

**Condensed consolidated interim financial statements
for the nine-month period ended 30 September 2014 (unaudited)**
Condensed Consolidated statement of comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 Sept 2014 RM'000	30 Sept 2013 RM'000	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Revenue		74,823	80,512	214,687	252,608
Other income		3,305	3,555	11,874	11,222
Raw materials and consumables used		(22,301)	(25,289)	(71,101)	(82,671)
Vendors' commissions		(7,970)	(9,454)	(25,379)	(30,580)
Transportation costs		(3,378)	(4,147)	(10,210)	(12,723)
Employee benefits expense		(31,079)	(32,210)	(101,511)	(97,287)
Depreciation and amortisation		(5,268)	(5,206)	(15,596)	(14,346)
Other expenses		(11,901)	(13,803)	(35,620)	(38,731)
Finance costs		(2,339)	(2,229)	(6,697)	(5,458)
Total costs		(84,236)	(92,338)	(266,114)	(281,796)
Operating loss		(6,108)	(8,271)	(39,553)	(17,966)
Share of results of associates		265	692	1,103	2,751
Loss before tax	5	(5,843)	(7,579)	(38,450)	(15,215)
Income tax /zakat	6	127	2,914	1,877	3,657
Loss for the period, net of tax		(5,716)	(4,665)	(36,573)	(11,558)
Other comprehensive income					
Net gain on available-for-sale financial assets					
- (Loss)/gain on fair value changes		(129)	485	(244)	607
- Transfer to profit or loss upon disposal		(113)	-	(5,417)	(878)
Foreign currency translation		-	18	-	10
Other comprehensive (loss)/profit for the period, net of tax		(242)	503	(5,661)	(261)
Total comprehensive loss for the period		(5,958)	(4,162)	(42,234)	(11,819)

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Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 Sept 2014 RM'000	30 Sept 2013 RM'000	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Loss attributable to:					
Owners of the parent		(5,716)	(4,665)	(36,573)	(11,558)
Total comprehensive loss attributable to:					
Owners of the parent		(5,958)	(4,162)	(42,234)	(11,819)
Loss per share attributable to owners of the parent (sen):					
Basic, for loss for the year	7	(5.16)	(4.21)	(33.03)	(10.44)
Diluted, for loss for the year	7	(5.16)	(4.21)	(33.03)	(10.44)

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

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Condensed Consolidated statement of financial position (unaudited)

	Note	30 Sept 2014 RM'000	31 December 2013 RM'000
Assets			
Non-current assets			
Property, plant and equipment	8	274,114	270,300
Investment properties		17,632	14,348
Intangible assets	9	2,353	2,885
Investments in associates		28,494	27,391
Investment securities	12	2,347	18,780
Other investments	12	11,396	10,112
Deferred tax assets		766	110
Long term receivables		1,670	1,353
Trade and other receivables		13,445	13,445
		<u>352,217</u>	<u>358,724</u>
Current assets			
Inventories	10	26,173	23,503
Trade and other receivables		115,842	115,175
Investment securities	12	2,802	2,861
Cash and bank balances	11	27,771	32,882
		<u>172,588</u>	<u>174,421</u>
Total assets		<u>524,805</u>	<u>533,145</u>
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital		110,734	110,734
Share premium		50,703	50,703
Other reserves		5,332	10,993
Retained earnings		70,834	107,407
Total equity		<u>237,603</u>	<u>279,837</u>

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Condensed Consolidated statement of financial position (contd.)

	Note	30 Sept 2014 RM'000	31 December 2013 RM'000
Non-current liabilities			
Retirement benefit obligations		991	1,376
Loans and borrowings	14	91,551	98,546
Deferred tax liabilities		179	1,427
		<u>92,721</u>	<u>101,349</u>
Current liabilities			
Retirement benefit obligations		497	690
Loans and borrowings	14	103,357	96,029
Trade and other payables		90,079	54,575
Taxation		548	665
		<u>194,481</u>	<u>151,959</u>
Total liabilities		<u>287,202</u>	<u>253,308</u>
Total equity and liabilities		<u>524,805</u>	<u>533,145</u>

These condensed consolidated statements of financial position 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 changes in equity

