

Condensed consolidated interim financial statements  
for the nine-month period ended 30 September 2012 (unaudited)

Condensed Consolidated statement of comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 Sept 2012 RM'000	30 Sept 2011 RM'000	30 Sept 2012 RM'000	30 Sept 2011 RM'000
Revenue		90,046	92,136	261,536	266,756
Other income		2,445	17,415	7,472	21,148
Changes in inventories of finished goods and work-in-progress		(57)	(1,868)	1,008	(617)
Raw materials and consumables used		(25,536)	(24,933)	(84,852)	(84,900)
Vendors' commissions		(11,049)	(11,482)	(34,232)	(34,644)
Transportation costs		(3,947)	(4,274)	(11,189)	(11,891)
Employee benefits expense		(31,108)	(31,819)	(94,771)	(93,611)
Depreciation and amortisation		(4,730)	(5,687)	(14,768)	(17,397)
Other expenses		(13,686)	(13,301)	(35,362)	(36,338)
Finance costs		(1,736)	(1,873)	(4,954)	(5,276)
<b>Operating profit /(loss)</b>		<b>642</b>	<b>14,314</b>	<b>(10,112)</b>	<b>3,230</b>
Share of results of associates		443	503	1,912	1,734
<b>Profit/(Loss) before tax</b>	6	<b>1,085</b>	<b>14,817</b>	<b>(8,200)</b>	<b>4,964</b>
Income tax	7	(207)	215	1,893	2,506
<b>Profit/(Loss) for the period, net of tax</b>		<b>878</b>	<b>15,032</b>	<b>(6,307)</b>	<b>7,470</b>
Other comprehensive income					
Net gain on available-for-sale financial assets					
- Gain on fair value changes		2,475	(3,601)	4,045	617
- Transfer to profit or loss upon disposal		(3)	(15)	(3)	(15)
Foreign currency translation		385	(64)	457	(283)
Other comprehensive income for the period, net of tax		<b>2,857</b>	<b>(3,680)</b>	<b>4,499</b>	<b>319</b>
Total comprehensive income for the period		<b>3,735</b>	<b>11,352</b>	<b>(1,808)</b>	<b>7,789</b>

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Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 Sept 2012 RM'000	30 Sept 2011 RM'000	30 Sept 2012 RM'000	30 Sept 2011 RM'000
<b>Profit attributable to:</b>					
Owners of the parent		878	15,032	(6,307)	7,470
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		3,735	11,352	(1,808)	7,789
<b>Earnings per share attributable to owners of the parent (sen):</b>					
Basic, for profit for the year	8	0.79	13.57	(5.70)	6.75
Diluted, for profit for the year	8	0.79	13.57	(5.70)	6.75

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 Sept 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	249,507	228,845	242,298
Investment properties		13,913	14,083	7,995
Intangible assets	10	3,104	1,742	2,292
Investments in associates		27,760	27,448	25,238
Investment securities	13	28,706	22,019	19,406
Other investments	13	14,379	14,379	1,379
Deferred tax assets		824	1,302	1,171
Long term receivables		602	584	450
Trade and other receivables		14,845	14,845	0
		<u>353,640</u>	<u>325,246</u>	<u>300,230</u>
<b>Current assets</b>				
Inventories	11	50,425	34,907	73,830
Trade and other receivables		107,699	97,040	93,583
Investment securities		-	-	1,089
Cash and bank balances	12	51,258	67,598	48,557
		<u>209,382</u>	<u>199,545</u>	<u>217,059</u>
<b>Total assets</b>		<u>563,022</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		14,167	9,438	8,144
Retained earnings		132,632	139,169	120,846
<b>Total equity</b>		<u>308,236</u>	<u>310,044</u>	<u>290,427</u>

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Condensed Consolidated statement of financial position (contd.)

