



STAR PUBLICATIONS (MALAYSIA) BERHAD

Company No. 10894-D
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

Unaudited Condensed Consolidated Statement of Profit or Loss

	Note	3 months ended		Financial year ended	
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue		280,888	289,173	1,013,737	1,025,330
Operating expenses	A8	(254,730)	(234,186)	(883,364)	(851,249)
Other operating income	A9	8,868	8,728	33,774	29,592
Profit from operations		35,026	63,715	164,147	203,673
Finance cost		(2,557)	(2,567)	(10,143)	(10,191)
		32,469	61,148	154,004	193,482
<i>Share of losses in associates</i>		(169)	-	(583)	-
<i>Share of losses in a joint arrangement</i>		-	(588)	-	(896)
Profit before taxation		32,300	60,560	153,421	192,586
Taxation	B5	(8,090)	(16,202)	(41,388)	(53,170)
Profit for the financial period/year		24,210	44,358	112,033	139,416
Attributable to:					
Owners of the parent		21,482	44,204	111,416	142,876
Non-controlling interests		2,728	154	617	(3,460)
		24,210	44,358	112,033	139,416
Basic earnings per ordinary share (sen)		2.91	5.99	15.10	19.36
Diluted earnings per ordinary share (sen)		2.91	5.99	15.10	19.36

(The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2013)

Notes on Operating Expenses:

Included in the Operating Expenses are depreciation and amortisation expenses:

	(13,549)	(17,862)	(50,422)	(53,786)
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**Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014**

	3 months ended		Financial year ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Profit for the financial period/year	24,210	44,358	112,033	139,416
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
- exchange differences on translating foreign operations	4,377	268	4,465	1,010
- fair value adjustment on available- for-sale financial assets	-	-	-	(261)
Total comprehensive income for the financial period/year	28,587	44,626	116,498	140,165
Attributable to:				
Owners of the parent	24,095	43,322	114,429	141,502
Non-controlling interests	4,492	1,304	2,069	(1,337)
	28,587	44,626	116,498	140,165

(The unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2013)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 December 2014**

	31 December 2014 RM'000	31 December 2013 RM'000
Non-current assets		
Property, plant and equipment	476,622	507,295
Investment properties	7,756	8,003
Intangible assets	107,478	133,818
Investment in associates	-	2,950
Investment in a joint arrangement	143	143
Other investments		
-Held-to-maturity investments	-	5,000
-Financial assets at fair value through profit or loss	42,104	45,687
Other receivables	2,989	130,554
Deferred tax assets	621	2,376
	637,713	835,826
Current assets		
Inventories	97,363	117,161
Other investments		
-Held-to-maturity investments	5,000	5,000
Trade and other receivables	307,080	201,717
Current tax assets	1,802	278
Short term deposits	483,591	428,329
Cash and bank balances	137,763	109,788
	1,032,599	862,273
TOTAL ASSETS	1,670,312	1,698,099

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 December 2014 (cont'd)**

	31 December 2014 RM'000	31 December 2013 RM'000
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(1,633)	(1,633)
Reserves	405,589	425,391
Equity attributable to owners of the parent	1,142,520	1,162,322
Non-controlling interests	33,807	31,877
Total equity	1,176,327	1,194,199
Non-current liabilities		
Other payables	3,395	8,569
Borrowings	204,172	204,966
Deferred tax liabilities	62,433	66,785
	270,000	280,320
Current liabilities		
Trade and other payables	154,442	155,265
Borrowings	65,161	60,749
Taxation	4,382	7,566
	223,985	223,580
Total Liabilities	493,985	503,900
TOTAL EQUITY AND LIABILITIES	1,670,312	1,698,099
Net assets per share attributable to owners of the parent company (RM)	1.55	1.58

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2013)

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the year ended 31 December 2014**

	[----- 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	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 2014	738,564	21,116	1,172	(1,633)	403,103	1,162,322	31,877	1,194,199
Total comprehensive income for the year	-	2,991	22	-	111,416	114,429	2,069	116,498
<u>Transactions with owners</u>								
Additional investment in a subsidiary	-	-	-	-	(1,399)	(1,399)	(101)	(1,500)
Disposal of subsidiary	-	-	-	-	-	-	(38)	(38)
Dividend								
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2013, paid on 18 April 2014</i>	-	-	-	-	(66,416)	(66,416)	-	(66,416)
<i>First Interim Dividend and Special Dividend for the financial year ended 31 December 2014, paid on 17 October 2014</i>	-	-	-	-	(66,416)	(66,416)	-	(66,416)
Balance as at 31 December 2014	738,564	24,107	1,194	(1,633)	380,288	1,142,520	33,807	1,176,327

