



MEDIA PRIMA BERHAD
Registration No. 200001030368 (532975-A)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2021**

27 May 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		31.3.2021 RM'000	31.3.2020 RM'000	31.3.2021 RM'000	31.3.2020 RM'000
Revenue	A7	254,533	238,436	254,533	238,436
Operating expenses		(219,539)	(239,305)	(219,539)	(239,305)
Other operating income		1,456	2,235	1,456	2,235
Earnings before interest, taxation, depreciation, amortisation and impairment ("EBITDA")		36,450	1,366	36,450	1,366
Depreciation on right-of-use assets		(11,957)	(14,546)	(11,957)	(14,546)
Other depreciation		(12,017)	(13,908)	(12,017)	(13,908)
Amortisation of intangible assets (excluding programme and film rights)		(373)	(164)	(373)	(164)
Finance income		1,454	2,206	1,454	2,206
Finance costs on lease liabilities		(2,448)	(3,118)	(2,448)	(3,118)
Finance costs on financial liabilities		(1,440)	(474)	(1,440)	(474)
Share of results of associates		(51)	(19)	(51)	(19)
Profit/(loss) before tax	A8	9,618	(28,657)	9,618	(28,657)
Taxation	B1	(5,459)	(1,315)	(5,459)	(1,315)
Net profit/(loss) and total comprehensive income/(loss) for the financial period		4,159	(29,972)	4,159	(29,972)
Profit/(loss) and total comprehensive income/(loss) attributable to:					
- Owners of the Company		5,246	(29,540)	5,246	(29,540)
- Non-controlling interests		(1,087)	(432)	(1,087)	(432)
		4,159	(29,972)	4,159	(29,972)
Earnings/(loss) per share (sen)					
- Basic and diluted	B10	0.47	(2.66)	0.47	(2.66)

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 2020.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 31.3.2021 RM'000	AS AT 31.12.2020 RM'000
Assets			
Property, plant and equipment		200,249	210,396
Right-of-use assets		145,060	157,017
Investment properties		28,204	28,136
Associates		2,627	2,678
Financial assets at fair value through other comprehensive income		688	688
Intangible assets		387,954	387,139
Deferred tax assets		11,584	11,584
Non-current assets		776,366	797,638
Inventories		19,982	24,097
Trade and other receivables		195,439	232,992
Current tax recoverable		7,686	8,354
Deposits, cash and bank balances	A12	322,296	303,783
Current assets		545,403	569,226
Non-current assets held for sale		-	225
Total assets		1,321,769	1,367,089
Liabilities and equity			
Liabilities			
Lease liabilities		135,115	144,790
Borrowings	B4	71,969	79,583
Deferred tax liabilities		37,484	37,501
Non-current liabilities		244,568	261,874
Trade and other payables		421,583	444,589
Lease liabilities		37,232	40,291
Borrowings	B4	37,944	45,902
Current tax payable		3,216	1,366
Current liabilities		499,975	532,148
Total liabilities		744,543	794,022
Equity and Reserves			
Share capital		1,524,735	1,524,735
Reserves		(942,575)	(947,821)
Equity attributable to owners of the Company		582,160	576,914
Non-controlling interests		(4,934)	(3,847)
Total equity		577,226	573,067
Total liabilities and equity		1,321,769	1,367,089
Net assets per share attributable to equity holders of the Company (sen)*		52.48	52.01

* 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 2020.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000	RM'000	RM'000
2021						
At 1 January 2021	1,524,735	4	(947,825)	576,914	(3,847)	573,067
Net profit and total comprehensive income for the financial period	-	-	5,246	5,246	(1,087)	4,159
At 31 March 2021	1,524,735	4	(942,579)	582,160	(4,934)	577,226
2020						
At 1 January 2020	1,524,735	4	(926,040)	598,699	(2,546)	596,153
Net loss and total comprehensive loss for the financial period	-	-	(29,540)	(29,540)	(432)	(29,972)
At 31 March 2020	1,524,735	4	(955,580)	569,159	(2,978)	566,181

