

**Condensed consolidated interim financial statements  
for the six-month period ended 30 June 2012 (unaudited)**
**Condensed Consolidated statement of comprehensive income**

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Revenue		89,549	88,791	171,490	174,619
Other income		2,695	1,964	5,027	3,733
Changes in inventories of finished goods and work-in-progress		251	1,666	1,065	1,251
Raw materials and consumables used		(30,139)	(29,101)	(59,316)	(59,967)
Vendors' commissions		(11,408)	(11,644)	(23,183)	(23,162)
Transportation costs		(3,596)	(3,810)	(7,242)	(7,617)
Employee benefits expense		(32,402)	(30,980)	(63,663)	(61,792)
Depreciation and amortisation		(4,547)	(5,734)	(10,038)	(11,710)
Other expenses		(12,202)	(13,011)	(21,676)	(23,037)
Finance costs		(1,653)	(1,673)	(3,218)	(3,403)
<b>Operating loss</b>		<b>(3,452)</b>	<b>(3,532)</b>	<b>(10,754)</b>	<b>(11,085)</b>
Share of results of associates		1,044	571	1,469	1,231
<b>Loss before tax</b>	6	<b>(2,408)</b>	<b>(2,961)</b>	<b>(9,285)</b>	<b>(9,854)</b>
Income tax	7	936	2,488	2,100	2,291
<b>Loss for the period, net of tax</b>		<b>(1,472)</b>	<b>(473)</b>	<b>(7,185)</b>	<b>(7,563)</b>
Other comprehensive income					
Net gain on available-for-sale financial assets					
- Gain on fair value changes		81	359	1,570	4,218
- Transfer to profit or loss upon disposal		-	-	-	-
Foreign currency translation		(71)	(56)	72	(219)
Other comprehensive income for the period, net of tax		10	303	1,642	3,999
Total comprehensive income for the period		<b>(1,462)</b>	<b>(170)</b>	<b>(5,543)</b>	<b>(3,564)</b>

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Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
<b>Profit attributable to:</b>					
Owners of the parent		(1,472)	(473)	(7,185)	(7,563)
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		(1462)	(170)	(5543)	(3564)
<b>Earnings per share attributable to owners of the parent (sen):</b>					
Basic, for profit for the year	8	(1.33)	(0.43)	(6.49)	(6.83)
Diluted, for profit for the year	8	(1.33)	(0.43)	(6.49)	(6.83)

These condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**Condensed consolidated interim financial statements  
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**Condensed Consolidated statement of financial position (unaudited)**

	Note	30 June 2012 RM'000	31 December 2011 RM'000 Restated	1 January 2011 RM'000 Restated
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9	241,763	228,845	242,298
Investment properties		13,971	14,083	7,995
Intangible assets	10	1,681	1,742	2,292
Investments in associates		27,317	27,448	25,238
Investment securities	13	26,499	22,019	19,406
Other investments	13	14,379	14,379	1,379
Deferred tax assets		1,156	1,302	1,171
Long term receivables		583	584	450
Trade and other receivables		14,845	14,845	0
		<u>342,194</u>	<u>325,246</u>	<u>300,230</u>
<b>Current assets</b>				
Inventories	11	46,982	34,907	73,830
Trade and other receivables		95,920	97,040	93,583
Investment securities		-	-	1,089
Cash and bank balances	12	62,038	67,598	48,557
		<u>204,940</u>	<u>199,545</u>	<u>217,059</u>
<b>Total assets</b>		<u>547,134</u>	<u>524,791</u>	<u>517,289</u>
<b>Equity and liabilities</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital		110,734	110,734	110,734
Share premium		50,703	50,703	50,703
Other reserves		11,310	9,438	8,144
Retained earnings		131,754	139,169	120,846
<b>Total equity</b>		<u>304,501</u>	<u>310,044</u>	<u>290,427</u>

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Condensed Consolidated statement of financial position (contd.)

