



STAR PUBLICATIONS (MALAYSIA) BERHAD
Company No. 10894-D
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2013**

Unaudited Condensed Consolidated Income Statement

	Note	3 months ended		Financial period ended	
		30.06.2013	30.06.2012	30.06.2013	30.06.2012
		RM'000	RM'000	RM'000	RM'000
Revenue		251,319	299,445	471,937	529,421
Operating expenses	A8	(215,951)	(242,068)	(404,153)	(432,985)
Other operating income	A9	8,289	5,117	13,657	14,420
Profit from operations		43,657	62,494	81,441	110,856
Finance cost		(2,554)	(2,690)	(5,039)	(5,385)
		41,103	59,804	76,402	105,471
<i>Share of (losses)/profits in an associate</i>		-	(2)	-	139
<i>Share of losses in a jointly controlled entity</i>		-	(1,245)	(308)	(2,262)
Profit before taxation		41,103	58,557	76,094	103,348
Taxation	B5	(12,770)	(12,899)	(24,923)	(28,168)
Profit for the financial period		28,333	45,658	51,171	75,180
Attributable to:					
Owners of the parent		28,539	44,242	54,624	76,696
Non-controlling interests		(206)	1,416	(3,453)	(1,516)
		28,333	45,658	51,171	75,180
Basic earnings per ordinary share (sen)		3.87	5.99	7.40	10.38
Diluted earnings per ordinary share (sen)		3.87	5.99	7.40	10.38

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2012)

Notes on Operating Expenses:

Included in the Operating Expenses are depreciation and amortisation expenses:

	(11,875)	(13,410)	(23,961)	(24,237)
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**Unaudited Condensed Statement of Other Comprehensive Income
For the period ended 30 June 2013**

	3 months ended		Financial period ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	28,333	45,658	51,171	75,180
Other comprehensive income				
- exchange differences on translating foreign operations	(91)	1,799	(817)	(1,235)
- fair value adjustment on available-for-sale financial assets	(19)	101	(31)	56
Total comprehensive income for the financial period	28,223	47,558	50,323	74,001
Attributable to:				
Owners of the parent	27,139	46,001	53,373	75,474
Non-controlling interests	1,084	1,557	(3,050)	(1,473)
	28,223	47,558	50,323	74,001

(The unaudited Condensed Statement of Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2012)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2013**

	30 June 2013 RM'000	31 December 2012 RM'000
Non-current assets		
Property, plant and equipment	516,325	535,305
Investment properties	8,126	8,249
Intangible assets	119,530	122,255
Investment in a jointly-controlled entity	731	2,650
Other investments		
-Held-to-maturity investments	15,000	15,000
-Financial assets at fair value through profit or loss	40,146	39,179
-Available-for-sale investment	6,219	6,772
Deferred tax assets	584	585
Other receivables	128,324	122,950
	834,985	852,945
Current assets		
Inventories	172,161	160,285
Trade and other receivables	196,614	208,711
Short term deposits	336,077	363,569
Cash and bank balances	109,170	110,166
	814,022	842,731
TOTAL ASSETS	1,649,007	1,695,676

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2013 (cont'd)**

	30 June 2013 RM'000	31 December 2012 RM'000
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(1,313)	(583)
Reserves	381,546	401,092
Equity attributable to owners of the parent	1,118,797	1,139,073
Non-controlling interests	28,360	31,410
Total equity	1,147,157	1,170,483
Non-current liabilities		
Other payables	10,448	10,095
Borrowings	205,957	206,580
Deferred tax liabilities	68,349	68,362
	284,754	285,037
Current liabilities		
Trade and other payables	147,194	171,938
Borrowings	62,907	58,218
Taxation	6,995	10,000
	217,096	240,156
Total Liabilities	501,850	525,193
TOTAL EQUITY AND LIABILITIES	1,649,007	1,695,676
Net assets per share attributable to owners of the parent company (RM)	1.52	1.54

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2012)

Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 June 2013

[----- Attributable to equity holders of the Company -----]
 [-----Non-distributable -----] [-----Distributable-----]
 Reserves Reserves