	[-----Attributable to owners of the parent-----]								
	I-----Non-distributable-----		Distributable		I-----Non-distributable-----				
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Other reserves RM'000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Share option reserve RM'000	Capital reserve RM'000	Total equity RM'000
At 1 January 2013	110,734	50,703	122,512	12,096	6,332	298	386	5,080	296,045
Total comprehensive income	-	-	(11,558)	(261)	(271)	10	-	-	(11,819)
Transaction with owners									
Forfeiture of share options granted under ESOS			385	(385)			(385)		-
At 30 September 2013	110,734	50,703	110,954	11,835	6,061	308	386	5,080	284,226
At 1 January 2014	110,734	50,703	107,407	10,993	5,604	309	-	5,080	279,837
Total comprehensive income	-	-	(36,573)	(5,661)	(5,661)	-	-	-	(42,234)
At 30 September 2014	110,734	50,703	70,834	5,332	(57)	309	-	5,080	237,603

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

	9 months ended	
	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Cash flows from operating activities		
Loss before taxation	(38,450)	(15,215)
Adjustments for:		
Impairment loss on trade and other receivables	4,783	996
Reversal of impairment loss on trade and other receivables	(314)	(186)
Net fair value loss on held for trading investment	285	225
Gain on disposal of held for trading investment	(204)	(370)
Gain on disposal of available-for-sale investment	(4,652)	(784)
Provision for retirement benefits	708	498
Share of results of associates	(1,103)	(2,751)
Interest income	(731)	(1,058)
Interest expenses	6,222	5,156
Depreciation of property, plant and equipment	15,007	13,868
Amortisation of intangible assets	588	478
Gain on disposal of property, plant and equipment	(305)	(124)
Property, plant and equipment written off	-	4
Inventories written down	-	683
Gain on disposal of a subsidiary	(442)	-
Dividend income	(592)	(2,110)
Operating loss before working capital changes	(19,200)	(690)
Increase in receivables	(4,521)	(11,841)
(Increase)/decrease in inventories	(5,461)	11,395
Increase in payables	40,198	11,440
Cash generated from operations	11,016	10,304
Interest paid	(6,151)	(5,794)
Taxes paid	(1,933)	(3,970)
Zakat paid	-	(38)
Net cash (used in)/generated from operating activities	2,932	502

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Condensed consolidated statement of cash flows (contd.)

	9 months ended	
	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Cash flows from investing activities		
Interest received	731	1,058
Investment in associate	-	(10)
Purchase of property, plant and equipment	(12,916)	(30,619)
Purchase of intangible assets	(56)	(430)
Proceeds from disposal of property, plant and equipment	323	124
Purchase of securities in held for trading investment	(5,057)	(6,497)
Proceeds from disposal of held for trading investment	5,035	4,157
Proceeds from disposal of available-for-sale investment	14,139	4,809
Dividends received	592	2,110
Disposal of a subsidiary, net of cash outflow	(650)	-
Net cash generated from/(used in) investing activities	2,141	(25,298)
Cash flows from financing activities		
Drawdown of short term borrowings	3,290	7,067
Drawdown of term loan	723	17,763
Payment of hire purchase payables	(918)	(917)
Repayment of long term borrowings	(13,497)	(14,622)
Payment of retirement benefits	(1,286)	(1,719)
Withdrawal/(additional) of pledged fixed deposits	196	(603)
Net cash used in financing activities	(11,492)	6,969
Net decrease in cash and cash equivalents	(6,419)	(17,827)
Effects of foreign exchange rate changes	-	10
Cash and cash equivalents at 1 January	31,258	47,550
Cash and cash equivalents at 30 September	24,839	29,733

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 nine-month period ended 30 September 2014

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. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2014, 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.

These financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Company since the year ended 31 December 2013.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2013.

During the financial period, the Group has adopted the following applicable new MFRS, the revised MFRS and amendments to MFRS:

MFRS and Amendments to MFRSs

Amendments to MFRS 10 Consolidated Financial Statements: Investment Entities

Amendments to MFRS 12 Disclosure of Interests in Other Entities: Investment Entities

Amendments to MFRS 127 Separate Financial Statements: Investment Entities

Amendments to MFRS 132: Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS136: Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS139: Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting

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

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2. Basis of Preparation (contd.)

MFRS and Amendments to MFRSs	Effective for annual periods beginning on or after
MFRS 9 Financial Instruments	1 January 2015
Amendments to MFRS 7 Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosure	1 January 2015
MFRS 9 Financial Instruments: Hedge Accounting	1 January 2015
Amendments to MFRS 139 Financial Instruments: Recognition and Measurement	1 January 2015

The adoption of the above Standards, Interpretations and Amendments do not have any significant financial impact on the Group.

