



STAR MEDIA GROUP BERHAD
Company No. 10894-D
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2016**

Unaudited Condensed Consolidated Statement of Profit or Loss

	Note	3 months ended		Financial period ended	
		30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Revenue		266,536	266,311	465,267	483,745
Operating expenses	A8	(235,652)	(229,571)	(418,067)	(416,902)
Other operating income	A9	30,592	8,786	39,779	18,790
Profit from operations		61,476	45,526	86,979	85,633
Finance cost		(2,914)	(2,600)	(5,894)	(5,107)
		58,562	42,926	81,085	80,526
<i>Share of losses in associates</i>		(106)	-	(251)	-
Profit before taxation		58,456	42,926	80,834	80,526
Taxation	B5	(8,455)	(9,612)	(15,974)	(23,292)
Profit for the financial period		50,001	33,314	64,860	57,234
Attributable to:					
Owners of the parent		43,676	33,292	59,165	59,839
Non-controlling interests		6,325	22	5,695	(2,605)
		50,001	33,314	64,860	57,234
Basic earnings per ordinary share (sen)		5.92	4.51	8.02	8.11
Diluted earnings per ordinary share (sen)		5.92	4.51	8.02	8.11

(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 2015)

Notes on Operating Expenses:

Included in the Operating Expenses are depreciation and amortisation expenses:

	(13,071)	(11,330)	(25,743)	(22,282)
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**Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2016**

	3 months ended		Financial period ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Profit for the financial period	50,001	33,314	64,860	57,234
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
- exchange differences on translating foreign operations	(390)	(819)	(7,567)	3,002
Total comprehensive income for the financial period	49,611	32,495	57,293	60,236
Attributable to:				
Owners of the parent	48,969	32,396	54,575	62,110
Non-controlling interests	642	99	2,718	(1,874)
	49,611	32,495	57,293	60,236

(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 2015)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2016**

	30 June 2016 RM'000	31 December 2015 RM'000
Non-current assets		
Property, plant and equipment	532,638	500,350
Investment properties	128,800	105,668
Intangible assets	137,367	136,795
Investment in associates	893	1,160
Other investments		
-Financial assets at fair value through profit or loss	40,045	44,686
Other receivables	2,105	2,990
Deferred tax assets	324	324
	842,172	791,973
Current assets		
Inventories	47,810	49,899
Trade and other receivables	225,331	243,128
Derivative assets	50	164
Current tax assets	4,328	4,045
Short term deposits	366,366	508,047
Cash and bank balances	174,679	124,825
	818,564	930,108
TOTAL ASSETS	1,660,736	1,722,081

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2016 (cont'd)**

	30 June 2016 RM'000	31 December 2015 RM'000
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(1,633)	(1,633)
Reserves	400,057	408,344
Equity attributable to owners of the parent	1,136,988	1,145,275
Non-controlling interests	100,900	61,191
Total equity	1,237,888	1,206,466
Non-current liabilities		
Borrowings	102,040	102,997
Deferred tax liabilities	54,625	54,493
	156,665	157,490
Current liabilities		
Trade and other payables	154,834	180,145
Borrowings	102,480	169,861
Taxation	8,869	8,119
	266,183	358,125
Total Liabilities	422,848	515,615
TOTAL EQUITY AND LIABILITIES	1,660,736	1,722,081
Net assets per share attributable to owners of the parent company (RM)	1.54	1.55

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2015)

Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 June 2016

	[----- 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	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	
Balance as at 1 January 2016	738,564	31,612	526	(1,633)	376,206	1,145,275	61,191	1,206,466
Total comprehensive income for the period	-	(4,830)	240	-	59,165	54,575	2,718	57,293
<u>Transactions with owners</u>								
Disposal of shares in a subsidiary	-	-	-	-	13,234	13,234	11,784	25,018
Deregistration of a subsidiary	-	(21,073)	-	-	-	(21,073)	-	(21,073)
Additional shares issued by a subsidiary	-	-	-	-	10,526	10,526	21,644	32,170
Share options granted under ESOS of a subsidiary	-	-	(756)	-	1,623	867	3,563	4,430
Transfer of share options reserve	-	-	(2)	-	2	-	-	-
Dividend								
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2015, paid on 18 April 2016</i>	-	-	-	-	(66,416)	(66,416)	-	(66,416)
Balance as at 30 June 2016	738,564	5,709	8	(1,633)	394,340	1,136,988	100,900	1,237,888

Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 June 2015

[----- 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 2015	738,564	24,107	817	(1,633)	380,665	1,142,520	33,807	1,176,327
Total comprehensive income for the period	-	2,221	50	-	59,839	62,110	(1,874)	60,236
<u>Transactions with owners</u>								
Additional investment in a subsidiary	-	-	-	-	(43)	(43)	(1,457)	(1,500)
Dividend								
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2014, paid on 17 April 2015</i>	-	-	-	-	(66,416)	(66,416)	-	(66,416)
Balance as at 30 June 2015	738,564	26,328	867	(1,633)	374,045	1,138,171	30,476	1,168,647

(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 2015)

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2016

	30 June 2016	30 June 2015
	RM'000	RM'000
Profit before taxation	80,834	80,526
Adjustments for non-cash flow items:-		
Share of losses in associates	251	-
Non-cash items	9,267	21,891
Non-operating items	(4,294)	(4,600)
Operating profit before working capital changes	86,058	97,817
Changes in working capital		
Net change in current assets	11,991	4,175
Net change in current liabilities	(45,321)	(6,667)
Cash generated from operations	52,728	95,325
Net tax paid	(15,398)	(19,842)
Net cash from operating activities	37,330	75,483
Investing Activities		
Proceeds from disposal of property, plant and equipment	486	684
Proceeds from disposal of quoted securities	5,000	74
Proceeds from liquidation of investment in joint arrangement	-	1,168
Proceeds from disposal of shares	25,018	-
Purchases of property, plant and equipment	(61,252)	(3,950)
Purchases of intangible assets	(128)	(171)
Purchases of television programme rights	(3,941)	(2,725)
Additional investment in a subsidiary	-	(1,500)
Additional investment in associates	-	(1,023)
Investment in financial products	(256)	(296)
Investment redeemed on maturity	-	5,000
Interest and investment income received	9,219	9,884
Deposits placed with licensed banks with original maturity more than 3 months	35,240	(26,181)
Net cash from/(used in) investing activities	9,386	(19,036)
Financing Activities		
Interest paid	(1,911)	(496)
Repayment of hire purchase	(493)	(115)
Net drawdown of term loan	33,810	2,814
Repayment of finance lease	(535)	(502)
Redemption of Medium Term Note	(100,000)	-
Proceeds from shares issue to non-controlling interest of a subsidiary	32,223	-
Proceeds from ESOS exercised with issue of shares to non-controlling interest of a subsidiary	4,559	-
Dividend paid	(66,416)	(66,416)
Dividend paid to non-controlling interest of a subsidiary	-	(869)
Net cash used in financing activities	(98,763)	(65,584)
Net decrease in cash and cash equivalents	(52,047)	(9,137)
Effect of exchange rates fluctuations on cash held	(4,540)	5,054
Cash and cash equivalents at beginning of the period	585,127	593,048
Cash and cash equivalents at end of the period	528,540	588,965

**Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2016 (cont'd)**

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

	30 June 2016	30 June 2015
	RM'000	RM'000
Deposits placed with licensed banks	366,366	532,724
Cash and bank balances	174,679	110,728
Deposits placed with licensed banks with original maturity more than 3 months	(12,505)	(54,487)
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	528,540	588,965
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(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December 2015).

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 2015.

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 2015 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

MFRS 14	<i>Regulatory Deferral Accounts</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>

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 2018

MFRS 9	<i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>
MFRS 15	<i>Revenue from Contracts with Customers</i>
MFRS 16	<i>Leases</i>
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>
Amendments to MFRS 107	<i>Disclosure Initiative</i>
Amendments to MFRS 112	<i>Recognition of Deferred Tax Assets for Unrealised Losses</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 period ended 30 June 2016.

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 period ended 30 June 2016.