	Share capital RM'000	Foreign exchange translation reserves RM'000	Share option reserve RM'000	Available- for-sale reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
Balance as at 1 January 2013	738,564	22,361	1,040	261	(583)	377,430	1,139,073	31,410	1,170,483
Total comprehensive income for the period	-	(1,311)	91	(31)	-	54,624	53,373	(3,050)	50,323
<u>Transactions with owners</u>									
Repurchase of shares	-	-	-	-	(730)	-	(730)	-	(730)
Additional investment in subsidiary	-	-	-	-	-	(6,466)	(6,466)	-	(6,466)
Dividend									
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2012, paid on 29 March 2013</i>	-	-	-	-	-	(66,453)	(66,453)	-	(66,453)
Balance as at 30 June 2013	738,564	21,050	1,131	230	(1,313)	359,135	1,118,797	28,360	1,147,157

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 June 2012**

	Attributable to equity holders of the Company								Total Equity RM'000
	Non-distributable Reserves				Distributable Reserves				
	Share capital RM'000	Foreign exchange translation reserves RM'000	Share option reserve RM'000	Available- for-sale reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	
Balance as at 1 January 2012	738,564	23,972	854	233	(225)	302,261	1,065,659	40,195	1,105,854
Total comprehensive income for the period	-	(1,412)	134	56	-	76,696	75,474	(1,473)	74,001
<u>Transactions with owners</u>									
Acquisition of subsidiaries	-	-	-	-	-	-	-	191	191
Dividend <i>Dividends paid to non-controlling interest</i>	-	-	-	-	-	-	-	(185)	(185)
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2011, paid on 18 April 2012</i>	-	-	-	-	-	(66,464)	(66,464)	-	(66,464)
Balance as at 30 June 2012	738,564	22,560	988	289	(225)	312,493	1,074,669	38,728	1,113,397

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2012)

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2013

	30 June 2013	30 June 2012
	RM'000	RM'000
Profit before taxation	76,094	103,348
Adjustments for non-cash flow items:-		
Share of profit in an associate	-	(139)
Share of losses in a jointly controlled entity	308	2,262
Non-cash items	26,723	24,978
Non-operating items	(2,539)	(2,404)
Operating profit before working capital changes	100,586	128,045
Changes in working capital		
Net change in current assets	(7,131)	(6,231)
Net change in current liabilities	(22,773)	16,046
	(29,904)	9,815
Cash generated from operations	70,682	137,860
Net tax paid	(27,870)	(34,565)
Net cash from operating activities	42,812	103,295
Investing Activities		
Proceeds from disposal of property, plant and equipment	4,882	256
Purchases of property, plant and equipment	(7,379)	(23,492)
Purchases of intangible assets	(562)	(761)
Additional investment in a subsidiary	(6,466)	-
Acquisition of a subsidiary, net of cash acquired	-	(1,553)
Investment redeemed on maturity	-	5,000
Investment in unquoted securities	-	(1,193)
Investment in financial products	(216)	(10,152)
Interest and investment income received	5,611	5,903
Net cash used in investing activities	(4,130)	(25,992)
Financing Activities		
Interest paid	(4,874)	(5,398)
Repurchase of shares	(730)	-
Repayment of hire purchase	(131)	(135)
Net drawdown/(Repayment) of term loan	4,597	(1,777)
Repayment of finance lease	(441)	(420)
Dividend paid	(66,453)	(66,464)
Dividends paid to non-controlling interest of a subsidiary	-	(185)
Net cash used in financing activities	(68,032)	(74,379)

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2013 (cont'd)

	30 June 2013	30 June 2012
	RM'000	RM'000
Net (decrease)/increase in cash and cash equivalents	(29,350)	2,924
Effect of exchange rates fluctuations on cash held	875	(1,856)
Cash and cash equivalents at beginning of the period	473,558	493,683
Cash and cash equivalents at end of the period	445,083	494,751

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	30 June 2013	30 June 2012
	RM'000	RM'000
Short term deposits	336,077	378,425
Cash and bank balances	109,170	116,326
Bank overdrafts included in borrowings	(164)	-
	<u>445,083</u>	<u>494,751</u>

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012).