	Note	30 June 2012 RM'000	31 December 2011 RM'000 Restated	1 January 2011 RM'000 Restated
<b>Non-current liabilities</b>				
Retirement benefit obligations		3,815	3,910	5,543
Loans and borrowings	15	89,514	83,200	78,671
Deferred tax liabilities		8,693	12,529	17,215
		<u>102,022</u>	<u>99,638</u>	<u>101,430</u>
<b>Current liabilities</b>				
Retirement benefit obligations		557	571	731
Loans and borrowings	15	79,151	56,844	60,667
Trade and other payables		59,031	56,137	61,881
Taxation		1,872	1,557	2,154
		<u>140,611</u>	<u>115,109</u>	<u>125,432</u>
<b>Total liabilities</b>		<u>242,633</u>	<u>214,747</u>	<u>226,862</u>
<b>Total equity and liabilities</b>		<u>547,134</u>	<u>524,791</u>	<u>517,289</u>

These condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Condensed consolidated interim financial statements  
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Condensed consolidated statement of changes in equity

	Attributable to owners of the parent									
	Non-distributable		Distributable		Non-distributable					
Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Other reserves RM'000	Fair value adjustment reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Share option reserve RM'000	Capital reserve RM'000	Total equity RM'000
<b>At 1 January 2011</b>	110,734	50,703	115,465	13,525	2,597	6,008	77	390	4,453	290,427
<b>Total comprehensive income</b>	-	-	(7,563)	3,999	4,218	-	(219)	-	-	(3,564)
<b>At 30 June 2011</b>	110,734	50,703	107,902	17,524	6,815	6,008	(142)	390	4,453	286,863
<b>At 1 January 2012</b>	110,734	50,703	133,788	14,819	4,844	5,148	(15)	389	4,453	310,044
<b>Total comprehensive income</b>	-	-	(7,185)	1,642	1,570	-	72	-	-	(5,543)
<b>Transactions with owners</b>										
Forfeiture of share options granted under ESOS	-	-	3	(3)	(3)	-	-	-	-	-
Effect of adopting MFRS optional exemptions - deemed cost	-	-	5,148	(5,148)	-	(5,148)	-	-	-	-
<b>At 30 June 2012</b>	110,734	50,703	131,754	11,310	6,411	-	57	389	4,453	304,501

These condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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**Condensed consolidated interim financial statements  
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**Condensed consolidated statement of cash flows**

	Note	6 months ended	
		30 June 2012	30 June 2011
		RM'000	RM'000
<b>Cash flows from operating activities</b>			
Loss before taxation		(9,285)	(9,854)
Adjustments for:			
Impairment loss on trade and other receivables		1,060	976
Reversal of impairment loss on trade and other receivables		(248)	(2)
Net fair value gain on held for trading investment		-	(22)
Gain on disposal of held for trading investment		-	(27)
Provision for retirement benefits		324	334
Share of results of associates		(1,469)	(1,231)
Interest income		(813)	(247)
Interest expenses		2,944	3,121
Depreciation of property, plant and equipment		9,830	11,047
Amortisation of intangible assets		208	663
Gain on disposal of property, plant and equipment		(127)	(5)
Reversal of inventories written down		-	(67)
Property, plant and equipment written off		-	1
Dividend income		(834)	(551)
Operating profit before working capital changes		1,590	4,136
Decrease/(increase) in receivables		408	1,017
(Increase)/decrease in inventories		(12,075)	9,490
(Decrease)/increase in payables		2,751	(1,356)
Cash (used in)/generated from operations		(7,326)	13,287
Interest paid		(2,816)	(3,102)
Taxes paid		(1,335)	(611)
Real property gains tax paid		-	(224)
Net cash used in operating activities		(11,477)	9,350
<b>Cash flows from investing activities</b>			
Interest received		813	247
Purchase of property, plant and equipment		(22,483)	(8,800)
Purchase of intangible assets		(147)	(16)
Proceeds from disposal of property, plant and equipment		127	7
Proceeds from capital reduction of investment		1,600	-
Purchase of securities in available for sale investment		(2,910)	(900)
Proceeds from disposal of held for trading investment		-	1,138
Dividends received		782	551
Net cash used in investing activities		(22,218)	(7,773)

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Condensed consolidated interim financial statements  
for the three-month period ended 31 March 2012 (unaudited)

Condensed consolidated statement of cash flows (contd.)