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 2020.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	FOR THE PERIOD ENDED 31.3.2021 RM'000	FOR THE PERIOD ENDED 31.3.2020 RM'000
Cash flows from operating activities			
Profit/(loss) for the financial period		4,159	(29,972)
Adjustments for:			
- Non-cash items		55,533	61,929
- Finance costs on lease liabilities		2,448	3,118
- Finance costs on financial liabilities		1,440	474
- Finance income		(1,454)	(2,206)
Operating cash flows before changes in working capital		62,126	33,343
Changes in working capital		(11,650)	(52,569)
Cash flows from operations		50,476	(19,226)
Income tax (paid)/refunded		(3,791)	4,544
Net cash flows generated from/(used in) operating activities		46,685	(14,682)
Cash flows from investing activities			
Property, plant and equipment:			
- Additions		(1,081)	(1,403)
- Proceeds from disposals		209	13
Finance income received		1,443	2,206
Net cash flows generated from investing activities		571	816
Cash flows from financing activities			
Finance cost paid on lease liabilities		(2,448)	(3,118)
Finance cost paid on financial liabilities		(1,163)	(79)
Drawdown of borrowings		878	169,671
Repayment of borrowings		(16,961)	(4,688)
Increase in restricted bank balances		-	(52,151)
Payment of principal element of lease liabilities		(9,049)	(11,778)
Net cash flows (used in)/generated from financing activities		(28,743)	97,857
Net movement in cash and cash equivalents		18,513	83,991
Cash and cash equivalents at beginning of the financial period		291,303	256,944
Cash and cash equivalents at end of the financial period	A12	309,816	340,935

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 2020.

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 2020, 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 2020.

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 16	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS 9	Fees in the 10% test for the derecognition of financial liabilities	1 January 2022
Amendments to MFRS 101	Classification of liabilities as current or non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023

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

NOTES TO THE INTERIM FINANCIAL REPORT

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2020 was not qualified.

A3. SEASONAL OR CYCLICAL FACTORS

The operations of the Group's major business segments are generally affected by the major festive seasons.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the financial period ended 31 March 2021.

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 first quarter ended 31 March 2021.

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. During the financial period, the operating segments of the Group have been redefined by the Board of Directors.

	Omnia RM'000	Broad- casting RM'000	Out-of- Home RM'000	Publish- ing RM'000	Digital Media RM'000	Content Creation RM'000	Home Shopping RM'000	Corporate RM'000	Elimination RM'000	Total RM'000
Period ended 31 March 2021										
Revenue from external customers	129,733	553	23,685	15,193	504	8,307	76,558	-	-	254,533
Inter-segment revenue	-	91,969	-	16,583	18,759	889	-	2,043	(130,243)	-
	129,733	92,522	23,685	31,776	19,263	9,196	76,558	2,043	(130,243)	254,533
Reportable segment (loss)/profit after tax before non-controlling interest	(1,200)	10,683	(2,246)	(354)	615	6,535	2,472	(9,899)	(2,447)	4,159
Period ended 31 March 2020										
Revenue from external customers	-	76,275	36,018	43,471	14,145	4,095	64,432	-	-	238,436
Inter-segment revenue	-	3,808	208	2,000	3,241	17,481	-	20,075	(46,813)	-
	-	80,083	36,226	45,471	17,386	21,576	64,432	20,075	(46,813)	238,436
Reportable segment (loss)/profit after tax before non-controlling interest	-	(18,714)	1,853	(11,811)	(72)	1,529	124	(2,925)	44	(29,972)

NOTES TO THE INTERIM FINANCIAL REPORT

A7. REVENUE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
Advertising revenue	152,342	148,700	152,342	148,700
Newspaper sales	10,119	16,869	10,119	16,869
Newspaper printing and distribution	5,056	2,996	5,056	2,996
Content production	116	1,136	116	1,136
Content sales	8,592	2,189	8,592	2,189
Sales of home shopping goods	76,558	64,432	76,558	64,432
License income	131	649	131	649
Seminar services, events, books, magazines and other ancillary revenue	261	641	261	641
	253,175	237,612	253,175	237,612
Revenue from other sources:				
Rental income from investment properties and outdoor cellular antenna space	1,358	824	1,358	824
	254,533	238,436	254,533	238,436

