

**Condensed consolidated interim financial statements  
for the nine-month period ended 30 September 2015 (unaudited)**
**Condensed Consolidated statement of comprehensive income**

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Revenue		61,059	74,823	180,931	214,687
Other income		6,134	3,305	11,744	11,874
Raw materials and consumables used		(18,407)	(22,301)	(57,675)	(71,101)
Vendors' commissions		(7,592)	(7,970)	(23,182)	(25,379)
Transportation costs		(3,179)	(3,378)	(9,695)	(10,210)
Employee benefits expense		(30,391)	(31,079)	(92,947)	(101,511)
Depreciation and amortisation		(5,234)	(5,268)	(15,637)	(15,596)
Other expenses		(10,414)	(11,901)	(33,046)	(35,620)
Finance costs		(2,470)	(2,339)	(7,608)	(6,697)
Total costs		(77,687)	(84,236)	(239,790)	(266,114)
<b>Operating loss</b>		(10,494)	(6,108)	(47,115)	(39,553)
Share of results of associates		2,640	265	4,063	1,103
<b>Loss before tax</b>	5	(7,854)	(5,843)	(43,052)	(38,450)
Income tax/zakat	6	(435)	127	(1,341)	1,877
<b>Loss for the period, net of tax</b>		(8,289)	(5,716)	(44,393)	(36,573)
Other comprehensive income					
Net gain on available-for-sale financial assets					
- (Gain)/loss on fair value changes		66	(129)	(47)	(244)
- Transfer to profit or loss upon disposal		(314)	(113)	(314)	(5,417)
Foreign currency translation		(11)	-	(10)	-
Other comprehensive loss for the period, net of tax		(259)	(242)	(371)	(5,661)
<b>Total comprehensive loss for the period</b>		(8,548)	(5,958)	(44,764)	(42,234)

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Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
<b>Loss attributable to:</b>					
Owners of the parent		(8,289)	(5,716)	(44,393)	(36,573)
<b>Total comprehensive loss attributable to:</b>					
Owners of the parent		(8,548)	(5,958)	(44,764)	(42,234)
<b>Loss per share attributable to owners of the parent (sen):</b>					
Basic, for loss for the year	7	(7.49)	(5.16)	(40.09)	(33.03)
Diluted, for loss for the year	7	(7.49)	(5.16)	(40.09)	(33.03)

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 2015 RM'000	31 Dec 2014 RM'000 restated
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	288,616	285,717
Investment properties		16,643	16,894
Intangible assets	9	1,647	2,184
Investments in associates		1,054	26,159
Investment securities	12	1,180	2,391
Other investments	12	1,389	1,379
Deferred tax assets		283	187
Trade and other receivables		1,623	2,159
Retirement benefit assets		3,489	3,358
		<u>315,924</u>	<u>340,428</u>
<b>Current assets</b>			
Inventories	10	17,064	22,136
Trade and other receivables		83,497	70,255
Tax recoverable		2,647	2,466
Investment securities	12	1,703	2,586
Cash and bank balances	11	20,913	64,453
		<u>125,824</u>	<u>161,896</u>
<b>Total assets</b>		<u>441,748</u>	<u>502,324</u>
<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		(76)	5,375
Retained earnings		(12,205)	27,108
<b>Total equity</b>		<u>149,156</u>	<u>193,920</u>

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**Condensed Consolidated statement of financial position (contd.)**

	Note	30 Sept 2015 RM'000	31 Dec 2014 RM'000 restated
<b>Non-current liabilities</b>			
Loans and borrowings	14	150,801	163,357
Long term liabilities		25,000	20,000
Deferred tax liabilities		155	258
		175,956	183,615
<b>Current liabilities</b>			
Loans and borrowings	14	48,539	54,447
Trade and other payables		67,561	70,147
Taxation		536	195
		116,636	124,789
<b>Total liabilities</b>		292,592	308,404
<b>Total equity and liabilities</b>		441,748	502,324

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 statement of changes in equity