	6 months ended	
	30 June 2012	30 June 2011
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Drawdown of short term borrowings	20,285	7,452
Drawdown of term loan	15,292	-
Payment of hire purchase payables	(14)	(10)
Repayment of long term borrowings	(7,082)	(5,933)
Payment of retirement benefits	(419)	(808)
Additional of pledged fixed deposits	(126)	-
Net cash generated from financing activities	27,936	701
<b>Net increase/(decrease) in cash and cash equivalents</b>	(5,759)	2,278
<b>Effects of foreign exchange rate changes</b>	73	(226)
<b>Cash and cash equivalents at 1 January</b>	67,022	46,829
<b>Cash and cash equivalents at 30 June</b>	61,336	48,881

These condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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**Explanatory notes pursuant to MFRS 134**  
**For the six-month period ended 30 June 2012**

## **1. Corporate information**

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

## **2. First -time adoption of Malaysian Financial Reporting Standards ("MFRS")**

These condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company's registered office at Level 7, Menara PGRM, No 8 Jalan Pudu Ulu, 56100 Kuala Lumpur.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the periods covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysia Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 3 below. This note includes reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.



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### 3. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

#### (a) Business combination

MFRS 1 provides the option to apply MFRS Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

##### Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

#### (b) Property, plant and equipment

The Group previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of land, buildings and machines as at 22 July 1986 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The asset revaluation reserves of RM5,147,994.75 (30 June 2011: RM5,147,994.75; 31 December 2011: RM5,147,994.75) was transferred to retained earnings on date of transition to MFRS.

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### **3. Significant accounting policies and application of MFRS 1 (contd.)**

#### **(c) Quoted equity instruments**

The quoted equity instruments at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

#### **(d) Foreign currency translation reserve**

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. The Group has not elected to deem cumulative foreign currency translation differences in respect of all foreign operations to be zero at the date of transition to MFRS.

#### **(e) Estimates**

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity and total comprehensive income for comparative periods and equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

**Explanatory notes pursuant to MFRS 134  
For the six-month period ended 30 June 2012**
**3. Significant accounting policies and application of MFRS 1 (contd.)**

## (i) Reconciliation of equity as at 1 January 2011

	FRS as at 1 January 2011 RM'000	Note 3 (b) Property, plant and equipment RM'000	MFRS as at 1 January 2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	242,298		242,298
Investment properties	7,995		7,995
Intangible assets	2,292		2,292
Investments in associates	25,238		25,238
Investment securities	19,406		19,406
Other investments	1,379		1,379
Deferred tax assets	1,171		1,171
Long term receivables	450		450
Trade and other receivables	-		-
	<u>300,230</u>		<u>300,230</u>
<b>Current assets</b>			
Inventories	73,830		73,830
Trade and other receivables	93,583		93,583
Investment securities	1,089		1,089
Cash and bank balances	48,557		48,557
	<u>217,059</u>		<u>217,059</u>
<b>Total assets</b>	<b>517,289</b>		<b>517,289</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	110,734		110,734
Share premium	50,703		50,703
Other reserves	13,525	(5,148)	8,377
Retained earnings	115,465	5,148	120,613
<b>Total equity</b>	<u>290,427</u>		<u>290,427</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations	5,543		5,543
Loans and borrowings	78,671		78,671
Deferred tax liabilities	17,215		17,215
	<u>101,430</u>		<u>101,430</u>
<b>Current liabilities</b>			
Retirement benefit obligations	731		731
Loans and borrowings	60,667		60,667
Trade and other payables	61,881		61,881
Taxation	2,154		2,154
	<u>125,432</u>		<u>125,432</u>
<b>Total liabilities</b>	<u>226,862</u>		<u>226,862</u>
<b>Total equity and liabilities</b>	<u>517,289</u>		<u>517,289</u>