A6. Dividend paid

	2016 RM'000	2015 RM'000
<u>In respect of the financial year ended 31 December 2015</u>		
Second interim dividend of 9.0 sen per ordinary share, single tier, paid on 18 April 2016	66,416	-
<u>In respect of the financial year ended 31 December 2014</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 17 April 2015	-	66,416
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Notes to the interim financial report

A7. Segment Reporting

Business Segment

6 months ended 30 June 2016

	Financial period ended 30 June 2016		
	Assets	Revenue	Profit
	RM'000	RM'000	before tax
			RM'000
Print and digital	1,115,553	285,154	50,177
Broadcasting	75,918	20,889	(2,251)
Event, exhibition, interior and thematic	397,952	149,623	18,294
Television channel	13,024	4,611	(4,493)
Others	58,289	4,990	19,358
	<u>1,660,736</u>	<u>465,267</u>	81,085
Share of results in associates			(251)
Profit before tax			<u>80,834</u>

6 months ended 30 June 2015

	Financial period ended 30 June 2015		
	Assets	Revenue	Profit
	RM'000	RM'000	before tax
			RM'000
Print and digital	1,320,829	327,581	84,233
Broadcasting	90,052	24,090	229
Event, exhibition, interior and thematic	236,280	122,570	(118)
Television channel	10,671	5,073	(3,549)
Others	21,955	4,431	(269)
	<u>1,679,787</u>	<u>483,745</u>	80,526

Notes to the interim financial report**A8. Operating expenses**

	3 months ended		Financial period ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Allowance of credit losses	567	112	1,167	815
Write-off of receivables	-	9	-	9
Loss on disposal of quoted investment	12	69	12	69
Foreign exchange loss	333	937	198	481

A9. Other operating income

	3 months ended		Financial period ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Interest income	1,153	2,338	2,693	3,239
Investment income	3,419	3,229	7,495	6,470
Accretion of non-current receivable	-	1,050	-	2,100
Gain on liquidation of investment in a joint arrangement	-	1,025	-	1,025
Gain on deregistration of a subsidiary	21,073	-	21,073	-
Other income	4,947	1,144	8,518	5,956
Total	30,592	8,786	39,779	18,790

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.

Notes to the interim financial report

A11. Changes in composition of the Group

On 13 April 2016, the Company announced that its wholly-owned subsidiary in Australia, Excel and its dormant subsidiary, AIUS were deregistered under Section 601AA(4) of the Corporations Act 2001 with The Australian Securities And Investments Commission (“ASIC”) on 5 April 2016. Excel and AIUS were not in financial difficulty or insolvent and had met all the requirements to deregister with ASIC. The said deregistration was part of the corporate restructuring exercise.

On 20 May 2016, Cityneon Holdings Limited (“Cityneon”) had released an announcement to the Singapore Stock Exchange on the change in the Company’s shareholding from 65% to 52%. The change in shareholding was due to issuance of 20,000,000 new ordinary shares via a placement by Cityneon and completion of the sale of 15,000,000 Cityneon's shares via a placement by Laviani Pte Ltd and employee share option exercised.

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	37,256
Rental guarantee	2,421
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	39,677
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A13. Capital commitments

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	40,264
- not contracted	10,557
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	50,821
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A14. Significant related party transactions

Significant related party transactions which were entered into on agreed terms and prices for the current financial period ended 30 June 2016 are as set out below:

	6 months ended 30.06.2016 RM'000
Transactions with related party in relation to approved shareholders' mandate for recurrent related party transactions:	
- Sales of advertisements	<hr/> 7,972

Notes to the interim financial report

A15. Derivative financial instruments

As at 30 June 2016, the Group has the following outstanding forward foreign exchange contracts:

	Contract value		Fair value –
	FC'000	RM'000	net gain/ (losses) RM'000
With maturity less than 1 year:			
United States Dollar	2,670	10,770	142
Swiss Franc	2,848	11,895	(23)
Sterling Pound	297	1,697	(69)

These forward contracts were entered into with the objective of managing and hedging the exposure of the Company to adverse price movements in foreign currencies.

The above derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.