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the year ended 31 December 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 year	-	(1,245)	132	(261)	-	142,876	141,502	(1,337)	140,165
<u>Transactions with owners</u>									
Acquisition of subsidiaries	-	-	-	-	-	-	-	139	139
Repurchase of shares	-	-	-	-	(1,050)	-	(1,050)	-	(1,050)
Additional investment in a subsidiary	-	-	-	-	-	(6,465)	(6,465)	1,665	(4,800)
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)
<i>First Interim Dividend for the financial year ended 31 December 2013, paid on 18 October 2013</i>	-	-	-	-	-	(44,285)	(44,285)	-	(44,285)
Balance as at 31 December 2013	738,564	21,116	1,172	-	(1,633)	403,103	1,162,322	31,877	1,194,199

(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 2013)

Unaudited Condensed Consolidated Statement of Cash Flows
For the year ended 31 December 2014

	31 December 2014	31 December 2013
	RM'000	RM'000
Profit before taxation	153,421	192,586
Adjustments for non-cash flow items:-		
Share of losses in associates	583	-
Share of losses in a joint arrangement	-	896
Non-cash items	80,595	52,556
Non-operating items	(7,795)	(5,030)
Operating profit before working capital changes	226,804	241,008
Changes in working capital		
Net change in current assets	47,183	51,523
Net change in current liabilities	(9,330)	(23,921)
	37,853	27,602
Cash generated from operations	264,657	268,610
Net tax paid	(48,913)	(59,021)
Net cash from operating activities	215,744	209,589
Investing Activities		
Proceeds from disposal of property, plant and equipment	1,308	2,213
Proceeds from disposal of intangible assets	-	19
Proceeds from disposal of available-for-sale financial asset	-	6,128
Proceeds from disposal of quoted securities	15,187	-
Proceeds from disposal of a subsidiary	125	-
Purchases of property, plant and equipment	(13,937)	(18,569)
Purchases of intangible assets	(1,382)	(7,614)
Purchases of television programmes rights	(4,552)	-
Acquisition of investment in associates	-	(1,400)
Additional investment in a subsidiary	(1,500)	(4,800)
Acquisition of a subsidiary, net of cash acquired	-	(12,296)
Additional investment in associates	(1,150)	-
Investment redeemed on maturity	-	5,000
Investment in financial products	(5,417)	(5,451)
Interest and investment income received	17,799	15,566
Net cash from/(used in) investing activities	6,481	(21,204)
Financing Activities		
Interest paid	(10,143)	(10,495)
Repurchase of shares	-	(1,050)
Repayment of hire purchase	(244)	(944)
Net drawdown of term loan	3,293	581
Repayment of finance lease	(956)	(897)
Dividend paid	(132,832)	(110,738)
Net cash used in financing activities	(140,882)	(123,543)

**Unaudited Condensed Consolidated Statement of Cash Flows
For the year ended 31 December 2014 (cont'd)**

	31 December 2014	31 December 2013
	RM'000	RM'000
Net increase in cash and cash equivalents	81,343	64,842
Effect of exchange rates fluctuations on cash held	2,043	(432)
Cash and cash equivalents at beginning of the year	537,968	473,558
Cash and cash equivalents at end of the year	621,354	537,968

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

	31 December 2014	31 December 2013
	RM'000	RM'000
Deposits placed with licensed banks	483,591	428,329
Cash and bank balances	137,763	109,788
Bank overdrafts included in borrowings	-	(149)
	<u>621,354</u>	<u>537,968</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 2013).

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 2013.

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 2013 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

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>
Amendments to MFRS 136	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</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 July 2014

Amendments to MFRS 119	<i>Defined Benefit Plans: Employee Contributions</i>
Amendments to MFRSs	<i>Annual Improvements 2010-2012 Cycle</i>
Amendments to MFRSs	<i>Annual Improvements 2011-2013 Cycle</i>
MFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to MFRS 10 and MFRS128	<i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>
Amendments to MFRS 116 and MFRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interest in Joint Operations</i>
Amendments to MFRS 116 and MFRS 141	<i>Agriculture: Bearer Plants</i>
Amendments to MFRS 127	<i>Equity Method in Separate Financial Statements</i>
Amendments to MFRSs	<i>Annual Improvements to 2012-2014 Cycle</i>
Amendments to MFRS 101	<i>Disclosure Initiative</i>
Amendments to MFRS 10, MFRS 12 and MFRS 128	<i>Investment Entities: Applying the Consolidation Exception</i>
MFRS 15	<i>Revenue from Contracts with Customers</i>
MFRS 9	<i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>

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.

