



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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2023**

28 February 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM'000	RM'000	RM'000	RM'000
	NOTE	3 months	3 months	6 months	6 months
Revenue	A8	223,773	N/A	437,696	N/A
Operating expenses		(191,960)	N/A	(377,982)	N/A
Other operating income		5,271	N/A	14,222	N/A
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")		37,084	N/A	73,936	N/A
Depreciation on right-of-use assets		(9,535)	N/A	(19,124)	N/A
Other depreciation		(8,470)	N/A	(16,939)	N/A
Amortisation of intangible assets (excluding programme and film rights)		(296)	N/A	(541)	N/A
Finance income		2,895	N/A	5,624	N/A
Finance cost on lease liabilities		(1,383)	N/A	(2,889)	N/A
Finance cost on financial liabilities		(2,477)	N/A	(4,734)	N/A
Share of results of associates		14	N/A	29	N/A
Profit before tax	A9	17,832	N/A	35,362	N/A
Taxation	B1	(5,737)	N/A	(9,347)	N/A
Net profit and total comprehensive income for the financial period		12,095	N/A	26,015	N/A
Profit and total comprehensive income attributable to:					
- Owners of the Company		10,713	N/A	24,769	N/A
- Non-controlling interests		1,382	N/A	1,246	N/A
		12,095	N/A	26,015	N/A
Earnings per share (sen)					
- Basic and diluted	B11	0.97	N/A	2.23	N/A

No comparative financial information is presented for the unaudited condensed consolidated statement of comprehensive income for the period ended 31 December 2023. Due to the change of financial year end from 31 December to 30 June, the unaudited condensed consolidated statement of comprehensive income for the current quarter ended 31 December 2023, being the second quarter of the current financial year ending 30 June 2024, is not comparable with any comparative period previously presented.

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Group's audited annual financial statements for the financial period ended 30 June 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 31.12.2023 RM'000	AS AT 30.6.2023 RM'000
Assets			
Property, plant and equipment		294,868	301,862
Right-of-use assets		103,268	121,990
Investment properties		13,363	15,450
Associates		1,303	1,274
Financial assets at fair value through other comprehensive income		688	688
Intangible assets		399,163	392,757
Other receivables		19,430	19,031
Deferred tax assets		12,790	12,790
Non-current assets		844,873	865,842
Inventories		7,744	8,269
Trade and other receivables		169,234	167,020
Current tax recoverable		19,615	19,189
Deposits, cash and bank balances	A13	384,273	343,328
Current assets		580,866	537,806
Total assets		1,425,739	1,403,648
Liabilities and equity			
Liabilities			
Lease liabilities		79,183	92,256
Borrowings	B5	191,365	121,840
Deferred tax liabilities		36,705	36,732
Non-current liabilities		307,253	250,828
Trade and other payables		386,234	387,888
Lease liabilities		35,673	48,988
Borrowings	B5	9,264	37,136
Current tax payable		2,906	3,594
Current liabilities		434,077	477,606
Total liabilities		741,330	728,434
Equity and reserves			
Share capital		1,524,735	1,524,735
Reserves		(836,422)	(844,553)
Equity attributable to owners of the Company		688,313	680,182
Non-controlling interests		(3,904)	(4,968)
Total equity		684,409	675,214
Total liabilities and equity		1,425,739	1,403,648
Net assets per share attributable to equity holders of the Company (sen)*		62.05	61.32

* 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 period ended 30 June 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Attributable to owners of the Company</u>				Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		
At 1 July 2023	1,524,735	4	(844,557)	680,182	(4,968)	675,214
Net profit and total comprehensive income for the financial period	-	-	24,769	24,769	1,246	26,015
<u>Transactions with owners:</u>						
Dividends paid in respect of the financial period ended 30 June 2023	-	-	(16,638)	(16,638)	-	(16,638)
Dividends paid to non-controlling interests	-	-	-	-	(182)	(182)
At 31 December 2023	1,524,735	4	(836,426)	688,313	(3,904)	684,409

No comparative financial information is presented for the unaudited condensed consolidated statement of changes in equity for the period ended 31 December 2023. Due to the change of financial year end from 31 December to 30 June, the unaudited condensed consolidated statement of changes in equity for the current quarter ended 31 December 2023, being the second quarter of the current financial year ending 30 June 2024, is not comparable with any comparative period previously presented.