	Note	30 Sept 2012 RM'000	31 December 2011 RM'000 Restated	1 January 2011 RM'000 Restated
<b>Non-current liabilities</b>				
Retirement benefit obligations		3,691	3,910	5,543
Loans and borrowings	15	92,288	83,200	78,671
Deferred tax liabilities		8,157	12,529	17,215
		<u>104,136</u>	<u>99,638</u>	<u>101,430</u>
<b>Current liabilities</b>				
Retirement benefit obligations		484	571	731
Loans and borrowings	15	95,528	56,844	60,667
Trade and other payables		53,601	56,137	61,881
Taxation		1,037	1,557	2,154
		<u>150,650</u>	<u>115,109</u>	<u>125,432</u>
<b>Total liabilities</b>		<u>254,786</u>	<u>214,747</u>	<u>226,862</u>
<b>Total equity and liabilities</b>		<u>563,022</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>	-	-	7,470	319	602	-	(283)	-	-	7,789
<b>Transaction with owners</b>										
Impact upon disposal of 70% equity in a subsidiary directly in equity			5,188	(860)		(860)				4,328
<b>At 30 September 2011</b>	110,734	50,703	128,123	12,984	3,199	5,148	(206)	390	4,453	302,544
<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>	-	-	(6,307)	4,499	4,042	-	457	-	-	(1,808)
<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 September 2012</b>	110,734	50,703	132,632	14,167	8,883	-	442	389	4,453	308,236

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	9 months ended	
		30 Sept 2012	30 Sept 2011
		RM'000	RM'000
<b>Cash flows from operating activities</b>			
Loss before taxation		(8,200)	4,964
Adjustments for:			
Impairment loss on trade and other receivables		1,393	3,735
Reversal of impairment loss on trade and other receivables		(358)	(2)
Net fair value gain on held for trading investment		-	(22)
Gain on disposal of held for trading investment		-	(27)
Gain on disposal of available for sale investment		(2)	-
Net Gain on disposal of a subsidiary		-	(13,859)
Provision for retirement benefits		486	502
Share of results of associates		(1,912)	(1,734)
Interest income		(1,227)	(417)
Interest expenses		4,569	4,736
Depreciation of property, plant and equipment		14,258	16,606
Amortisation of intangible assets		510	791
Gain on disposal of property, plant and equipment		(174)	(48)
Inventories written down		63	-
Reversal of inventories written down		-	(67)
Property, plant and equipment written off		-	1
Dividend income		(1,099)	(1,343)
Operating profit before working capital changes		8,307	13,816
Increase in receivables		(11,134)	(19,121)
(Increase)/decrease in inventories		(15,581)	21,757
(Decrease)/increase in payables		(2,165)	18,849
Cash (used in)/generated from operations		(20,573)	35,301
Interest paid		(5,055)	(4,717)
Taxes paid/refund		(2,580)	(2,707)
Real property gains tax paid		-	(224)
Net cash used in operating activities		(28,208)	27,653

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 اوتوسن ملايو مليسيا برحد  
UTUSAN MELAYU (MALAYSIA) BERHAD (7170-V)

Condensed consolidated interim financial statements  
for the nine-month period ended 30 September 2012 (unaudited)

Condensed consolidated statement of cash flows (contd.)

	9 months ended	
	30 Sept 2012	30 Sept 2011
	RM'000	RM'000
<b>Cash flows from investing activities</b>		
Interest received	1,227	417
Purchase of property, plant and equipment	(34,562)	(19,025)
Purchase of intangible assets	(1,872)	(16)
Proceeds from disposal of property, plant and equipment	174	70
Proceeds from capital reduction of investment	1,600	-
Purchase of securities in available for sale investment	(2,895)	(900)
Additional investment in associates	-	(1,500)
Proceeds from disposal of held for trading investment	-	1,138
Proceeds from disposal of available for sale investment	252	28
Net cash outflow on disposal of subsidiary	-	(294)
Dividends received	1,047	1,341
Net cash used in investing activities	<u>(35,029)</u>	<u>(18,741)</u>
<b>Cash flows from financing activities</b>		
Drawdown of short term borrowings	34,530	3,545
Drawdown of term loan	23,616	18,428
Payment of hire purchase payables	(22)	(14)
Repayment of long term borrowings	(12,622)	(11,946)
Payment of retirement benefits	(1,195)	(1,090)
Additional of pledged fixed deposits	(126)	-
Net cash generated from financing activities	<u>44,181</u>	<u>8,923</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(19,056)</b>	<b>17,835</b>
<b>Effects of foreign exchange rate changes</b>	<b>457</b>	<b>(291)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>67,022</b>	<b>46,829</b>
<b>Cash and cash equivalents at 30 September</b>	<b><u>48,423</u></b>	<b><u>64,373</u></b>