Notes to the interim financial report

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 year ended 31 December 2014.

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

There were no issuances and repayment of debts and equity securities, share cancellations and resale of treasury shares during the financial year ended 31 December 2014.

A6. Dividend paid

	2014 RM'000	2013 RM'000
<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
<u>In respect of the financial year ended 31 December 2013</u>		
First interim dividend of 6.0 sen per ordinary share, single tier, paid on 18 October 2013	-	44,285
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 2014	66,416	-
<u>In respect of the financial year ended 31 December 2014</u>		
First 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 17 October 2014	66,416	-

Notes to the interim financial report

A7. Segment Reporting

Business Segment

12 months ended 31 December 2014

	Financial year ended 31 December 2014		
	Assets RM'000	Revenue RM'000	Segment results RM'000
ˆPrint and digital	1,315,873	706,474	162,824
^Broadcasting	89,642	51,369	(5,967)
Event, exhibition, interior and thematic	230,437	235,533	19,050
#Television channel	10,944	10,877	(19,124)
˜Others	23,416	9,484	(2,779)
	<u>1,670,312</u>	<u>1,013,737</u>	154,004
Share of results in associates			(583)
Profit before tax			<u>153,421</u>

*Including impairment losses on film rights amounting to RM5,747,000.

^Including impairment loss on radio license amounting to RM4,350,000.

#Including impairment loss on goodwill amounting to RM12,415,000.

˜Including impairment loss on investment in associates amounting to RM3,517,000.

12 months ended 31 December 2013

	Financial year ended 31 December 2013		
	Assets RM'000	Revenue RM'000	Segment results RM'000
Print and digital	1,320,516	751,154	192,336
Broadcasting	101,888	55,420	(156)
Event, exhibition, interior and thematic	204,858	198,884	11,538
Television channel	25,531	9,984	(6,354)
Others	45,306	9,888	(3,882)
	<u>1,698,099</u>	<u>1,025,330</u>	193,482
Share of results in a joint arrangement			(896)
Profit before tax			<u>192,586</u>

Notes to the interim financial report

A8. Operating expenses

	3 months ended		Financial year ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
(Reversal)/Allowance of credit losses	(2,258)	(1,899)	151	192
Write-off of receivables	411	10	498	10
Impairment on goodwill	12,415	-	12,415	-
Impairment on radio license	4,350	-	4,350	-
Impairment on film rights	2,297	-	2,297	-
Impairment on other receivables	3,450	-	3,450	-
Impairment on investment in associates	3,517	-	3,517	-
Impairment on investment in a joint arrangement	-	-	-	1,611
Foreign exchange loss	(406)	295	238	249
Loss on disposal of a subsidiary	2,536	-	2,536	-

A9. Other operating income

	3 months ended		Financial year ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Interest income	1,696	1,986	6,761	7,647
Investment income	3,316	2,179	11,177	7,574
Accretion of non-current receivable	1,050	1,050	4,200	4,200
Foreign exchange gain	(814)	136	-	348
Gain on disposal of quoted investment	(325)	-	81	-
Other income	3,945	3,377	11,555	9,823
Total	8,868	8,728	33,774	29,592

A10. Events subsequent to the end of the reporting year

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

Notes to the interim financial report

A11. Changes in composition of the Group

On 22 December 2014, the Company announced the completion on disposal of 2,484,834 Ordinary Shares of RM1.00 each in Red Tomato or equivalent to 83.61% of the equity of Red Tomato, for a cash consideration of RM125,415 pursuant to the Share Sale and Purchase Agreement dated 7 November 2014.

On 29 December 2014, the Company announced that Leaderonomics Sdn Bhd, a subsidiary of the Company had on 26 December 2014 incorporated a wholly-owned subsidiary known as Leaderonomics International Sdn Bhd under the Companies Act, 1965 in Malaysia.

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	40,153
Rental guarantee	3,818
	<hr/>
	43,971
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A13. Capital commitments

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	12,103
- not contracted	6,991
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	19,094
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Additional information required by Bursa Malaysia Securities Listing Requirements

B1. Review of performance

	Current Year Quarter 31.12.2014 (4Q 2014) RM'000	Preceding Year Corresponding Quarter 31.12.2013 (4Q 2013) RM'000
Revenue	280,888	289,173
Consolidated Profit before taxation	32,300	60,560
Consolidated Profit after taxation	24,210	44,358

Group revenue in 4Q 2014 decreased marginally by 2.9% to RM280.89 million from RM289.17 million in the corresponding quarter of the preceding year mainly due to lower revenue contribution from the Print and Broadcasting segment. However, Group profit before tax in 4Q 2014 decreased by 46.7% against corresponding quarter of 2013 mainly due to impairment losses on goodwill, radio license, film rights and investment in associates amounting to RM26.03 million.