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 period ended 30 June 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE PERIOD ENDED 31.12.2023 RM'000 6 months	FOR THE PERIOD ENDED 31.12.2022 RM'000 6 months
NOTE		
Cash flows from operating activities		
Profit for the financial period	26,015	N/A
Adjustments for:		
- Non-cash items	70,179	N/A
- Finance cost on lease liabilities	2,889	N/A
- Finance cost on financial liabilities	4,734	N/A
- Finance income	(5,624)	N/A
Operating cash flows before changes in working capital	98,193	N/A
Changes in working capital	(6,842)	N/A
Cash flows from operations	91,351	N/A
Income tax paid	(9,906)	N/A
Net cash flows generated from operating activities	81,445	N/A
Cash flows from investing activities		
Property, plant and equipment:		
- Additions	(4,183)	N/A
- Proceeds from disposal	50	N/A
Intangible assets:		
- Additions	(44,083)	N/A
Investment properties:		
- Proceeds from disposal	5,952	N/A
Finance income received	5,624	N/A
Net cash flows used in investing activities	(36,640)	N/A
Cash flows from financing activities		
Finance cost paid on lease liabilities	(2,889)	N/A
Finance cost paid on financial liabilities	(5,082)	N/A
Drawdown of borrowings	81,817	N/A
Repayment of borrowings	(40,386)	N/A
Payment of principal element of lease liabilities	(20,500)	N/A
Decrease in restricted bank balances	2,280	N/A
Dividends paid to shareholders of the Company	(16,638)	N/A
Dividends paid to non-controlling interests	(182)	N/A
Net cash flows used in financing activities	(1,580)	N/A
Net movement in cash and cash equivalents	43,225	N/A
Cash and cash equivalents at beginning of the financial period	327,863	N/A
Cash and cash equivalents at end of the financial period	A13 371,088	N/A

No comparative financial information is presented for the unaudited condensed consolidated statement of cash flows for the period ended 31 December 2023. Due to the change of financial year end from 31 December to 30 June, the unaudited condensed consolidated statement of cash flows for the current quarter ended 31 December 2023, being the second quarter of the current financial year ending 30 June 2024, is not comparable with any comparative period previously presented.

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Group's audited annual financial statements for the financial period ended 30 June 2023.

NOTES TO THE INTERIM FINANCIAL REPORT

A1. BASIS OF PREPARATION

The unaudited interim financial report has 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 report should be read in conjunction with the audited annual financial statements of the Group for the financial period ended 30 June 2023, 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 report 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 period ended 30 June 2023.

As announced by the Company on 25 August 2022, the Company and Group changed its financial year end from 31 December to 30 June. Due to the change, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows as well as certain notes to the interim financial report for the current quarter ended 31 December 2023, being the second quarter of the current financial year ending 30 June 2024, are not comparable with that of the second quarter of the previous financial period ended 30 June 2023. As such, comparative figures are not presented where applicable in this interim financial report.

The Group have applied the following amendments for the first time for the financial period beginning on 1 July 2023:

Effective for annual periods beginning on or after 1 January 2023:

Description	
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The initial application of the above amendments did not have any material impact to the consolidated financial report of the Group.

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

Description		Effective for annual periods beginning on or after
Amendments to MFRS 101	Classification of liabilities as current or non-current, and Non-current Liabilities with Covenants	1 January 2024

NOTES TO THE INTERIM FINANCIAL REPORT

A1. BASIS OF PREPARATION (CONTINUED)

The Group will be adopting the following amendments to MFRSs when they become effective in the respective financial periods: (continued)

Description		Effective for annual periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025

The above amendments to published standards are not expected to have a significant effect on the Group.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial period ended 30 June 2023 was not qualified.