	[-----Attributable to owners of the parent-----]				-----Non-distributable-----			Total equity RM'000
	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	Capital reserve RM'000	
At 1 January 2014	110,734	50,703	107,407	10,993	5,604	309	5,080	279,837
Loss for the year	-	-	(36,573)	-	-	-	-	(36,573)
Comprehensive income	-	-	-	(5,661)	(5,661)	-	-	(5,661)
At 30 September 2014	110,734	50,703	70,834	5,332	(57)	309	5,080	237,603
At 1 January 2015	110,734	50,703	27,108	5,375	(13)	308	5,080	193,920
Loss for the year	-	-	(44,393)	-	-	-	-	(44,393)
Comprehensive income	-	-	-	(371)	(361)	(10)	-	(371)
Transaction with owner: Disposal of an associate company	-	-	5,080	(5,080)	-	-	(5,080)	-
At 30 September 2015	110,734	50,703	(12,205)	(76)	(374)	298	-	149,156

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 2015 RM'000	30 Sept 2014 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(43,052)	(38,450)
Adjustments for:		
Impairment loss on trade and other receivables	2,659	4,783
Reversal of impairment loss on trade and other receivables	(369)	(314)
Net fair value loss on held for trading investment	125	285
Gain on disposal of held for trading investment	(164)	(204)
Gain on disposal of available-for-sale investment	(218)	(4,652)
Provision for retirement benefits	76	708
Share of results of associates	(4,063)	(1,103)
Interest income	(317)	(731)
Interest expenses	7,273	6,222
Depreciation of property, plant and equipment	15,076	15,007
Amortisation of intangible assets	561	588
Loss/(gain) on disposal of property, plant and equipment	15	(305)
Inventories written off	1	-
Inventories written down	51	-
Gain on disposal of a subsidiary	-	(442)
Gain on disposal of an associate	(2,643)	
Dividend income	(104)	(592)
Operating loss before working capital changes	(25,093)	(19,200)
Increase in receivables	(14,988)	(4,521)
Decrease/(increase) in inventories	5,020	(5,461)
Increase in payables	2,535	40,198
Cash generated from operations	(32,526)	11,016
Interest paid	(7,408)	(6,151)
Taxes paid/refund	(1,218)	(1,933)
RPGT	(181)	-
Net cash (used in)/generated from operating activities	(41,333)	2,932

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Condensed consolidated statement of cash flows (contd.)

	9 months ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000
<b>Cash flows from investing activities</b>		
Interest received	317	731
Purchase of property, plant and equipment	(8,528)	(12,916)
Purchase of intangible assets	-	(56)
Proceeds from disposal of property, plant and equipment	63	323
Purchase of securities in held for trading investment	(1,494)	(5,057)
Proceeds from disposal of held for trading investment	2,417	5,035
Proceeds from disposal of available-for-sale investment	1,068	14,139
Proceeds from disposal of an associate	31,800	-
Dividends received	104	592
Disposal of a subsidiary, net of cash outflow	-	(650)
Net cash generated from investing activities	25,747	2,141
<b>Cash flows from financing activities</b>		
(Repayment)/drawdown of short term borrowings	(9,881)	3,290
Drawdown of term loan	-	723
Payment of hire purchase payables	(301)	(918)
Repayment of long term borrowings	(19,047)	(13,497)
Payment of retirement benefits	(208)	(1,286)
Withdrawal of pledged fixed deposits	74	196
Net cash used in financing activities	(29,363)	(11,492)
<b>Net decrease in cash and cash equivalents</b>	(44,949)	(6,419)
<b>Effects of foreign exchange rate changes</b>	(10)	-
<b>Cash and cash equivalents at 1 January</b>	62,951	31,258
<b>Cash and cash equivalents at 30 Sept</b>	17,992	24,839

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 Sept 2015**

## 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 September 2015, 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 2014. 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 2014.

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 2014.

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

<b>MFRS and Amendments to MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The adoption of the above did not have any significant impact on the financial statements of the Group.

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.)**

<b>MFRS and Amendments to MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments	1 January 2018
Amendments to MFRS 139 Financial Instruments: Recognition and Measurement	1 January 2015

The adoption of the above Standards, Interpretations and Amendments are not expected 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**

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

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## 5. 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 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Interest income	(128)	(81)	(317)	(731)
Interest expense	2,367	2,173	7,273	6,222
Net impairment loss on trade and other receivables	1,996	2,050	2,290	4,469
Loss/(gain) on disposal of property, plant & equipment	(12)	(201)	15	(305)
Net fair value (gain)/loss on held for trading investment securities	155	272	125	285
Depreciation of property, plant and equipment	5,046	5,070	15,076	15,007
Amortisation of intangible assets	188	197	561	588

## 6. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Current tax:				
Malaysian income tax	(446)	(152)	(1,359)	(27)
RPGT	-	-	(181)	-
Deferred tax	11	279	199	1,904
Zakat	20	-	20	-
	(435)	127	(1,341)	1,877

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 Group reported tax expense during the period attributed to the profitable subsidiaries which cannot be set off against losses made by other subsidiaries and certain expenses which are not deductible for tax purposes.