If the impairment losses are excluded, profit before tax only fell by 3.7% to RM58.33 million as compared to RM60.56 million in the corresponding quarter of 2013.

Performance of the respective business segments for 4Q 2014 compared to the corresponding quarter of 2013 are as follows:-

Print and Digital – Print and digital revenue contracted by 6.6% mainly due to lower advertising revenue. Overall advertising expenditure has been affected by poor consumer sentiments as a result of the rising cost of living. Poor adex and impairment loss on film rights have caused profit before tax for this segment to decline by 14.8% as compared to last corresponding quarter. If impairment losses are excluded, profit before tax only decreased by 4.0% to RM51.26 million as compared RM53.38 million in the corresponding quarter of 2013.

Radio Broadcasting – Revenue declined by 21.8% or RM3.6 million in the current quarter under review due to the uncertainties and challenging market environment. Advertisers were generally more cautious and were holding back on their spending due to poor consumer sentiments. This segment made a loss before tax of RM3.35 million mainly due to impairment loss on Capital FM's radio license. If the impairment loss is excluded, this segment would have contributed a profit before tax of RM1.00 million as compared to RM2.31 million in the corresponding quarter of 2013.

Event, exhibition, interior and thematic – This segment consists of Cityneon and I.Star Ideas Factory. Revenue for this segment increased to RM82.01 million from RM72.44 million mainly due to exhibition and interior projects completed by Cityneon in the current quarter under review. Profit before tax improved to RM8.16 million from RM7.80 million mainly due to better cost control by Cityneon and more profitable shows held by I.Star Ideas Factory.

Television channel – Revenue for 4Q 2014 declined to RM3.23 million as compared to RM4.02 million in 4Q 2013 due to lower regional revenue and fewer contracts completed in 4Q 2014. This segment suffered a loss before tax of RM14.33 million in 4Q 2014 as compared to RM1.41 million in 4Q 2013. If impairment loss on goodwill is excluded, this segment loss increased by 35.7% to RM1.92 million as compared to RM1.41 million in 4Q 2013.

Additional information required by Bursa Malaysia Securities Listing Requirements

B1. Review of performance (cont'd)

	Financial Year 31.12.2014 RM'000	Preceding Year 31.12.2013 RM'000
Revenue	1,013,737	1,025,330
Consolidated Profit before taxation	153,421	192,586
Consolidated Profit after taxation	112,033	139,416

Performance of the company and subsidiaries for financial year ended 31 December 2014 vs 31 December 2013:-

Group revenue for the financial year ended 31 December 2014 declined marginally by 1.1% as Year 2014's advertising expenditure was mainly affected by airline tragedies and poor consumer and business sentiments. Group profit before tax for financial year 2014 fell by 20.3% to RM153.42 million in the current financial year mainly due to lower print segment revenue and higher operating expenses mainly related to a Voluntary Separation Scheme (VSS), impairment losses on goodwill, radio license, film rights and investment in associates amounting to RM37.53 million.

If these VSS expenses and impairment losses are excluded, the Group profit before tax only fell by 0.8% to RM190.95 million as compared to RM192.59 million in 2013.

Performance of the respective business segments are as follows:-

Print and Digital – Print and digital revenue declined by 6.1% and 0.4% respectively. This was mainly due to MH370 and MH17 incident where it caused this segment to experience some loss in Adex as advertisers were more cautious and held back on the advertising spending. As a mark of respect, many corporate and government agencies toned down festive celebrations. Profit before tax has contracted by 15.3% as compared to preceding financial year mainly due to VSS expenses, impairment loss on film rights and lower advertising revenue. If impairment losses are excluded, profit before tax only fell by 12.4% to RM168.57 million as compared to RM192.34 million in 2013.

Radio Broadcasting – Airtime revenue declined by 7.3% to RM51.37 million mainly due to uncertainties in the economy and dampening effect of advertising spend from the abovementioned two tragedies. As a result of lower revenue and impairment on Capital FM's radio license, loss before tax has increased to RM5.97 million as compared to RM0.16 million in the preceding financial year. If impairment loss is excluded, loss before tax would have been RM1.62 million as compared to RM0.16 million in 2013.