A3. SEASONAL OR CYCLICAL FACTORS

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

A4. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial periods that had a material effect in the period ended 31 December 2023.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting the assets, liabilities, net income or cash flows of the Group in the quarter and cumulative period ended 31 December 2023.

A6. DIVIDENDS PAID

The amount of dividends paid to the shareholders of the Company during the financial period ended 31 December 2023:

	For the period ended 31.12.2023 RM'000 6 months
<u>In respect of the financial period ended 30 June 2023:</u>	
First and final single-tier dividend of 1.5 sen, paid on 3 October 2023	16,638

NOTES TO THE INTERIM FINANCIAL REPORT

A7. SEGMENTAL REPORTING

The Group determines and presents its operating segments based on information reported internally to the Board of Directors and Senior Management (collectively the chief operating decision-maker ("CODM")). The Group predominantly operates in Malaysia and consequently, there is no disclosure on geographical segments. The segmental information for the current financial period is as follows:

	Omnia RM'000	Broad- casting RM'000	Out-of- Home RM'000	Publish- ing RM'000	Digital Media RM'000	Home Shopping# RM'000	Corporate and Others RM'000	Elimination RM'000	Total RM'000
Period ended									
<u>31 December 2023</u>									
Revenue from external customers	361,549	10,154	2,085	21,318	52	41,139	1,399	-	437,696
Inter-segment revenue	-	190,025	63,772	41,495	51,306	-	51,359	(397,957)	-
	361,549	200,179	65,857	62,813	51,358	41,139	52,758	(397,957)	437,696
Reportable segment profit/(loss) after tax before non-controlling interest	1,329	19,286	4,706	19,381	3,812	(7,784)	31,318	(46,033)	26,015

The reportable loss after tax for the Home Shopping segment includes intersegment charges incurred for television broadcasting fees. Excluding the intersegment charges, the Home Shopping segment reported a loss after tax of RM5.2 million for the financial period ended 31 December 2023.

NOTES TO THE INTERIM FINANCIAL REPORT

A8. REVENUE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
	3 months	3 months	6 months	6 months
Revenue from contracts with customers:				
- Advertising revenue	187,557	N/A	362,267	N/A
- Newspaper sales	6,599	N/A	12,837	N/A
- Newspaper printing and distribution	3,883	N/A	8,131	N/A
- Content sales	3,184	N/A	8,966	N/A
- Sale of home shopping goods	20,196	N/A	40,253	N/A
- Other ancillary revenue	1,369	N/A	3,078	N/A
	222,788	N/A	435,532	N/A
Revenue from other sources:				
- Rental income from investment properties and outdoor cellular antenna space	985	N/A	2,164	N/A
	223,773	N/A	437,696	N/A

A9. PROFIT BEFORE TAX

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
	3 months	3 months	6 months	6 months
Net reversal of impairment of financial instruments	1,489	N/A	7,897	N/A
Net foreign exchange gain	329	N/A	542	N/A
Insurance claims received	-	N/A	2,231	N/A
Gain on disposal of property, plant and equipment	17	N/A	67	N/A
Gain on disposal of investment properties	-	N/A	3,735	N/A
Provision for impairment of investment properties	(250)	N/A	(250)	N/A
Partial extinguishment of lease liabilities from rent concessions	4,000	N/A	4,000	N/A
Provision for litigation claims	(4,500)	N/A	(4,500)	N/A

A10. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

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

NOTES TO THE INTERIM FINANCIAL REPORT

A11. CONTINGENT LIABILITIES

The Group is defending 11 legal suits (as at 30.6.2023: 13 suits) with contingent liabilities amounting to RM2.0 million (as at 30.6.2023: RM2.5 million). The legal suits consist mainly of alleged defamation claims.

Apart from the information disclosed in this interim financial report, the directors are not aware of any legal proceedings pending against the Group or of any facts that are likely to give rise to any legal proceedings, which might materially affect the financial position or business operations of the Group.