**Explanatory notes pursuant to MFRS 134  
For the six-month period ended 30 June 2012**
**3. Significant accounting policies and application of MFRS 1 (contd.)**

## (ii) Reconciliation of equity as at 30 June 2011

	FRS as at 30 June 2011 RM'000	Note 3 (b) Property, plant and equipment RM'000	MFRS as at 30 June 2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	240,761		240,761
Investment properties	8,173		8,173
Intangible assets	1,645		1,645
Investments in associates	26,475		26,475
Investment securities	24,524		24,524
Other investments	1,379		1,379
Deferred tax assets	1,295		1,295
Long term receivables	478		478
Trade and other receivables	-		-
	<u>304,730</u>		<u>304,730</u>
<b>Current assets</b>			
Inventories	64,407		64,407
Trade and other receivables	90,717		90,717
Investment securities	-		-
Cash and bank balances	50,216		50,216
	<u>205,340</u>		<u>205,340</u>
<b>Total assets</b>	<b>510,070</b>		<b>510,070</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	110,734		110,734
Share premium	50,703		50,703
Other reserves	17,524	(5,148)	12,376
Retained earnings	107,902	5,148	113,050
<b>Total equity</b>	<u>286,863</u>		<u>286,863</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations	5,171		5,171
Loans and borrowings	72,629		72,629
Deferred tax liabilities	14,448		14,448
	<u>92,248</u>		<u>92,248</u>
<b>Current liabilities</b>			
Retirement benefit obligations	629		629
Loans and borrowings	67,825		67,825
Trade and other payables	60,320		60,320
Taxation	2,185		2,185
	<u>130,959</u>		<u>130,959</u>
<b>Total liabilities</b>	<u>223,207</u>		<u>223,207</u>
<b>Total equity and liabilities</b>	<u><b>510,070</b></u>		<u><b>510,070</b></u>

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Explanatory notes pursuant to MFRS 134  
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### 3. Significant accounting policies and application of MFRS 1 (contd.)

(iii) Reconciliation of equity as at 31 December 2011

	FRS as at 31 December 2011 RM'000	Note 3 (b) Property, plant and equipment RM'000	MFRS as at 31 December 2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	228,845		228,845
Investment properties	14,083		14,083
Intangible assets	1,742		1,742
Investments in associates	27,448		27,448
Investment securities	22,019		22,019
Other investments	14,379		14,379
Deferred tax assets	1,302		1,302
Long term receivables	584		584
Trade and other receivables	14,845		14,845
	<u>325,246</u>		<u>325,246</u>
<b>Current assets</b>			
Inventories	34,907		34,907
Trade and other receivables	97,040		97,040
Investment securities	-		-
Cash and bank balances	67,598		67,598
	<u>199,545</u>		<u>199,545</u>
<b>Total assets</b>	<b>524,791</b>		<b>524,791</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	110,734		110,734
Share premium	50,703		50,703
Other reserves	19,967	(5,148)	14,819
Retained earnings	128,640	5,148	133,788
<b>Total equity</b>	<u>310,044</u>		<u>310,044</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations	3,910		3,910
Loans and borrowings	83,200		83,200
Deferred tax liabilities	12,529		12,529
	<u>99,638</u>		<u>99,638</u>
<b>Current liabilities</b>			
Retirement benefit obligations	571		571
Loans and borrowings	56,844		56,844
Trade and other payables	56,137		56,137
Taxation	1,557		1,557
	<u>115,109</u>		<u>115,109</u>
<b>Total liabilities</b>	<u>214,747</u>		<u>214,747</u>
<b>Total equity and liabilities</b>	<u>524,791</u>		<u>524,791</u>

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#### 4. Changes in estimates

There were no changes in estimates that have had a material effect in the current interim results.

#### 5. Changes in composition of the Group

There were no changes in composition of the Group that have had a material effect in the current interim results.