3. Changes in estimates

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

4. Changes in composition of the Group

On 28 February 2014 the Company announced to Bursa Malaysia Securities Berhad that Juasa Holdings Sdn Bhd ('JHSB'), a wholly-owned subsidiary of the Company had entered into a Share Sale Agreement with Baiduri Stationery Sdn Bhd for the disposal of 9,000,000 ordinary shares of RM1.00 each which represent 100% of the total issued and paid-up capital in Arah Pendidikan Sdn Bhd for the purchase consideration of RM50,000 (Ringgit Malaysia: Fifty Thousand) only, upon such terms and subject to the conditions contained in the Share Sale Agreement. The agreement was fully completed with immediate effect.

The subsidiary was previously reported as part of the publishing, distribution and advertisements segment.

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5. (Loss)/profit before tax

Included in the loss before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 Sept 2014 RM'000	30 Sept 2013 RM'000	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Interest income	(81)	(406)	(731)	(1,058)
Interest expense	2,173	2,113	6,222	5,156
Net impairment loss on trade and other receivables	2,050	172	4,469	810
Gain on disposal of property, plant & equipment	(201)	(31)	(305)	(124)
Inventories written down	-	617	-	683
Net fair value loss on held for trading investment securities	272	156	285	225
Depreciation of property, plant and equipment	5,070	5,001	15,007	13,868
Amortisation of intangible assets	197	205	588	478

6. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 Sept 2014 RM'000	30 Sept 2013 RM'000	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Current tax:				
Malaysian income tax	(152)	311	(27)	(1,579)
Zakat	-	(13)	-	(38)
Deferred tax	279	2,616	1,904	5,274
	127	2,914	1,877	3,657

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 (2014: 25% and 2013: 25%) principally due to the increase in unabsorbed capital allowances.

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7. Loss Per Share

Basic loss per share amounts are calculated by dividing loss 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 loss per share amounts are calculated by dividing loss 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.

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

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013
Loss net of tax attributable to owners of the parent used in the computation of loss per share (RM'000)	(5,716)	(4,665)	(36,573)	(11,558)
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 loss per share (sen)	(5.16)	(4.21)	(33.03)	(10.44)
Diluted loss per share (sen)	(5.16)	(4.21)	(33.03)	(10.44)

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8. Property, plant and equipment

Acquisitions and disposals

During the nine months ended 30 September 2014, the Group acquired assets at a cost of RM22.1 million (30 September 2013: RM30.6 million). Included in the total assets acquired is an amount for construction work-in-progress of RM11.2 million (30 September 2013: RM2.0 million). This construction work-in-progress represents the expenditure incurred for upgrading printing line and infrastructure work at printing facility in Bangi and the construction of a new investment building.

Assets with nil carrying amount were disposed of by the Group during the nine months ended 30 September 2014, resulting in a gain on disposal of RM305,398 (30 September 2013: RM92,389), recognised and included in other income in the statement of comprehensive income.

9. Intangible assets

Goodwill arising from acquisition of a subsidiary amounting to RM50,000 has been written off fully in the fourth quarter 2013. (30 September 2013: RM50,000).

10. Inventories

During the nine months ended 30 September 2014, the Group recognised a write-down of inventories of RMNil (30 September 2013: RM683,326) and the cost was included in the statement of comprehensive income.

11. Cash and cash equivalents

Cash and cash equivalents compared the following amounts

	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Cash at bank and in hand	20,479	24,480
Short Term Deposit	7,292	6,834
Total cash and cash equivalents	27,771	31,314

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12. 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 price (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

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
30 September 2014				
Available-for-sale financial assets				
- Equity instrument	13,743	2,347	-	11,396
Held for trading investments				
- Equity instrument	2,802	2,802	-	-
30 September 2013				
Available-for-sale financial assets				
- Equity instrument	32,364	20,979	-	11,385
Held for trading investments				
- Equity instrument	2,506	2,506	-	-

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.

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13. 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 2014.

14. Interest bearing loans and borrowings

	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Short term borrowings		
Secured	19,671	17,387
Unsecured	83,686	78,998
	<u>103,357</u>	<u>96,385</u>
Long term borrowings		
Secured	91,551	98,705
Unsecured	-	-
	<u>91,551</u>	<u>98,705</u>
	<u>194,908</u>	<u>195,090</u>

15. Dividends

The directors did not pay any dividend in respect of the financial year ended 31 December 2013.

16. Commitments

	30 Sept 2014 RM'000	31 Dec 2013 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	40,800	30,922

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17. Contingent liabilities

There are no new material litigation against the Group since the last status report for the position as at 30 June 2014. As at the reporting period, the contingent liabilities stood at RM 5.3 million.

After taking appropriate legal advice, no provision has been made in the financial results of the Group as at the reporting date as the Directors are of the opinion that the expected outcome of the legal suits against the Group is not expected to have any material impact on the financial position of the Group.

18. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the quarters ended 30 September 2014 and 30 September 2013:

	2014 RM'000	2013 RM'000
Services rendered by Utusan Transport Sdn Bhd and Group, an associate	5,686	7,569
Services rendered by Utusan Printcorp Sdn Bhd and Group, an associate	381	3,759

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Explanatory notes pursuant to MFRS 134
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19. 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 Sept 2014 RM'000	30 Sept 2014 RM'000	30 Sept 2014 RM'000	30 Sept 2014 RM'000	30 Sept 2014 RM'000	30 Sept 2014 RM'000	30 Sept 2014 RM'000
Revenue:							
External customers	206,326	-	113	8,248	214,687	-	214,687
Inter-segment	7,482	-	149	345	7,976	(7,976)	-
Total revenue	213,808	-	262	8,593	222,663	(7,976)	214,687
Segment profit/(loss) (Note A)	(42,128)	(25)	(60)	2,670	(39,543)	1,093	(38,450)
	30 Sept 2013 RM'000	30 Sept 2013 RM'000	30 Sept 2013 RM'000	30 Sept 2013 RM'000	30 Sept 2013 RM'000	30 Sept 2013 RM'000	30 Sept 2013 RM'000
Revenue:							
External customers	241,874	-	1,276	9,458	252,608	-	252,608
Inter-segment	8,284,093	-	43	443	8,284,579	(8,284,579)	-
Total revenue	8,525,967	-	1,319	9,901	8,537,187	(8,284,579)	252,608
Segment profit/(loss) (Note A)	(19,589)	-	(1,494)	3,218	(17,865)	2,650	(15,215)

Note A

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

	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Segment profit/(loss)	(39,543)	(17,865)
Share of profit of associates	1,103	2,751
Finance costs	(6,697)	(5,458)
Unallocated corporate expenses (inter-co transactions)	6,687	5,357
Loss before tax	(38,450)	(15,215)

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Explanatory notes pursuant to MFRS 134
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19. 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) Information technology and multimedia; and
- (iii) Investment holding, management services and others.

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Explanatory notes pursuant to Bursa Malaysia Listing
Requirements: Chapter 9, Appendix 9B, Part A
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20. Performance review

Revenue for the current quarter under review of RM74.8 million declined by 7.1% as against the preceding year's corresponding quarter of RM80.5 million. The decrease was attributed to the publication, distribution and advertisements segment. The Group recorded a loss before tax (LBT) of RM5.8 million as compared with a LBT of RM7.6 million for the corresponding quarter last year. Similarly on a year-to-date basis the Group registered a lower revenue of RM214.7 million for the period ended 30 September 2014 as compared with RM252.6 million last year. Consequently, the Group recorded higher LBT of RM38.5 million as compared with LBT of RM15.2 million last 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 RM4.9 million or 6.3% mainly due to a significant reduction in revenue from distribution of books and magazines. Meanwhile advertising revenue dropped by 3.3%. However lower total costs have enabled this segment to report a lower LBT of RM5.8 million as compared with LBT of RM8.0 million in the corresponding quarter.

Similarly on year to date basis, this segment posted 14.7% lower revenue which was primarily contributed by a significant reduction in revenue from sub-segment publishing and distribution. On the cost side, higher employee benefit expenses arising from a voluntary separation scheme implemented by a subsidiary company was mitigated by a reduction in raw material costs. This segment reported a higher LBT of RM42.1 million as compared with LBT of RM19.2 million last year.

ii. **Information technology and multimedia**

For both current quarter and nine months period ended 30 September 2014 this segment recorded a reduction in revenue by RM0.3 million and RM1.2 million respectively mainly due to the disposal of a subsidiary in the third quarter of 2013 which was the main contributor to this segment. However this segment registered a PBT of RM28 thousand for the current quarter and lower LBT of RM60 thousand for cumulative quarters as compared with LBT of RM0.5 million and RM1.5 million respectively last year as the disposed subsidiary was a loss-making company.

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Explanatory notes pursuant to Bursa Malaysia Listing
Requirements: Chapter 9, Appendix 9B, Part A
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20. Performance review (contd.)

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

iii. Investment holding, management services and others

Revenue for the current quarter declined by 22.6%, mainly due to lower revenue from recruitment services. This has resulted in a LBT of RM0.3 million as compared with PBT of RM117 thousand in the same quarter last year. Similarly on a year-to-date basis, this segment's revenue decreased by 12.8% due to the same reason even though the investment holding subsidiary has reported an improvement in revenue by 25.6%. Accordingly this segment reported a slightly lower PBT of RM2.7 million as compared with RM3.2 million last year.