Notes to the interim financial report

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2012 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurements</i>
MFRS 119	<i>Employee Benefits (revised)</i>
MFRS 127	<i>Separate Financial Statements</i>
MFRS 128	<i>Investments in Associates and Joint Ventures</i>
Amendments to MFRS 7	<i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRSs	<i>Annual Improvements 2009-2011 Cycle</i>
Amendments to MFRS 10, MFRS 11 and MFRS 12	<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>
MFRS 3	<i>Business Combinations (as issued by the International Accounting Standards Board (‘IASB’) in March 2004)</i>
MFRS 127	<i>Consolidated and Separate Financial Statements (as issued by the IASB in December 2003)</i>
IC Interpretation 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>

The adoption of the above did not have any significant impact on the financial statements of the Group.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group:

Effective for annual periods commencing on or after 1 January 2014

Amendments to MFRS 10, MFRS 12 and MFRS 127	<i>Investment Entities</i>
Amendments to MFRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>

Notes to the interim financial report

A1. Basis of Preparation (cont'd)

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group (continued):

Effective for annual period commencing on or after 1 January 2015

Mandatory Effective Date of MFRS 9 and Transition Disclosures
MFRS 9 *Financial Instruments*

The Group will adopt the above when they become effective in the respective financial periods. These MFRSs and Amendments to MFRSs are not expected to have any significant effect to the financial statements of the Group upon their initial application.

A2. Seasonal or cyclical factors

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

A3. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2013.

A4. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the current quarter.

A5. Debt and equity securities

As at the date of this report, the Company has repurchased 279,000 of its issued and paid-up ordinary share capital from the open market. The average price paid for the shares repurchased was RM2.61 per share. The repurchase transactions were financed by internally generated funds and the shares repurchased are held as Treasury Shares by the Company in accordance with the requirement of the Section 67A of the Companies Act 1965.

Other than the above, there were no other issuances and repayment of debts and equity securities, share cancellations and resale of treasury shares during the financial period ended 30 June 2013.

Notes to the interim financial report

A6. Dividend paid

	2013 RM'000	2012 RM'000
<u>In respect of the financial year ended 31 December 2011</u>		
Second interim dividend of 6.0 sen per ordinary share, single tier, and special tax exempt dividend of 3.0 sen per ordinary share, paid on 18 April 2012	-	66,464
<u>In respect of the financial year ended 31 December 2012</u>		
Second interim dividend of 6.0 sen per ordinary share, single tier, and special tax exempt dividend of 3.0 sen per ordinary share, paid on 29 March 2013	66,453	-

A7. Segment Reporting

Business Segment

6 months ended 30 June 2013

	Financial period ended 30 June 2013		
	Assets RM'000	Revenue RM'000	Segment results RM'000
Print and new media	1,255,837	367,964	85,328
Broadcasting	110,470	24,694	(3,475)
Event, exhibition, interior and thematic	196,452	72,260	862
Television channel	28,253	3,128	(3,718)
Others	57,995	3,891	(2,595)
	<u>1,649,007</u>	<u>471,937</u>	76,402
Share of results of a jointly controlled entity			(308)
Profit before tax			<u>76,094</u>

Notes to the interim financial report**A7. Segment Reporting (cont'd)****6 months ended 30 June 2012**

	Financial period ended 30 June 2012		
	Assets RM'000	Revenue RM'000	Segment results RM'000
Print and new media	1,216,214	396,337	107,302
Broadcasting	111,666	26,114	(627)
Event, exhibition, interior and thematic	184,621	102,017	1,425
Television channel	45,482	3,099	(2,705)
Others	53,474	1,854	76
	<u>1,611,457</u>	<u>529,421</u>	105,471
Share of results of an associate			139
Share of results of a jointly controlled entity			(2,262)
Profit before tax			<u>103,348</u>

A8. Operating expenses

	3 months ended		Financial period ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Allowance of credit losses	709	868	1,400	1,643
Write-off of receivables	-	3	-	3
Impairment on investment in a jointly controlled entity	-	-	1,611	-
Foreign exchange loss	28	79	104	546