#### 6. Loss before tax

Included in the loss before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Interest income	408	154	813	247
Interest expense	1,502	1,566	2,944	3,121
Impairment loss on trade receivables	403	625	812	974
Gain on disposal of property, plant & equipment	102	5	127	5
Net fair value gain on held for trading investment securities	-	4	-	27
Depreciation of property, plant and equipment	4,445	5,594	9,830	11,047
Amortisation of intangible assets	102	136	208	663

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## 7. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Current tax:				
Malaysian income tax	(709)	(552)	(1,590)	(600)
Deferred tax	1,645	3,040	3,690	2,891
	936	2,488	2,100	2,291

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rates are lower than statutory tax rate (2012: 25% and 2011: 25%) principally due to the increase in unabsorbed capital allowances arising from the upgrade of printing plants and also adjustment of accruals.

## 8. Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares.

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## 8. Earnings Per Share (contd.)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
Profit net of tax attributable to owners of the parent used in the computation of earnings per share (RM'000)	(1,472)	(473)	(7,185)	(7,563)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Effects of dilution				
- Share options ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	110,734	110,734	110,734	110,734
Basic earnings per share (sen)	(1.33)	(0.43)	(6.49)	(6.83)
Diluted earnings per share (sen)	(1.33)	(0.43)	(6.49)	(6.83)

## 9. Property, plant and equipment

### Acquisitions and disposals

During the six months ended 30 June 2012, the Group acquired assets at a cost of RM22,483,403 (30 June 2011: RM8,800,480). Included in the total assets acquired is an amount for construction work-in-progress of RM20,408,520 (30 June 2011: RM4,784,948). This construction work-in-progress represents the expenditure incurred for the construction of a new corporate head office building. This project is expected to be completed in January 2013.

Assets with nil carrying amount were disposed of by the Group during the six months ended 30 June 2012 (30 June 2011: RM1,500), resulting in a gain on disposal of RM127,161 (30 June 2011: RM5,330), recognised and included in other income in the statement of comprehensive income.



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### 10. Intangible assets

Included in the intangible assets is goodwill arising from acquisition of a subsidiary amounting to RM50,000 (30 June 2011: RM785,613).

Goodwill is tested for impairment annually (31 December) and as at 31 December 2011 it has been allocated to the cash-generating units ("CGU") of the Publishing, Distributions and Advertisement segments for impairment testing. The key assumptions used to determine the recoverable amount for the different cash generating units were discussed in the annual financial statements for the year ended 31 December 2011.

### 11. Inventories

There are no write-down of inventories to net realisable value and reversal of written-down inventories during the six months ended 30 June 2012.

### 12. Cash and cash equivalents

Cash and cash equivalents compared the following amounts

	<b>30 June 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>1 January 2011 RM'000</b>
Cash at bank and in hand	37,598	44,972	34,376
Short Term Deposit	24,440	22,626	14,181
<b>Total cash and cash equivalents</b>	<b>62,038</b>	<b>67,598</b>	<b>48,557</b>

### 13. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted priced (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

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### 13. Fair value hierarchy (contd.)

As at reporting date, the Group held the following financial assets that are measured at fair value:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>30 June 2012</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	40,878	26,499	-	14,379
<b>31 December 2011</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	36,397	22,019	-	14,379
<b>1 January 2011</b>				
<b>financial assets</b>				
- Equity instrument	20,785	19,406	-	1,379

No transfer between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

### 14. Share capital, share premium and treasury shares

There are no movement in share capital, share premium and treasury shares during the financial period ended 30 June 2012.

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**15. Interest bearing loans and borrowings**

	<b>30 June 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>1 January 2011 RM'000</b>
<b>Short term borrowings</b>			
Secured	13,792	16,170	12,920
Unsecured	65,359	40,674	47,748
	<u>79,151</u>	<u>56,844</u>	<u>60,667</u>
<b>Long term borrowings</b>			
Secured	-	-	-
Unsecured	89,514	83,200	78,671
	<u>89,514</u>	<u>83,200</u>	<u>78,671</u>
	<u>168,665</u>	<u>140,043</u>	<u>139,339</u>

**16. Dividends**

The directors did not recommend any payment of dividend in respect of the financial year ended 31 December 2011.