A12. CAPITAL COMMITMENTS

	As at 31.12.2023 RM'000	As at 30.6.2023 RM'000
Approved but not contracted for:		
- Property, plant and equipment	90,397	100,731
- Intangible assets	56,307	127,106
Approved and contracted for:		
- Property, plant and equipment	5,939	1,988
- Intangible assets	4,444	15,020

A13. CASH AND CASH EQUIVALENTS

Reconciliation between deposits, cash and bank balances and cash and cash equivalents:

	As at 31.12.2023 RM'000
Cash and bank balances	93,113
Deposits with licensed banks	291,160
Deposits, cash and bank balances	384,273
Less: Restricted bank balances	(13,185)
Cash and cash equivalents	371,088

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2023 RM'000 3 months	31.12.2022 RM'000 3 months	31.12.2023 RM'000 6 months	31.12.2022 RM'000 6 months
Associate companies:				
- Purchase of services	(33)	N/A	(61)	N/A
Parties related by virtue of common major shareholders with significant influence over the Company:				
- Revenue from contracts with customers	4,766	N/A	10,697	N/A
- Finance income	786	N/A	1,497	N/A
- Purchase of goods and services	(5,682)	N/A	(11,871)	N/A
- Finance cost on borrowings	(2,503)	N/A	(4,856)	N/A

ADDITIONAL LISTING REQUIREMENT INFORMATION

B1. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
	3 months	3 months	6 months	6 months
- Current income tax	5,750	N/A	9,374	N/A
- Deferred tax credit	(13)	N/A	(27)	N/A
	5,737	N/A	9,347	N/A

The difference in the Group's effective tax rate for the current quarter and cumulative period against the statutory corporate tax rate of 24% is partly due to several loss-making companies within the Group which reduced the Group's profit before tax and led to an effective tax rate higher than 24%.

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 December 2023, 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 A11 of this interim financial report.

B4. STATUS OF CORPORATE PROPOSALS

As at the date of this interim financial report, the Group does not have any announced corporate proposals pending completion.

B5. BORROWINGS

	As at 31.12.2023 RM'000	As at 30.6.2023 RM'000
<u>Non-current</u>		
Secured:		
- Term loan	-	2,811
- Islamic term loan	191,365	119,029
	191,365	121,840
<u>Current</u>		
Secured:		
- Term loan	-	32,500
- Islamic term loan	5,524	-
Unsecured:		
- Banker's acceptance	3,740	4,636
	9,264	37,136
Total borrowings	200,629	158,976

The Group's borrowings are denominated in Ringgit Malaysia.

ADDITIONAL LISTING REQUIREMENT INFORMATION

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

	Quarter ended 31.12.2023 RM'000	Quarter ended 30.9.2023 RM'000
Revenue	223,773	213,923
Profit before tax	17,832	17,530
Profit after tax	12,095	13,920

As announced by the Company on 25 August 2022, the financial year end of the Group was changed from 31 December to 30 June. Whilst there is no comparative financial information presented for the quarter ended 31 December 2023, the analysis below is a comparison against the immediate preceding quarter ended 30 September 2023.

The Group's revenue for the current quarter ended 31 December 2023 grew by 5% to RM223.8 million against the immediate preceding quarter ended 30 September 2023. The growth was driven mainly by higher advertising revenue during the current quarter.

The Group's profit before tax slightly increased by 2% against the immediate preceding quarter. Profit after tax was nevertheless lower against the immediate preceding quarter as a result of higher tax expenses in the current quarter.