Additional information required by Bursa Malaysia Securities Listing Requirements

B1. Review of performance

	Current Year Quarter 30.06.2016 (2Q 2016) RM'000	Preceding Year Corresponding Quarter 30.06.2015 (2Q 2015) RM'000
Revenue	266,536	266,311
Consolidated Profit before taxation	58,456	42,926
Consolidated Profit after taxation	50,001	33,314

Group revenue in 2Q 2016 increased marginally by 0.08% to RM266.54 million from RM266.31 million in the corresponding quarter of the preceding year due to higher revenue contribution from Cityneon. Group profit before tax and after tax in 2Q 2016 increased by 36.2% and 50.1% respectively against corresponding quarter of 2015 mainly due to higher profit by Cityneon and gain on deregistration of a subsidiary company.

Performance of the respective business segments for 2Q 2016 compared to the corresponding quarter of 2015 are as follows:-

Print and Digital – Revenue declined by 13.2% mainly due to lower advertising revenue resulting from poor consumer and business sentiments. Newspaper Adex fell by 11.9% for 2Q 2016 as compared to 2Q 2015. Profit before tax for this segment decreased by 42.2% due to lower print revenue.

Radio Broadcasting – Revenue decreased by 19.1% or RM2.35 million in the current quarter under review. Poor consumer and business sentiments due to weak economic conditions have affected the airtime revenue and resulted in a higher loss before tax of RM1.89 million in 2Q 2016 as compared to RM0.55 million in 2Q 2015.

Event, exhibition, interior and thematic – This segment consists of Cityneon and I.Star Ideas Factory (Perfect Livin'). Revenue increased to RM107.61 million from RM84.48 million mainly contributed by exhibitions and intellectual property rights held by Cityneon. However, revenue from I.Star Ideas Factory has decreased as only 4 shows were held in 2Q 2016 as compared to 5 shows in 2Q 2015. Due to higher performance by the exhibition and Victory Hill Exhibitions Group under Cityneon, this segment's profit has increased from RM5.17 million to RM20.06 million in the current period under review.

Television channel – Revenue increased to RM2.59 million as compared to RM2.22 million in 2Q 2015. However, due to higher marketing expenses, this segment registered a loss before tax of RM2.52 million in 2Q 2016 as compared to RM1.95 million in 2Q 2015.

Additional information required by Bursa Malaysia Securities Listing Requirements

B1. Review of performance

	6 months ended 30.06.2016 (1H 2016) RM'000	6 months ended 30.06.2015 (1H 2015) RM'000
Revenue	465,267	483,745
Consolidated Profit before taxation	80,834	80,526
Consolidated Profit after taxation	64,860	57,234

Performance of the company and subsidiaries for 6 months ended 30 June 2016 vs 30 June 2015:-

Group revenue in 1H 2016 decreased by 3.8% to RM465.27 million from RM483.75 million in 1H 2015 mainly due to lower print revenue. Group profit before tax in 1H 2016 increased by 0.4% due to higher profit recorded by Cityneon and gain on deregistration of a subsidiary company.

Performance of the respective business segments are as follows:-

Print and Digital – Print and digital revenue decreased by 13.0% mainly due to lower print revenue. Poor consumer and business sentiments have affected the overall Adex. Newspaper Adex fell by 11.9% in 1H 2016 as compared to 1H 2015. As a result of the lower revenue, profit before tax decreased by 40.4%.

Radio Broadcasting – Revenue declined by 13.3% or RM3.2 million in 1H 2016 as a result of poor consumer and business sentiments. Challenging market environment has caused this segment to record a loss before tax of RM2.3 million in 1H 2016 as compared to profit before tax of RM0.23 million in 1H 2015.

Event, exhibition, interior and thematic – This segment consists of Cityneon and I.Star Ideas Factory. Revenue increased to RM149.62 million from RM122.57 million mainly contributed by exhibitions and intellectual property rights held by Cityneon. However, revenue from I.Star Ideas Factory has decreased as only 6 shows were held in 1H 2016 as compared to 8 shows in 1H 2015. As a result of stronger performance by Cityneon's exhibitions and intellectual property rights division, this segment recorded a profit before tax of RM18.29 million in 1H 2016 as compared to a loss before tax of RM0.12 million in 1H 2015.