Event, exhibition, interior and thematic – This segment consists of Cityneon and I.Star Ideas Factory. Revenue increased from RM198.88 million to RM235.53 million mainly due to more projects secured by Cityneon as well as two additional shows held by I.Star Ideas Factory as compared to preceding financial year. Overall profit before tax improved significantly to RM19.05 million from RM11.54 million in the corresponding year of 2013 due to better cost control by Cityneon and additional shows by I.Star Ideas Factory.

Television channel – Revenue increased to RM10.88 million as compared to RM9.98 million in the last financial year mainly attributable to higher distribution revenue as a result of new affiliates in the current financial year. Loss before tax increased to RM19.12 million as compared to RM6.35 million in 2013. If impairment loss on goodwill is excluded, this segment's loss before tax increased by 5.6% to RM6.71 million in the current financial year under review as compared to RM6.35 million in the last financial year.

Additional information required by Bursa Malaysia Securities Listing Requirements

B2. Variation of results against preceding quarter

	Current Quarter 31.12.2014 RM'000	Preceding Quarter 30.09.2014 RM'000
Revenue	280,888	247,184
Consolidated Profit before taxation	32,300	46,689
Consolidated Profit after taxation	24,210	33,274

Group revenue for 4Q 2014 increased to RM280.89 million from RM247.18 in 3Q 2014. The third quarter's performance was mainly affected by the MH17 tragedy. Group profit before tax decreased to RM32.30 million as compared to RM46.69 million in the preceding quarter.

B3. Current year prospects

According to the Malaysian Institute of Economic Research ("MIER"), the Malaysian economy is expected to be moderate due to lower crude oil prices, weaker ringgit and the effects of the impending implementation of goods and services tax in April.

In view of the challenging business and market conditions, the Company and the Board of Directors will continue to focus and strengthen its key strategies in the media industry and will do its best to achieve a satisfactory performance for the financial year ending 31 December 2015.

The media related segments of the Group will continue to enhance its respective media platforms to extend their reach to wider audiences.

In the events and exhibition business segment, Cityneon will continue to seek out more opportunities both locally and in other emerging markets such as Vietnam and Myanmar. I.Star Ideas Factory will continue its efforts to strengthen its market position.

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	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	4,776	14,997	38,014	55,269
2. Foreign taxation	466	1,091	526	1,267
3. Deferred taxation	2,848	114	2,848	(3,366)
	8,090	16,202	41,388	53,170

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

B6. Retained Earnings

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of Star Publications (Malaysia) Berhad and its subsidiaries		
-Realised	434,160	446,653
-Unrealised	(59,145)	(62,793)
	<u>375,015</u>	<u>383,860</u>
Total share of accumulated losses from associates		
-Realised	(583)	-
Total share of accumulated losses from a joint arrangement		
-Realised	(18,188)	(18,188)
Consolidation adjustments	24,044	37,431
Total group retained profits as per consolidated accounts	<u>380,288</u>	<u>403,103</u>

Additional information required by Bursa Malaysia Securities Listing Requirements

B7. Status of corporate proposal announced

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

B8. Borrowings and debt securities

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

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
<u>Short Term Borrowings</u>		
Unsecured		
Hire purchase	209	137
Finance lease	1,020	956
	1,229	1,093
Secured		
Bank borrowings	63,932	59,507
Bank overdraft	-	149
	65,161	60,749
<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	617	392
Finance lease	3,555	4,574
	204,172	204,966

Except for the secured term loan of RM63,932,000 and hire purchase of RM618,000 which are denominated in Singapore Dollar, other borrowings are in Ringgit Malaysia.

Additional information required by Bursa Malaysia Securities Listing Requirements

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.

B10. Dividend

The Board of Directors is pleased to declare an interim dividend of 6.0 sen per ordinary share, single tier and special tax exempt dividend of 3.0 sen per ordinary share (2013: 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 ended 31 December 2014.

The dividend is to be payable to the shareholders on 17 April 2015.

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 31 March 2015 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/year.

	3 months ended		Financial year ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Group's profit after taxation attributable to owners of the parent (RM'000)	21,482	44,204	111,416	142,876
Number of shares at the beginning of the period/year ('000)	737,956	738,171	737,956	738,368
Effect of Share Buy Back during the period/year ('000)	-	(22)	-	(219)
Weighted average number of ordinary shares outstanding ('000)	737,956	738,149	737,956	738,149
Basic earnings per share (sen)	2.91	5.99	15.10	19.36

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

Group Company Secretary
27 February 2015
Petaling Jaya, Selangor Darul Ehsan