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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 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
Loss net of tax attributable to owners of the parent used in the computation of loss per share (RM'000)	(8,289)	(5,716)	(44,393)	(36,573)
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 and diluted loss per share (sen)	(7.49)	(5.16)	(40.09)	(33.03)

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## 8. Property, plant and equipment

Acquisitions and disposals

During the nine months ended 30 September 2015, the Group acquired assets at a cost of RM17.8 million (30 September 2014: RM5.2 million). Included in the total assets acquired is an amount for construction work-in-progress of RM15.3 million (30 September 2014: RM1.2 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 RM78,281 carrying amount were disposed of by the Group during the nine months ended 30 September 2015, resulting in a loss on disposal of RM15,146 (30 September 2014: gain of RM104,048), recognised and included in other income in the statement of comprehensive income.

## 9. Intangible assets

No goodwill was recognised in the intangible assets as at 30 Sept 2015 (30 Sept 2014:RMNil).

## 10. Inventories

During the nine months ended 30 September 2015, the Group recognised a write-down/off of inventories of RM51,562 (30 September 2014: RMNil) and the cost was included in the statement of comprehensive income.

## 11. Cash and bank balances

Cash and cash equivalents comprised the following amounts

	<b>30 Sept 2015 RM'000</b>	<b>30 Sept 2014 RM'000</b>
Cash at bank and in hand	15,823	20,479
Short Term Deposit	5,090	7,292
Cash and bank balances	<u>20,913</u>	<u>27,771</u>

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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
<b>30 September 2015</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	2,569	1,180	-	1,389
<b>Held for trading investments</b>				
- Equity instrument	1,703	1,703	-	-
<b>30 September 2014</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	32,364	20,979	-	11,385
<b>Held for trading investments</b>				
- 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 2015.

### 14. Interest bearing loans and borrowings

	30 Sept 2015 RM'000	30 Sept 2014 RM'000
<b>Short term borrowings</b>		
Secured	18,589	19,671
Unsecured	29,950	83,686
	<u>48,539</u>	<u>103,357</u>
<b>Long term borrowings</b>		
Secured	114,451	91,551
Unsecured	36,350	-
	<u>150,801</u>	<u>91,551</u>
	<u>199,340</u>	<u>194,908</u>

### 15. Dividends

The directors did not pay any dividend in respect of the financial year ended 31 December 2014.

### 16. Commitments

	30 Sept 2015 RM'000	31 Dec 2014 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	22,737	40,800

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### **17. Contingent liabilities**

There are one (1) new material litigation against the Group since the last status report for the position as at 30 June 2015. As for the reporting period, the contingent liabilities stood at RM 4.50 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 cumulative quarter ended 30 September 2015 and 30 September 2014:

	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Services rendered by Utusan Transport Sdn Bhd and Group, an associate	4,696	5,686
Services rendered by Utusan Printcorp Sdn Bhd and Group, an associate	-	381

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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 2015 RM'000	30 Sept 2015 RM'000	30 Sept 2015 RM'000	30 Sept 2015 RM'000	30 Sept 2015 RM'000	30 Sept 2015 RM'000	30 Sept 2015 RM'000
Revenue:							
External customers	177,779	-	-	3,152	180,931	-	180,931
Inter-segment	6,837	-	-	343	7,180	(7,180)	-
Total revenue	184,616	-	-	3,495	188,111	(7,180)	180,931
Segment profit/(loss) (Note A)	(20,760)	18	26	(700)	(21,416)	(21,636)	(43,052)
	<b>30 Sept 2014 RM'000</b>	<b>30 Sept 2014 RM'000</b>	<b>30 Sept 2014 RM'000</b>	<b>30 Sept 2014 RM'000</b>	<b>30 Sept 2014 RM'000</b>	<b>30 Sept 2014 RM'000</b>	<b>30 Sept 2014 RM'000</b>
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)

#### Note A

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

	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Segment profit/(loss)	(21,416)	(39,543)
Share of profit of associates	4,063	1,103
Finance costs	(7,608)	(6,697)
Unallocated corporate expenses (inter-co transactions)	(18,091)	6,687
Loss before tax	(43,052)	(38,450)



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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, online and outdoor advertising;
- (ii) Information technology and multimedia; and
- (iii) Investment holding, management services and others.