A8. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is stated after (charging)/crediting:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Net impairment loss on financial instruments	(286)	(512)	(286)	(512)
Net foreign exchange loss	(49)	(115)	(49)	(115)
Inventories written-down	(1)	-	(1)	-
Gain on disposal of property, plant and equipment	307	-	307	-

A9. 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

A10. CONTINGENT LIABILITIES

The Group is a defendant in 17 legal suits (as at 31.12.2020: 19 suits) with contingent liabilities amounting to approximately RM5.1 million (as at 31.12.2020: RM5.6 million). The legal suits mainly consist of claims on defamation.

Apart from the foregoing, the Directors are not aware of any other proceedings pending against the Group or of any facts likely to give rise to any proceedings which might materially affect the financial position or business operations of the Group.

A11. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 31 March 2021 are as follows:

	RM'000
Approved but not contracted for:	
- Property, plant and equipment	28,613
- Intangible assets	103,507
Approved and contracted for:	
- Property, plant and equipment	1,381
- Intangible assets	11,839

A12. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 31.3.2021 RM'000	As at 31.3.2020 RM'000
Cash and bank balances	261,698	287,915
Deposits with licensed banks	60,598	105,371
Deposits, cash and bank balances	322,296	393,286
<i>Less: Restricted deposits</i>		
Deposits with licensed banks	(12,480)	(52,351)
Cash and cash equivalents	309,816	340,935

NOTES TO THE INTERIM FINANCIAL REPORT

A13. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions for the period ended 31 March 2021 are as follows:

	For the period ended 31.3.2021 RM'000	For the period ended 31.3.2020 RM'000
Associate companies:		
- Purchase of services	(430)	(634)
Companies related by virtue of a common major shareholder with a significant influence over the Company:		
- Revenue from contracts	5,160	3,395
- Purchase of goods and services	(7,156)	(6,342)

ADDITIONAL LISTING REQUIREMENT INFORMATION

B1. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
- Current income tax	5,476	1,332	5,476	1,332
- Deferred taxation	(17)	(17)	(17)	(17)
	5,459	1,315	5,459	1,315

The difference in the Group's effective tax rate for the financial period and the statutory corporate tax rate of 24% is partly due to several loss-making companies within the Group which reduces the Group's profit before tax.

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 March 2021, the Group does not have any financial liabilities measured at fair value through profit or loss.

B3. MATERIAL LITIGATION

The status of material litigation is disclosed in Note A10 of this interim financial report.

B4. BORROWINGS

	As at 31.3.2021 RM'000	As at 31.3.2020 RM'000
<u>Non-current</u>		
Secured:		
- Term loan	71,969	147,216
<u>Current</u>		
Secured:		
- Term loan	32,500	6,688
Unsecured:		
- Banker's acceptance	5,444	16,162
	37,944	22,850
Total borrowings	109,913	170,066

The Group's borrowings are denominated in Ringgit Malaysia.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B5. REVIEW OF PERFORMANCE FOR THE CURRENT QUARTER/PERIOD AGAINST THE COMPARATIVE QUARTER/PERIOD

	Period ended 31.3.2021 RM'000	Period ended 31.3.2020 RM'000
Revenue	254,533	238,436
Profit/(loss) after tax	4,159	(29,972)

Overall revenue grew by 7% from RM238.4 million in 1QFY20 to RM254.5 million in 1QFY21 contributed by higher advertising and non-advertising revenue which grew by 2% and 14% against the corresponding period despite the re-imposition of the Movement Control Order.

The Group posted a 1QFY21 profit after tax of RM4.2 million compared to a loss after tax of RM30.0 million in 1QFY20, driven by the above higher revenue and lower operating expenses during 1QFY21 compared to 1QFY20.