The performance of the Group's segments for the current quarter ended 31 December 2023 as compared to the immediate preceding quarter ended 30 September 2023 are as follows:

- (a) Digital Media - An increase in segment revenue by 10% was due to higher digital advertising campaigns during the quarter.
- (b) Omnia - Segment revenue saw a 7% growth attributed to improved advertising revenue on the Group's broadcasting, out-of-home and digital platforms during the current quarter.
- (c) Out-of-Home - Improved demand for display advertising on static and digital assets during the current quarter led to a 7% increase in segment revenue.
- (d) Broadcasting - Segment revenue increased by 4% largely due to higher television and audio advertising revenue in the current quarter, offsetting the lower content distribution revenue.
- (e) Home Shopping - Revenue remained fairly on par with the immediate preceding quarter amid the challenging market conditions in the consumer shopping space.
- (f) Publishing - Revenue in the current quarter decreased by 4% partly due to lower newspaper advertising revenue in the current quarter.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B7. REVIEW OF CUMULATIVE SIX MONTHS PERFORMANCE AND SEGMENTAL ANALYSIS

	Period ended 31.12.2023 (6 months) RM'000
Revenue	437,696
Profit after tax	26,015

The performance review for the six months period ended 31 December 2023 is not comparable with any preceding period due to the change in financial year end of the Group from 31 December to 30 June.

The Group recorded a revenue of RM437.7 million for the period ended 31 December 2023. Advertising and home shopping revenue during the period were affected by the soft consumer sentiment and inflationary pressures.

Despite the challenging market conditions, the Group posted a profit after tax for the period ended 31 December 2023 of RM26.0 million on the back of cost and operational efficiencies coupled with higher other operating income.

The performance of the Group's segments for the current period ended 31 December 2023 are as follows:

- (a) Omnia - The segment posted a revenue of RM361.5 million for the six-month period, supported by the encouraging overall advertising revenue.
- (b) Broadcasting - Revenue for the period of RM200.2 million as the segment was impacted by lower revenue from television advertising and content sales, partially offset by an increase in audio advertising revenue.
- (c) Out-of-Home - Segment revenue of RM65.9 million driven by roll out of several new digital assets during the period.
- (d) Publishing - Revenue of RM62.8 million contributed by a stable print advertising revenue and supported by newspaper circulation, printing and distribution revenue.
- (e) Digital Media - Recorded a segment revenue of RM51.4 million during the period.
- (f) Home Shopping - Posted a segment revenue of RM41.1 million amid the challenging market conditions in the consumer shopping space.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B8. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

We remain focused in executing our 3-year business plan guided by three growth pillars - content boost, inventory premiumisation, and exploration of new revenue streams. The strategic roadmap underscores our commitment to continuously deliver value to shareholders, solidifying business operations for sustainability, and capitalising on our strength as an integrated media group.

The outlook for the second half of the financial year remains challenging as advertising expenditure continues to be affected by consumer sentiment, geopolitical and economic uncertainties. Despite the challenges, we shall leverage on our strong brands, extensive reach and innovative content to engage with audiences and advertisers. Operational and cost efficiencies shall be continuously monitored to minimise any adverse impact on the Group's performance.

B9. PROFIT FORECAST/PROFIT GUARANTEE

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

B10. DIVIDENDS DECLARED

No dividend has been declared by the Board of Directors in respect of the financial period ended 31 December 2023.

ADDITIONAL LISTING REQUIREMENT INFORMATION

B11. EARNINGS PER SHARE

The Group's earnings per share are calculated as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
	3 months	3 months	6 months	6 months
Profit attributable to owners of the Company (RM'000)	10,713	N/A	24,769	N/A
Weighted average number of ordinary shares in issue ('000)	1,109,199	N/A	1,109,199	N/A
Basic and diluted earnings per share (sen)	0.97	N/A	2.23	N/A

The Group has not issued any financial instrument or contract that may entitle its holders to ordinary shares and potentially dilute its earnings per share.

BY ORDER OF THE BOARD

TAN SAY CHOON

(MAICSA 7057849 / SSM PRACTISING CERTIFICATE NO. 202008003070)

GROUP COMPANY SECRETARY

Kuala Lumpur

28 February 2024

Additional financial analysis of Media Prima Berhad is available on Media Prima Berhad's website:

<https://www.mediaprima.com.my/investors.html>