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

**Utusan Melayu (Malaysia) Berhad**  
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**Explanatory notes pursuant to MFRS 134**  
**For the nine-month period ended 30 September 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 30 September 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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Explanatory notes pursuant to MFRS 134  
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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 September 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:

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### 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><u>517,289</u></b>		<b><u>517,289</u></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>	<b><u>290,427</u></b>		<b><u>290,427</u></b>
<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>	<b><u>226,862</u></b>		<b><u>226,862</u></b>
<b>Total equity and liabilities</b>	<b><u>517,289</u></b>		<b><u>517,289</u></b>

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

(ii) Reconciliation of equity as at 30 September 2011

	FRS as at 30 September 2011 RM'000	Note 3 (b) Property, plant and equipment RM'000	MFRS as at 30 September 2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	228,994		228,994
Investment properties	15,338		15,338
Intangible assets	1,518		1,518
Investments in associates	26,980		26,980
Investment securities	20,895		20,895
Other investments	14,378		14,378
Deferred tax assets	1,163		1,163
Long term receivables	512		512
Trade and other receivables	-		-
	<u>309,778</u>		<u>309,778</u>
<b>Current assets</b>			
Inventories	48,617		48,617
Trade and other receivables	101,809		101,809
Investment securities	-		-
Cash and bank balances	65,662		65,662
	<u>216,088</u>		<u>216,088</u>
<b>Total assets</b>	<b><u>525,866</u></b>		<b><u>525,866</u></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	12,984	(5,148)	7,836
Retained earnings	128,123	5,148	133,271
<b>Total equity</b>	<b><u>302,544</u></b>		<b><u>302,544</u></b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	4,336		4,336
Loans and borrowings	82,259		82,259
Deferred tax liabilities	13,862		13,862
	<u>100,457</u>		<u>100,457</u>
<b>Current liabilities</b>			
Retirement benefit obligations	572		572
Loans and borrowings	66,689		66,689
Trade and other payables	55,557		55,557
Taxation	47		47
	<u>122,865</u>		<u>122,865</u>
<b>Total liabilities</b>	<b><u>223,322</u></b>		<b><u>223,322</u></b>
<b>Total equity and liabilities</b>	<b><u>525,866</u></b>		<b><u>525,866</u></b>

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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><u>524,791</u></b>		<b><u>524,791</u></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>	<b><u>310,044</u></b>		<b><u>310,044</u></b>
<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>	<b><u>214,747</u></b>		<b><u>214,747</u></b>
<b>Total equity and liabilities</b>	<b><u>524,791</u></b>		<b><u>524,791</u></b>

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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. Profit/(Loss) before tax

Included in the loss before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 Sept 2012 RM'000	30 Sept 2011 RM'000	30 Sept 2012 RM'000	30 Sept 2011 RM'000
Interest income	414	170	1,227	417
Interest expense	1,625	1,615	4,569	4,736
Impairment loss on trade receivables	223	-	1,035	974
Gain on disposal of property, plant & equipment	47	43	174	48
Inventories written down	63	-	63	-
Net fair value gain on held for trading investment securities	-	-	-	27
Depreciation of property, plant and equipment	4,428	5,559	14,258	16,606
Amortisation of intangible assets	302	128	510	791

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## 7. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 Sept 2012 RM'000	30 Sept 2011 RM'000	30 Sept 2012 RM'000	30 Sept 2011 RM'000
Current tax:				
Malaysian income tax	(882)	(239)	(2,472)	(839)
Deferred tax	675	454	4,365	3,345
	(207)	215	1,893	2,506

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 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 9 months ended	
	30 Sept 2012	30 Sept 2011	30 Sept 2012	30 Sept 2011
Profit net of tax attributable to owners of the parent used in the computation of earnings per share (RM'000)	878	15,032	(6,307)	7,470
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)	0.79	13.57	(5.70)	6.75
Diluted earnings per share (sen)	0.79	13.57	(5.70)	6.75

## 9. Property, plant and equipment

### Acquisitions and disposals

During the nine months ended 30 September 2012, the Group acquired assets at a cost of RM34.6 million (30 September 2011: RM19.0 million). Included in the total assets acquired is an amount for construction work-in-progress of RM45.8 million (30 September 2011: RM14.0 million). 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 early 2013.