The performance of respective platforms for the current period ended 31 March 2021 as compared to the comparative period ended 31 March 2020 are as follows:

- (a) Broadcasting - Revenue increased by 16% in 1QFY21 compared to 1QFY20 led by stronger television advertising revenue in the current period.
- (b) Content Creation - Revenue decreased by 57% against the comparative period as television production services were transferred to the Broadcasting segment in 3QFY20 resulted in lower intersegment revenue. Nevertheless, the external revenue recorded under this segment has more than doubled in 1QFY21.
- (c) Home Shopping - Current period revenue increased by 19% against the comparative period, driven by the shift in consumer shopping habits towards the platform.
- (d) Digital Media – Recorded an 11% increase in revenue for 1QFY21 against the corresponding period driven by higher active users for the Group's digital properties.
- (e) Publishing – Revenue for 1QFY21 was sluggish against the comparative period given the lower advertising revenue, especially from the classified segment.
- (f) Out-of-Home - Revenue for the current period was lower by 35% against the comparative period due to dip in demand for display advertising since the Movement Control Order.
- (g) Omnia - Comparison of performance for 1QFY21 against 1QFY20 is not applicable as the segment commenced operations in 2QFY20.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B6. COMPARISON OF PERFORMANCE FOR THE CURRENT QUARTER AGAINST THE IMMEDIATE PRECEDING QUARTER

	Quarter ended 31.3.2021 RM'000	Quarter ended 31.12.2020 RM'000
Revenue	254,533	298,086
Profit/(loss) before tax	9,618	21,132

Revenue for 1QFY21 decreased by 15% against the immediate preceding quarter (4QFY20), attributed to the lower adex spending early in the year, which was further affected by the re-imposition of the Movement Control Order beginning January 2021. As a result, the Group recorded a lower profit before tax of RM9.6 million in 1QFY21 compared to a profit before tax of RM21.1 million in 4QFY20.

B7. PROSPECTS FOR 2021

The Group will continue to face a challenging year in 2021 due to the economic uncertainty amid the COVID-19 pandemic, and the structural changes in the content and media industry.

Despite the continued challenges affecting especially our publishing business (particularly on advertising and circulation), this segment is narrowing its losses in Q1 this year compared to Q1 2020. We are hopeful for recovery in this segment for the remaining quarters of 2021 as the economy recovers from the effects of the COVID-19 pandemic.

Our strategic collaboration with the Ministry of Education to broadcast quality education content to students nationwide demonstrates the Group's ability to leverage the strength of its platforms. This also opens up more opportunities to collaborate with external parties especially given the Group's extensive reach across traditional and digital media and our quality content production capabilities.

The cost optimisation initiatives undertaken in 2020 allows us to operate at a much more optimal level, and better position the Group to navigate the uncertainty of a post-COVID-19 environment.

The Group nevertheless remains focused on targeted initiatives with clear revenue visibilities while continuing to solidify the defence of its traditional businesses. The Group continues to be strongly committed in further improving operational efficiencies through unlocking synergies across its media platforms.

B8. PROFIT FORECAST/PROFIT GUARANTEE

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

B9. DIVIDEND

No dividends have been declared by the Board of Directors for the first quarter ended 31 March 2021.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B10. EARNINGS/(LOSS) PER SHARE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Profit/(loss) attributable to owners of the Company (RM'000)	5,246	(29,540)	5,246	(29,540)
Weighted average number of ordinary shares in issue ('000)	1,109,199	1,109,199	1,109,199	1,109,199
Basic and diluted earnings/(loss) per share (sen)	0.47	(2.66)	0.47	(2.66)

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

BY ORDER OF THE BOARD

TAN SAY CHOON

(MAICSA 7057849 / SSM PRACTISING CERTIFICATE NO. 202008003070)

GROUP COMPANY SECRETARY

Kuala Lumpur

27 May 2021

The full financial analysis of Media Prima Berhad Group can also be viewed at Media Prima Berhad's website:

<http://www.mediaprima.com.my>