and exclusive reseller products.
- f) Content Creation – Decline in revenue by 20% was mainly due to lower sales of TV program production and program broadcast rights especially during 1QFY19. However, the lower revenue was mitigated by lower content production cost.
- g) Home Shopping – Continued growth of 19% recorded in the home shopping segment mainly contributed by greater exposure achieved through more hours dedicated for home shopping slots on NTV7 and Ch-9 as compared to the corresponding financial period.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B8. PROSPECTS FOR 2019

The impact of the first quarter was quite significant to the overall performance of the Group for 1HFY19. The current quarter saw the Group improve its performance although it was unable to recover from the deficit recorded in the first quarter. Nevertheless, even though the decline can still be attributed to the continued shift of advertising spending to digital platforms, the Group is confident of still maintaining strong market presence which will enable it to compete in the adex market for the remaining quarters.

On that note, the Group has revisited several initiatives in its transformation journey and identified areas of improvements. The Group is also reviewing its existing business-as-usual processes to further improve revenue generation efforts. The Group's existing and new brands either on traditional or digital platforms still command extensive reach and strong monetisation opportunities.

As the Group explores new investment opportunities and enhances its efforts to improve existing transformation initiatives, continuous cost management will still be a priority whilst exercising prudent financial and risk management.

B9. PROFIT FORECAST/PROFIT GUARANTEE

The Group has not issued any profit forecast/profit guarantee during the current financial period.

B10. DIVIDEND

No dividends have been declared by the Board of Directors for the second quarter and financial period ended 30 June 2019 (2018: Nil for the second quarter and for the financial period).

ADDITIONAL LISTING REQUIREMENT INFORMATION

B11. (LOSS)/EARNINGS PER SHARE

The Group's (loss)/earnings per share are calculated as follows:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--|---------------------------|-----------|----------------------------|-----------|
| | 30.6.2019 | 30.6.2018 | 30.6.2019 | 30.6.2018 |
| (Loss)/profit attributable to owners of the Company (RM'000) | (8,825) | 31,952 | (49,234) | 10,126 |
| Weighted average number of ordinary shares in issue ('000) | 1,109,199 | 1,109,199 | 1,109,199 | 1,109,199 |
| Basic and diluted (loss)/earnings per share (sen) | (0.80) | 2.88 | (4.44) | 0.91 |

The Group do not have in issue any financial instruments or other contract that may entitle its holders to ordinary shares and potentially dilute its (loss)/earnings per share.

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)
FARNIDA BINTI NGAH (MIA 22495)
COMPANY SECRETARIES

Kuala Lumpur
22 August 2019

The full financial analysis of Media Prima Berhad Group can also be viewed at Media Prima Berhad's website:
<http://www.mediaprima.com.my>