A9. Other operating income

	3 months ended		Financial period ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Interest income	1,958	2,727	4,077	5,855
Investment income	1,513	1,089	3,501	1,934
Gain on disposal of quoted investment	-	-	-	82
Accretion of non-current receivable	1,050	-	2,100	-
Foreign exchange gain	448	44	765	55
Other income	3,320	1,257	3,214	6,494
Total	<u>8,289</u>	<u>5,117</u>	<u>13,657</u>	<u>14,420</u>

Notes to the interim financial report

A10. Events subsequent to the end of the reporting period

There are no material events subsequent to the end of the reporting period under review that have not been reflected in the quarterly financial statements.

A11. Changes in composition of the Group

On 15 April 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in Eighth Power Sdn. Bhd. ("Eighth Power") for a total cash consideration of RM2.00 only. The intended principal activity of Eighth Power is to invest in high growth technology-based startups/industries.

On 18 April 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in Axis Genesis Sdn. Bhd. ("Axis Genesis") for a total cash consideration of RM2.00 only. The intended principal activity of Axis Genesis is to carry on the business of publishers of magazines and books.

On 7 May 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each in I.Star Events Sdn. Bhd. ("I.Star Events") for a cash consideration of RM2.00 only, resulting in I.Star Events becoming a wholly-owned subsidiary of the Company. The intended principal activities of I.Star Events are to carry on the business as managers, promoted and organisers of all kinds of events.

On 17 June 2013, the Company completed the acquisition of 90% equity interest in Ocision Sdn. Bhd. and group of companies through its wholly-owned subsidiaries, Star MediaWorks Sdn. Bhd. and Star Commercial Publications Sdn. Bhd.

With effect from the abovementioned date, Ocision becomes a subsidiary of Star MediaWorks Sdn. Bhd., which in turn is a sub-subsidiary of the Company.

A12. Changes in contingent liabilities

The contingent liabilities of the Group, arising from a subsidiary company, are as follow:

	RM'000
Project related bonds/ Guarantee	7,385
Rental guarantee	1,599
	<hr/>
	8,984
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A13. Capital commitments

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	29,881
- not contracted	13,750
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	43,631
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Additional information required by Bursa Malaysia Securities Listing Requirements

B1. Review of performance

	Current Year Quarter 30.06.2013 (2Q 2013) RM'000	Preceding Year Corresponding Quarter 30.06.2012 (2Q 2012) RM'000
Revenue	251,319	299,445
Consolidated Profit before taxation	41,103	58,557
Consolidated Profit after taxation	28,333	45,658

Group revenue in 2Q 2013 decreased by 16.1% to RM251.32 million from RM299.45 million in the same quarter of 2012. As a result, Group profit before tax and profit after tax in 2Q 2013 fell 29.8% and 37.9% respectively against the corresponding quarter of 2012.

Performance of the respective business segments for 2Q 2013 compared to the corresponding quarter of 2012 is as follows:-

Print and New Media – As advertisers still remained cautious after the general election, print and new media's revenue continued to decline in 2Q 2013 by 9.8% and 31.0% to RM179.72 million and RM5.57 million respectively as compared to the corresponding quarter of 2012. Profit before tax fell from RM53.72 million to RM41.63 million for both print and new media.

Radio Broadcasting – Revenue declined by 9.0% to RM12.86 million as compared to RM14.13 million in the corresponding quarter of 2012. Due to higher advertising and promotion expenses for branding of RedFM and 988's radio stations, this segment recorded a loss before tax of RM2.25 million in 2Q 2013 as compared to a small profit before tax of RM0.32 million in 2Q 2012.

Event, exhibition, interior and thematic – This segment consists of Cityneon and I.Star Ideas Factory (Perfect Livin'). During the quarter under review, this segment's revenue decreased by 35.6% to RM48.72 million from RM75.64 million in 2Q 2012. The decrease is mainly due to lesser projects completed in the current period by Cityneon. This was however offset by revenue from the newly acquired business (Perfect Livin') which had 6 exhibitions in 2Q 2013. This segment's profit before tax declined by 26.1% from RM7.98 million to RM5.90 million in 2Q 2013 mainly due to losses incurred by Cityneon.