Television channel – Revenue for 1H 2016 decreased by 9.1% to RM4.61 million as compared to RM5.07 million in 1H 2015. As a result of the decline in distribution revenue, this segment suffered a higher loss before tax of RM4.49 million in 1H 2016 as compared to RM3.55 million in 1H 2015.

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

	Current Quarter 30.06.2016 (2Q 2016) RM'000	Preceding Quarter 31.03.2016 (1Q 2016) RM'000
Revenue	266,536	198,731
Consolidated Profit before taxation	58,456	22,378
Consolidated Profit after taxation	50,001	14,859

Group revenue for 2Q 2016 increased from RM198.73 million in 1Q 2016 to RM266.54 million mainly due to higher revenue contribution from the Event segment. Group profit before tax increased from RM22.38 million in the preceding quarter to RM58.46 million in 2Q 2016 due to higher profit recorded by the Event segment and gain on deregistration of a subsidiary company.

B3. Current year prospects

Outlook for this year remains challenging as market sentiments remained cautious due to economic uncertainties and weak commodity prices. Advertising expenditure for the rest of the year is expected to be soft.

The media related segments of the Group will continue to enhance its respective media platforms to extend their reach to wider audiences by continuing to provide more bundled products and creative buys to advertisers. The Group is also expanding aggressively into the digital businesses in video content (TheStarTV) and Audience Interest Marketing (AIM).

In the events and exhibition business segment, Cityneon will continue to look out for new opportunities to grow their revenue base. Acquisition of Victory Hill Exhibitions Pte Ltd ("VHE") in 2015 is expected to diversify the revenue stream and enhance its performance in the foreseeable future via exhibitions for AVENGERS STATION and TRANSFORMERS. I.Star Ideas Factory has been affected by the poor consumer sentiments and weak retail market and as such will continue to face a challenging environment for the rest of the year.

The Company and the Board of Directors will continue to focus and strengthen its key strategies in the media industry. We will continue to defend the Print segment whilst building on our other media platforms and also continue our prudent cost management.

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	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	5,313	9,606	12,832	22,610
2. Foreign taxation	3,142	-	3,142	30
3. Deferred taxation	-	6	-	652
	8,455	9,612	15,974	23,292

The effective tax rate on the Group's profit for the financial period under review is lower than the statutory tax rate mainly due to certain income which is not subject to tax.

B6. Retained Earnings

	As at 30.06.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of Star Media Group Berhad and its subsidiaries		
-Realised	355,792	357,751
-Unrealised	(52,461)	(52,330)
	<u>303,331</u>	<u>305,421</u>
Total share of accumulated losses from associates		
-Realised	(789)	(538)
Consolidation adjustments	91,798	71,323
Total group retained profits as per consolidated accounts	<u>394,340</u>	<u>376,206</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 30.06.2016 RM'000	As at 30.06.2015 RM'000
<u>Short 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
Hire purchase	128	220
Finance lease	1,122	1,052
	1,250	101,272
Secured		
Bank borrowings	101,230	70,662
	102,480	171,934
<u>Long Term Borrowings</u>		
Unsecured		
7-years MTN 2011/2018 with a coupon rate of 4.80% per annum, maturing on 11 May 2018	100,000	100,000
	100,000	100,000
Hire purchase	143	536
Finance lease	1,897	3,020
	102,040	103,556

Except for the secured term loan of RM101,230,000 and hire purchase of RM66,000 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 9.0 sen per ordinary share, single tier (2015: interim dividend of 9.0 sen per ordinary share, single tier) in respect of the financial year ending 31 December 2016.

The dividend is to be payable to the shareholders on 18 October 2016.

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 30 September 2016 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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Group's profit after taxation attributable to owners of the parent (RM'000)	43,676	33,292	59,165	59,839
Number of shares at the beginning of the year ('000)	737,956	737,956	737,956	737,956
Effect of Share Buy Back during the period ('000)	-	-	-	-
Weighted average number of ordinary shares outstanding ('000)	737,956	737,956	737,956	737,956
Basic earnings per share (sen)	5.92	4.51	8.02	8.11

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
22 August 2016
Petaling Jaya, Selangor Darul Ehsan