21. Comparison with the immediate preceding quarter results

The Group posted a slightly higher revenue by RM0.4 million from RM74.4 million in the preceding quarter ended 30 June 2014 to RM74.8 million in the current quarter derived mainly from higher circulation of newspapers. Total costs decreased by RM4.5 million mainly due to lower raw material and consumables used expenses. Consequently the Group recorded a lower LBT of RM5.7 million as compared with LBT of RM11.1 million in the preceding quarter.

The Group's performance by segments is as follows:-

i. Publication, distribution and advertisements

This segment's revenue increased by 3.0% mainly contributed by circulation of newspaper revenue, whilst revenue from advertisement sub-segment increased by only 1.6%. Hence this segment registered lower LBT of RM5.8 million as compared with LBT of RM12.7 million.

ii. Information technology and multimedia

This segment posted PBT of RM28 thousand in the current quarter as compared with LBT of RM43 thousand in the preceding quarter.

iii. Investment holding, management services and others

Revenue decreased by RM1.8 million as a result of significant reduction in gain on disposal of quoted securities recognised in the current quarter. Accordingly this segment posted a LBT of RM344 thousand as compared with PBT of RM1.8 million in the preceding quarter.

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22. Comment on current year prospects

The Group expects the year of 2014 to remain challenging in view of increasing competition for the market share of advertising expenditure (ADEX) and circulation of newspapers. Nevertheless we will continue with our newspaper content improvement strategies and offer creative packages for advertisements.

On 19 October 2014, we have introduced a new masthead for our flagship newspapers, Utusan Malaysia and Minggu Malaysia. Alongside this, the contents and layout have been improved to include new and refreshed columns. Our Utusan Online has also been given a new look offering more videos and interesting features in order to attract more visitors. Meanwhile our e-learning product, Tutor.com.my has been made interactive for a more effective learning experience.

The Group will continue to adopt prudent cost saving strategies in its business operations. Amongst others, the Group is undertaking measures to reduce the return rate by employing efficient allocation of newspapers and magazine supplies. Administration, production and staff costs are being aggressively monitored. The recruitment of new staff has been frozen to halt the increase in costs.

23. Profit forecast or profit guarantee

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

24. Corporate proposals

There are no corporate proposals announced as at the date of this report except as below:

On 12 November 2013 the Board of Directors of Utusan Melayu (Malaysia) Berhad ("UMMB") had announced to Bursa Malaysia that UMMB is undertaking the following proposals:

- (i) proposed renounceable Two-Call Rights Issue of up to 110,733,837 new ordinary shares of RM1.00 each in UMMB on the basis of one (1) rights share for every one (1) existing ordinary share of RM1.00 each held in UMMB at an entitlement date to be determined later; and
- (ii) proposed exemption to United Malays National Organisation ("UMNO") from the obligation to undertake a mandatory take-over offer for all the remaining voting shares in UMMB not already owned by UMNO after the proposed two-call rights issue under paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010.

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24. Corporate proposals (contd.)

On 12 December 2013 the Board of Directors of UMMB had announced to Bursa Malaysia that the Board has decided to defer the above Proposals as the Board is re-evaluating the Proposals.

Subsequently on 27 August 2014 the Board of Directors of UMMB had announced to Bursa Malaysia that the Board has decided to abort the Proposals after due and careful consideration and re-evaluation of the viability of the Proposals. Notwithstanding, the Board will continue to explore other fund-raising proposals to address the capital requirements of the Group and if required, an announcement will be made accordingly.

25. Changes in material litigation

There was no material litigation against the Group except as disclosed in Note 17.

26. Dividend payable

No interim ordinary dividend has been declared for the quarter ended 30 September 2014 (30 September 2013: Nil)

27. Disclosure of outstanding derivatives

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

28. Rationale for entering into derivatives

The group did not enter into any derivatives during the quarter ended 30 September 2014 or the corresponding quarter ended 30 September 2013.

29. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2013 was not qualified.

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30. Supplementary information

Breakdown of retained profits into realised and unrealised

	As at 30/9/2014 RM'000	As at 30/9/2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	20,928	55,172
- Unrealised	350	(2,879)
	21,278	52,293
Total share of retained profits from associated companies		
- Realised	25,200	24,096
- Unrealised	(385)	(36)
	24,815	24,060
	46,093	76,353
Add: Consolidation adjustments	24,741	34,986
Total group retained profits	70,834	111,339

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

Shirad Anuar

Company Secretary

Date: 26 November 2014