**17. Commitments**

	<b>30 June 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>1 January 2011 RM'000</b>
Capital expenditure			
Approved and contracted for:			
Property, plant and equipment	-	-	86,000
Approved but not contracted for:			
Property, plant and equipment	60,640	71,974	-

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### 18. Contingent liabilities

There are two (2) new material litigation against the Group since the last status report for the position as at 31 March 2012. As at 30 June 2012 the contingent liabilities stand at RM447 million.

After taking appropriate legal advice, no provision has been made in the financial results of the Group as at 30 June 2012 as the Directors are of the opinion that most of the claims have no sustainable merit.

### 19. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the three-month period ended 30 June 2012 and 30 June 2011:

	2012 RM'000	2011 RM'000
Services rendered by Utusan Transport Sdn Bhd and Group, an associate	4,830	5,860
Services rendered by Utusan Printcorp Sdn Bhd and Group, an associate	5,365	-

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## 20. Segment information

	Publishing, distribution and advertisements	Printing	Information technology and multimedia	Investment holding, management services and others	Total	Adjustments and eliminations	Per consolidated financial statements
	30 June 2012 RM'000	30 June 2012 RM'000	30 June 2012 RM'000	30 June 2012 RM'000	30 June 2012 RM'000	30 June 2012 RM'000	30 June 2012 RM'000
Revenue:							
External customers	164,607	-	5,683	1,200	171,490	-	171,490
Inter-segment	5,347	-	44	275	5,666	(5,666)	-
Total revenue	169,954	-	5,727	1,475	177,156	(5,666)	171,490
Segment profit/(loss) (Note A)	(12,315)	61	433	1,111	(10,710)	1,425	(9,285)
	<b>30 June 2011 RM'000</b>	<b>30 June 2011 RM'000</b>	<b>30 June 2011 RM'000</b>	<b>30 June 2011 RM'000</b>	<b>30 June 2011 RM'000</b>	<b>30 June 2011 RM'000</b>	<b>30 June 2011 RM'000</b>
Revenue:							
External customers	173,839	7,689	2,671	1,414	185,613	-	185,613
Inter-segment	4,795	5,454	135	611	10,995	(10,995)	-
Total revenue	178,634	13,143	2,806	2,025	196,608	(10,995)	185,613
Segment profit/(loss) (Note A)	(7,334)	(2,911)	(326)	1,191	(9,380)	(474)	(9,854)

### Note A

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

	30 June 2012 RM'000	30 June 2011 RM'000
Segment loss	(10,710)	(9,380)
Share of profit of associates	1,469	1,231
Finance costs	(3,218)	(3,403)
Unallocated corporate expenses	3,174	1,698
Loss before tax	(9,285)	(9,854)

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**20. Segment information (contd)**

The Group comprises the following main business segments:

- (i) Publishing, distribution and advertisements - publishing and distribution of newspapers, magazines and books and print and online advertising;
- (ii) Printing - printing of magazines and books;
- (iii) Information technology and multimedia; and
- (iv) Investment holding, management services and others.

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## **21. Performance review**

Revenue for the current quarter under review of RM89.5 million was 0.9% higher than that of the preceding year's corresponding quarter of RM88.8 million. The increase was mainly derived from information technology & multimedia segment, which posted an increase of 197.8% primarily contributed by e-learning business activities. Accordingly the Group recorded lower loss before tax (LBT) of RM2.4 million as compared with LBT of RM3.0 million for the corresponding quarter last year. On a year-to-date basis the Group registered lower revenue of RM171.5 million for the period ended 30 June 2012 as compared with RM174.6 million last year. Nevertheless, the Group recorded slightly lower LBT of RM9.3 million as compared with LBT of RM9.9 million last year mainly due to higher other income coupled with lower depreciation and other operating expenses.

The performance of the respective operating business segments for the current quarter as compared with the corresponding quarter last year is analysed as follows:-

i. Publication, distribution and advertisements

Revenue decreased by 1.8% primarily due to lower net circulation revenue for newspapers and advertisement revenue as compared with the corresponding quarter last year. Hence this segment registered higher LBT by RM4.0 million. However magazines' circulation revenue has increased by 15.5% contributed mainly by a newly issued magazine, Iman.