## 20. Comparatives

Certain comparative as at 31 December 2014 have been reclassified to conform with the current year's presentation.

	As restated RM	Adjustments RM	As previously stated RM
<b>Loans and borrowings</b>			
- Non-current liabilities	163,357	72,900	90,457
- Current liabilities	54,447	(72,900)	127,347
<b>Long term liabilities and trade and other payables</b>			
- Non-current liabilities	20,000	20,000	-
- Current liabilities	70,147	(20,000)	90,147

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

Revenue for the current quarter under review of RM61.1 million declined by 18.4% as against the preceding year's corresponding quarter of RM74.8 million. The decrease was attributed to the publication, distribution and advertisements segment. As a result, the Group recorded a higher loss before tax (LBT) of RM7.9 million as compared with a LBT of RM5.8 million for the corresponding quarter last year. Higher other income by RM2.8 million due to gain on disposal of an associate has lessened the impact of the reduction in revenue. Likewise on a year-to-date basis the Group registered a lower revenue of RM180.9 million for the period ended 30 September 2015 as compared with RM214.7 million last year. Consequently, the Group recorded higher LBT of RM43.1 million as compared with LBT of RM38.5 million last year. Nevertheless, more stringent cost control measures and improvement on operational efficiency exercise have shown positive results primarily on raw materials and consumables used and employee benefits expenses.

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

Revenue for the current quarter dropped by RM1.0 million from RM62.0 million in the preceding quarter ended 30 June 2015 to RM61.0 million contributed mainly by lower circulation of newspapers revenue. The gain of RM2.6 million on disposal of an associate company and lower total costs by RM4.0 million have contributed to lower LBT of RM7.9 million as compared with LBT of RM15.5 million in the preceding quarter.

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

The Group expects to continue to face challenges in 2015 given the on-going issues that are affecting consumer sentiment e.g. the implementation of Goods and Services Tax (GST) and the weakening performance of Ringgit against other major currencies.

Nevertheless, we will continue to strengthen our core business amidst strategies to seek new revenue streams to expand our business portfolios. Newspapers' content improvements are undertaken and creative packages for advertisements are offered in our effort to increase readership and revenue. Based on the latest report released by the Audit Bureau of Circulations, our flagship newspaper *Mingguan Malaysia* managed to be the number 1 Bahasa Sunday newspaper in the country for the second year running with average circulation of 340,953 copies. Meanwhile, our *Utusan Malaysia* and *Kosmo* remained resilient with average circulation of 162,639 copies and 194,900 copies respectively, a drop of only 2% since the previous report.

Promotional activities to enable the Company to increase its direct engagement with readers and advertisers will continue to be organised. We are also exploring fund raising proposals to address the capital requirements to venture into other businesses.

**Utusan Melayu (Malaysia) Berhad**  
**(Incorporated in Malaysia)**



**Explanatory notes pursuant to Bursa Malaysia Listing**  
**Requirements: Chapter 9, Appendix 9B, Part A**  
**For the nine-month period ended 30 September 2015**

**23. Comment on current year prospects (contd.)**

The Group will continue to implement stringent cost control measures and to improve operational efficiency in order to sustain our immediate survival. We will constantly focus on strengthening our internal structure to ensure a solid foundation for the Group to embark on our future plans.

**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 17.

**27. Dividend payable**

No interim ordinary dividend has been declared for the quarter ended 30 September 2015 (30 September 2014: 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 quarter ended 30 September 2015 or the corresponding quarter ended 30 September 2014.

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

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

Utusan Melayu (Malaysia) Berhad  
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For the nine-month period ended 30 September 2015

### 31. Supplementary information

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

	As at 30/9/2015 RM'000	As at 30/9/2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	(46,684)	20,928
- Unrealised loss	3	350
	<u>(46,681)</u>	<u>21,278</u>
Total share of retained profits from associated companies		
- Realised	985	25,200
- Unrealised loss	-	(385)
	<u>985</u>	<u>24,815</u>
	(45,696)	46,093
Add: Consolidation adjustments	33,491	24,741
Total group retained profits	<u>(12,205)</u>	<u>70,834</u>

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: 25 November 2015