Television channel – Revenue from Li TV Holdings Ltd increased by 54.6% to RM1.89 million in 2Q 2013 but suffered a loss before tax of RM1.62 million due to higher programme and marketing expenses.

Additional information required by Bursa Malaysia Securities Listing Requirements**B1. Review of performance (cont'd)**

	6 months ended 30.06.2013 (1H 2013) RM'000	6 months ended 30.06.2012 (1H 2012) RM'000
Revenue	471,937	529,421
Consolidated Profit before taxation	76,094	103,348
Consolidated Profit after taxation	51,171	75,180

Performance of the company and subsidiaries for 6 months ended 30 June 2013 vs 30 June 2012

Group revenue declined by 10.9% from RM529.42 million to RM471.94 million in 1H 2013 mainly due to lesser projects completed in the current period by Cityneon and lower advertising revenue for the first half of the year. As a result, Group profit before tax and profit after tax fell by 26.4% and 31.9% respectively.

Performance of the respective business segments are as follows:-

Print and New Media – Print revenue for 1H 2013 declined to RM356.54 million from RM381.46 million in 1H 2012 mainly due to lower advertising revenue. New Media revenue decreased by 23.2% to RM11.42 million in 1H 2013. Overall, profit before tax for print and new media fell by 20.5% to RM85.33 million in 1H 2013.

Radio Broadcasting – Revenue decreased by 5.4% from RM26.11 million to RM24.69 million due to lower airtime revenue. Higher advertising and promotion for the branding of RedFM and 988's radio stations as well as Capital FM's 1st Year Anniversary have caused the segment to suffer a loss before tax of RM3.48 million in 1H 2013 as compared to RM0.63 million in the last corresponding period of 2012.

Event, exhibition, interior and thematic – This segment consists of Cityneon and I.Star Ideas Factory (Perfect Livin'). Overall revenue decreased by 29.2% to RM72.26 million in 1H 2013 as compared to RM102.02 million in 1H 2012 mainly due to lesser projects completed in the current period by Cityneon. On the other hand, Perfect Livin' recorded revenue amounted to RM12.73 million in 1H 2013. Profit before tax decreased by 39.9% from RM1.43 million to RM0.86 million for the current financial period under review mainly due to losses incurred by Cityneon.

Television channel – Revenue from Li TV Holdings Ltd increased to RM3.13 million for 1H 2013 as compared to RM3.10 million in the corresponding period of 2012. However, due to high marketing and staff costs, it recorded a loss before tax of RM3.72 million in the current period under review.

Additional information required by Bursa Malaysia Securities Listing Requirements**B2. Variation of results against preceding quarter**

	Current Quarter 30.06.2013 RM'000	Preceding Quarter 31.03.2013 RM'000
Revenue	251,319	220,618
Consolidated Profit before taxation	41,103	34,991
Consolidated Profit after taxation	28,333	22,838

Group revenue for 2Q 2013 increased to RM251.32 million compared to RM220.62 million in the preceding quarter ended 31 March 2013. Group profit before tax for the current quarter was also higher at RM41.10 million compared to RM34.99 million in the preceding quarter due to higher revenue recorded in the current quarter.

B3. Current year prospects

According to the Malaysian Institute of Economic Research ("MIER"), the Consumer Sentiments Index for 2Q 2013 declined to 109.7 points as compared to 122.9 points in 1Q 2013. However, the Business Condition Index showed an increase by 21.6 points indicating an improved business confidence level. In addition, MIER has also revised the growth forecast downwards from 5.6% to 4.8% for 2013.

In the media sector, advertising expenditure has remained soft but is expected to gradually pick up in the second half of this year as sentiment improves with the seasonality effect.

The media related segments of the Group, such as the Print, New Media, Broadcasting and Television will continue their efforts in growing the advertising revenue and to offer wider advertising platforms to its clients.

In the events and exhibition business segment, Cityneon is expected to turn around its business in 2013 as a result of significant cost savings. Their sales order book stands at SGD93 million to-date, of which 70% is expected to be realised this financial year. I.Star Ideas Factory meanwhile will continue its efforts to grow its revenue and profits by organising more events in 2013 compared to 2012.