On a year-to-date basis, this segment's revenue decreased by 2.6% primarily due to the government tenders for distribution of school reference books recognised in the corresponding quarter last year. This segment posted higher year-to-date LBT by 67.9% from RM7.3 million previous year to RM12.3 million this year despite an increase in advertising revenue by 3.2%.

ii. Printing

No revenue was recognised for the current quarter and year-to-date under review as the subsidiary namely, Utusan Printcorp Sdn Bhd which was the main contributor for this segment is now an associate to the Group after the disposal of 70% interest in the company in September 2011.

iii. Information technology and multimedia

Revenue for both current quarter and six months period ended 30 June 2012 for this segment has increased significantly by 197.8% and 124.1% respectively. As a result this segment which is involved in e-learning and job provision business activities has turned around and posted profit before tax for current quarter and year-to-date as compared with a loss in the same periods last year.

iv. Investment holding, management services and others

Despite higher revenue for current quarter and year-to-date, this segment registered lower profit due to higher operational costs.

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## **22. Comparison with the immediate preceding quarter results**

The Group recorded lower pre-tax loss of RM2.4 million for the current quarter compared with pre-tax loss of RM6.9 million for the preceding quarter. This is largely due to higher revenue of RM89.5 million compared with RM81.9 million previously.

The Group performance by segments is as follows:-

- i. Publication, distribution and advertisements  
Advertising revenue increased by 26.3% as advertisers usually start their promotional campaigns towards second quarter onwards. However revenue from publishing and distribution sub-segment declined by 1.35% mainly due to lower newspaper circulation revenue. This segment posted a reduction of 40.1% in its LBT from RM7.7 million in the first quarter to RM4.6 million in the current quarter.
- ii. Information technology and multimedia  
Revenue increased by 66.3% arising from e-learning and job provision business activities thus registering higher PBT (above 100%) by as compared with that of the first quarter.
- iii. Investment holding, management services and others  
Revenue increased by 52.6% resulting in higher PBT by 121.8%

## **23. Comment on current year prospects**

The year 2012 will continue to post challenges to the Group in view of stiff competition for the market share of advertising expenditure (ADEX) among all media. Nevertheless the Group's advertising revenue which grew by 3.2% in the first half of this year is expected to maintain its positive growth.

Our e-learning and job provision business activities which are currently undertaken by Perfisio Solutions Sdn Bhd posted an increase of RM3.0 million in revenue to RM5.3 million in the first half of this year compared with RM2.3 million in the corresponding period last year. Going forward, this segment is expected to increase its contribution to the Group. The Group will continue to invest in the infrastructural requirements of this segment.

## **24. Profit forecast or profit guarantee**

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



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## **25. Corporate proposals**

There are no corporate proposals announced as at the date of this report.

## **26. Changes in material litigation**

There was no material litigation against the Group except as disclosed in Note 18.

## **27. Dividend payable**

No interim ordinary dividend has been declared for the financial period ended 30 June 2012 (30 June 2011: Nil)

## **28. Disclosure of outstanding derivatives**

There were no outstanding derivatives as at the end of the reporting period.

## **29. Rationale for entering into derivatives**

The group did not enter into any derivatives during the period ended 30 June 2012 or the previous financial year ended 31 December 2011.

## **30. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

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### 31. Supplementary information

#### Breakdown of retained profits into realised and unrealised

	As at 30/6/2012 RM'000	As at 31/12/2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	80,738	87,867
- Unrealised loss	(7,606)	(11,275)
	73,132	76,592
Total share of retained profits from associated companies		
- Realised	24,865	23,759
- Unrealised loss	(36)	(400)
	24,829	23,359
	97,961	99,951
Add: Consolidation adjustments	33,793	33,837
Total group retained profits	131,754	133,788

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements.

Accordingly, the unrealised retained profits of the Group as disclosed above exclude translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group, hence deemed as realised.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

#### BY ORDER OF THE BOARD

**Sharina Saidon**  
Company Secretary  
Date: 29 August 2012