Assets with nil carrying amount were disposed of by the Group during the nine months ended 30 September 2012 (30 September 2011: RM21,664), resulting in a gain on disposal of RM173,661 (30 September 2011: RM69,830), 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 September 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 nine months ended 30 September 2012.

### 12. Cash and cash equivalents

Cash and cash equivalents compared the following amounts

	<b>30 Sept 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>1 January 2011 RM'000</b>
Cash at bank and in hand	26,571	44,972	34,376
Short Term Deposit	24,687	22,626	14,181
Total cash and cash equivalents	<u>51,258</u>	<u>67,598</u>	<u>48,557</u>

### 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 September 2012</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	43,085	28,706	-	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 September 2012.

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### 15. Interest bearing loans and borrowings

	30 September 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
<b>Short term borrowings</b>			
Secured	15,131	16,170	12,920
Unsecured	80,397	40,674	47,748
	<u>95,528</u>	<u>56,844</u>	<u>60,667</u>
<b>Long term borrowings</b>			
Secured	-	-	-
Unsecured	92,288	83,200	78,671
	<u>92,288</u>	<u>83,200</u>	<u>78,671</u>
	<u>187,816</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

	30 September 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
Capital expenditure			
Approved and contracted for:			
Property, plant and equipment	57,992	71,974	86,000

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### **18. Contingent liabilities**

There are three (3) new material litigation against the Group since the last status report for the position as at 30 June 2012. As at 30 September 2012 the contingent liabilities stood at RM467.38 million.

After taking appropriate legal advice, no provision has been made in the financial results of the Group as at 30 September 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 September 2012 and 30 September

	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Services rendered by Utusan Transport Sdn Bhd and Group, an associate	7,210	8,380
Services rendered by Utusan Printcorp Sdn Bhd and Group, an associate	6,752	1,024

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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 September 2012	30 September 2012	30 September 2012	30 September 2012	30 September 2012	30 September 2012	30 September 2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	252,303	-	7,493	1,740	261,536	-	261,536
Inter-segment	7,857	-	54	324	8,235	(8,235)	-
Total revenue	260,160	-	7,547	2,064	269,771	(8,235)	261,536
Segment profit/(loss) (Note A)	(12,126)	33	(267)	1,522	(10,838)	2,638	(8,200)
	30 September 2011	30 September 2011	30 September 2011	30 September 2011	30 September 2011	30 September 2011	30 September 2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	258,064	3,735	3,380	1,577	266,756	-	266,756
Inter-segment	7,976	8,171	217	712	17,076	(17,076)	-
Total revenue	266,040	11,906	3,597	2,289	283,832	(17,076)	266,756
Segment profit/(loss) (Note A)	16,241	(3,785)	(760)	1,914	13,610	(8,646)	4,964

### Note A

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

	30 September 2012	30 September 2011
	RM'000	RM'000
Segment loss	(5,645)	23,041
Share of profit of associates	1,912	1,734
Finance costs	(5,192)	(5,532)
Unallocated corporate expenses	725	(14,279)
Loss before tax	(8,200)	4,964

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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**

The Group registered lower revenue of RM90.0 million for the current quarter under review as compared with RM92.1 million for the same quarter last year. Similarly, for 9 months period ended 30 September 2012, the Group recorded lower revenue by RM5.3 million from RM266.8 million to RM261.5 million. This is mainly due to the publishing and distribution segment which recorded lower revenue by 5.0%. The advertisement segment however chalked up an increase of 2.0%.