The Company and the Board of Directors expect the business environment in the media industry to remain highly challenging in 2013, and will do its best to ensure a satisfactory performance for the financial year ending 31 December 2013.

B4. Profit forecast

The Group has not provided any profit forecast in a public document.

Additional information required by Bursa Malaysia Securities Listing Requirements**B5. Taxation**

Taxation comprises the following: -

	3 months ended		Financial period ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	12,703	12,797	24,832	27,867
2. Foreign taxation	67	102	91	301
3. Deferred taxation	-	-	-	-
	12,770	12,899	24,923	28,168

The effective tax rate on the Group's profit for the financial period under review is higher than the statutory tax rate due to the tax impact of non-deductible expenses.

B6. Retained Earnings

	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of Star Publications (Malaysia) Berhad and its subsidiaries		
-Realised	402,754	414,446
-Unrealised	(66,454)	(69,283)
	<u>336,300</u>	<u>345,163</u>
Total share of accumulated losses from a jointly controlled entity		
-Realised	(17,600)	(17,292)
Consolidation adjustments	40,435	49,559
Total group retained profits as per consolidated accounts	<u>359,135</u>	<u>377,430</u>

B7. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the date of this report.

Additional information required by Bursa Malaysia Securities Listing Requirements**B8. Borrowings and debt securities**

The Group's borrowings and debt securities as at the end of the second quarter are as follows:

	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000
<u>Short Term Borrowings</u>		
Unsecured		
Hire purchase	291	217
Finance lease	926	869
	1,217	1,086
Secured		
Term loan	61,526	53,861
Bank overdraft	164	-
	62,907	54,947
<u>Long Term Borrowings</u>		
Unsecured		
5-years MTN 2011/2016 with a coupon rate of 4.50% per annum, maturing on 11 May 2016	100,000	100,000
7-years MTN 2011/2018 with a coupon rate of 4.80% per annum, maturing on 11 May 2018	100,000	100,000
	200,000	200,000
Hire purchase	897	836
Finance lease	5,060	5,986
	205,957	206,822

Except for the secured term loan of RM61,526,828 and hire purchase of RM918,335 which are denominated in Singapore Dollar, other borrowings are in Ringgit Malaysia.

B9. Changes in material litigation

There are several libel suits which involve claims against the Company of which the outcome and probable compensation, if any, cannot be determined at this juncture.

Additional information required by Bursa Malaysia Securities Listing Requirements**B10. Dividend**

The Board of Directors is pleased to declare an interim dividend of 6.0 sen per ordinary share, single tier, (2012: interim dividend of 6.0 sen per ordinary share, single tier and special tax exempt dividend of 3.0 sen per ordinary share) in respect of the financial year ending 31 December 2013. The lower dividend proposed is in view of the lower profitability achieved by the Group for the financial period.

The dividend is to be payable to the shareholders on 18 October 2013.

A Depositor shall qualify for entitlement to the Dividend only in respect of:-

- (a) Securities transferred into the Depositor's Securities Account before 4.00pm on 27 September 2013 in respect of transfer;
- (b) Securities bought on Bursa Malaysia on a cum entitlement basis according to the rules of Bursa Malaysia.

B11. Basic earnings per share

The basic earnings per share has been calculated based on the Group's profit after taxation attributable to owners of the parent divided by the weighted average number of ordinary shares outstanding during the financial period.

	3 months ended		Financial period ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Group's profit after taxation attributable to owners of the parent (RM'000)	28,539	44,242	54,624	76,696
Number of shares at the beginning of the year ('000)	738,368	738,493	738,368	738,493
Effect of Share Buy Back during the period ('000)	(195)	-	(197)	-
Weighted average number of ordinary shares outstanding ('000)	738,173	738,493	738,171	738,493
Basic earnings per share (sen)	3.87	5.99	7.40	10.38

Diluted earnings per share

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

By Order of the Board

Ong Wei Lymn

Company Secretary
14 August 2013
Petaling Jaya, Selangor Darul Ehsan