The company disposed of its subsidiary in the printing segment, Utusan Printcorp Sdn Bhd (Printcorp) on 1 September last year. As a result the Group recognised gain on disposal of RM14.1 million hence higher profit before tax (PBT) of RM14.8 million in the 3rd quarter last year compared with PBT of RM1.1 million in the same quarter this year. Similarly the Group recorded PBT of RM5.0 million for 9-month period ended 30 September last year compared with loss before tax (LBT) of RM8.2 million for the same financial period this year.

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 2.4% primarily due to lower net circulation revenue for newspapers. However magazines' circulation revenue has increased by 31.3% contributed mainly by newly issued magazine and books. This segment registered PBT of RM189 thousand as compared with RM23.6 million in the same quarter last year mainly derived from reversal of impairment of amount due from Printcorp of RM23.4 million as a result of disposal of that subsidiary.

On a year-to-date basis, this segment's revenue decreased by 2.5% primarily due to the government tenders for distribution of school reference books recognised in the corresponding period last year. This segment posted year-to-date LBT of RM12.1 million as compared with PBT of RM16.2 million in the previous year mainly derived from the reversal of impairment as mentioned above.

ii. Printing

No revenue was recognised for the current quarter and year-to-date under review as Printcorp 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 nine months period ended 30 September 2012 for this segment has increased significantly by 114.4% and 121.7% respectively. As a result this segment which is involved in e-learning and job recruitment business registered smaller loss.

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## **21. Performance review (contd.)**

- iv. Investment holding, management services and others  
Revenue for the current quarter decreased by 30.2%. Consequently the segment had reported lower PBT by 43.1%. Despite year-to-date revenue increase by 10.3%, this segment registered lower profit by 20.5% due to higher operational costs.

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

The Group's revenue of RM90.0 million for the current quarter was slightly higher as compared with RM89.5 million in the preceding quarter ended 30 June 2012 mainly due to the increase in advertisement revenue. The Group recorded PBT of RM1.1 million as compared with LBT of RM2.4 million for the preceding quarter as a result of lower raw materials and consumables used and lower employee benefits expense.

The Group performance by segments is as follows:-

- i. Publication, distribution and advertisements  
Advertising revenue increased by 14.6% mainly arising from Ramadhan, Hari Raya & Hari Merdeka promotional campaigns. However revenue from publishing and distribution sub-segment declined by 5.7% mainly due to lower revenue from newspaper circulation and distribution of books. This segment registered PBT of RM189 thousand, an increase of 104% from LBT of RM4.6 million in the previous quarter as a result of lower operational costs.
- ii. Information technology and multimedia  
Revenue decreased by 49.0% hence LBT of RM0.7 million as compared with PBT of RM0.4 million in the second quarter.
- iii. Investment holding, management services and others  
Revenue decreased by 25.5% resulting in lower PBT by 46.2%

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

The remaining period of the year 2012 will continue to be challenging to the Group in view of stiff competition for the market share of advertising expenditure (ADEX) among all media. According to the latest numbers released by Nielsen Media Research, newspaper share of ADEX has declined by 0.6% despite an increase in total ADEX by 3.2%. Nevertheless, the Group will continue to leverage on events such as mega sale and school reopening campaigns to increase its advertising revenue and mitigate the loss for the year.

Our e-learning and job recruitment business activities which are currently undertaken by Perfisio Solutions Sdn Bhd posted an increase of RM3.9 million in revenue to RM7.0 million in the first three quarters of this year compared with RM3.1 million in the corresponding period last year. Going forward, this segment is expected to increase its contribution to the Group.



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**24. Profit forecast or profit guarantee**

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

**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 September 2012 (30 September 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 September 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 30/9/2012 RM'000	As at 31/12/2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	79,731	87,867
- Unrealised loss	(7,333)	(11,275)
	72,398	76,592
Total share of retained profits from associated companies		
- Realised	25,210	23,759
- Unrealised loss	61	(400)
	25,271	23,359
	97,669	99,951
Add: Consolidation adjustments	34,963	33,837
Total group retained profits	132,632	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: 28 November 2012