

**Condensed consolidated interim financial statements  
for the year ended 31 December 2015 (unaudited)**
**Condensed Consolidated statement of comprehensive income**

	Note	Current quarter 3 months ended		Cumulative quarters 12 months ended	
		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		RM'000	RM'000	RM'000	RM'000
Revenue		67,445	76,508	248,376	291,195
Other income		49,389	3,256	61,133	15,130
Raw materials and consumables used		(19,622)	(23,139)	(77,297)	(94,240)
Vendors' commissions		(7,556)	(8,485)	(30,738)	(33,864)
Transportation costs		(3,438)	(3,651)	(13,133)	(13,861)
Employee benefits expense		(36,922)	(27,819)	(129,869)	(129,330)
Depreciation and amortisation		(5,347)	(5,274)	(20,984)	(20,870)
Other expenses		(16,077)	(56,008)	(46,310)	(91,628)
Finance costs		(2,364)	(2,133)	(9,972)	(8,830)
Total costs		(91,326)	(126,509)	(328,303)	(392,623)
<b>Operating profit/(loss)</b>		25,508	(46,745)	(18,794)	(86,298)
Share of results of associates		58	1,545	1,308	2,648
<b>Profit/(loss) before tax</b>	5	25,566	(45,200)	(17,486)	(83,650)
Income tax/zakat	6	(392)	(206)	(1,733)	1,671
<b>Profit/(loss) for the period, net of tax</b>		25,174	(45,406)	(19,219)	(81,979)
<b><u>Other comprehensive income</u></b>					
Actuarial gains on defined benefit obligations		71	2,211	71	2,211
Income tax relating to actuarial gains and losses on defined benefit obligations		(17)	(531)	(17)	(531)
Net gain on available-for-sale financial assets					
- Loss/(gain) on fair value changes		30	(721)	(17)	(965)
- Transfer to profit or loss upon disposal		-	766	(314)	(4,651)
Foreign currency translation		(3)	(1)	(13)	(1)
Other comprehensive profit/(loss) for the period, net of tax		81	1,724	(290)	(3,937)
<b>Total comprehensive profit/(loss) for the period</b>		25,255	(43,682)	(19,509)	(85,916)

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Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarters 12 months ended	
		31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
<b>Profit/(loss) attributable to:</b>					
Owners of the parent		25,174	(45,406)	(19,219)	(81,979)
<b>Total comprehensive profit/(loss) attributable to:</b>					
Owners of the parent		25,255	(43,682)	(19,509)	(85,916)
<b>Profit/(loss) per share attributable to owners of the parent (sen):</b>					
Basic, for profit/(loss) for the year	7	22.73	(41.00)	(17.36)	(74.03)

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	31 Dec 2015 RM'000	31 Dec 2014 RM'000 restated
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	282,422	285,717
Investment properties		16,560	16,894
Intangible assets	9	2,140	2,184
Investments in associates		1,112	26,159
Investment securities	12	1,211	2,391
Other investments	12	106	1,379
Deferred tax assets		219	187
Trade and other receivables		1,617	2,159
Retirement benefit assets		3,750	3,358
		<u>309,137</u>	<u>340,428</u>
<b>Current assets</b>			
Inventories	10	15,057	22,136
Trade and other receivables		114,071	70,255
Tax recoverable		2,626	2,466
Investment securities	12	1,781	2,586
Cash and bank balances	11	27,611	64,453
		<u>161,146</u>	<u>161,896</u>
<b>Total assets</b>		<u>470,283</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		(49)	5,375
Retained earnings		13,023	27,108
<b>Total equity</b>		<u>174,411</u>	<u>193,920</u>

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

	Note	31 Dec 2015 RM'000	31 Dec 2014 RM'000 restated
<b>Non-current liabilities</b>			
Loans and borrowings	14	146,361	163,357
Long term liabilities		28,000	20,000
Deferred tax liabilities		56	258
		<u>174,417</u>	<u>183,615</u>
<b>Current liabilities</b>			
Loans and borrowings	14	42,553	54,447
Trade and other payables		78,077	70,147
Taxation		825	195
		<u>121,455</u>	<u>124,789</u>
<b>Total liabilities</b>		<u>295,872</u>	<u>308,404</u>
<b>Total equity and liabilities</b>		<u>470,283</u>	<u>502,324</u>

These condensed consolidated statements of financial position should be read in conjunctions 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				Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Other reserves RM'000				
At 1 January 2014	110,734	50,703	107,407	10,992	5,603	309	5,080	279,836
Loss for the year	-	-	(81,979)	-	-	-	-	(81,979)
Comprehensive income	-	-	1,680	(5,617)	(5,616)	(1)	-	(3,937)
At 31 December 2014	110,734	50,703	27,108	5,375	(13)	308	5,080	193,920
At 1 January 2015	110,734	50,703	27,108	5,375	(13)	308	5,080	193,920
Loss for the year	-	-	(19,219)	-	-	-	-	(19,219)
Comprehensive income	-	-	54	(344)	(331)	(13)	-	(290)
Transaction with owner: Disposal of an associate company	-	-	5,080	(5,080)	-	-	(5,080)	-
At 31 December 2015	110,734	50,703	13,023	(49)	(344)	295	-	174,411

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

	12 months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(17,486)	(83,650)
Adjustments for:		
Impairment loss on trade and other receivables	7,962	33,838
Reversal of impairment loss on trade and other receivables	(1,062)	(894)
Bad debts written off	-	721
Net fair value loss on held for trading investment	115	995
Gain on disposal of held for trading investment	(260)	(243)
Gain on disposal of available-for-sale investment	(218)	(4,652)
Gain on disposal of other investment	(50,565)	-
Provision for retirement benefits	91	(1,982)
Share of results of associates	(1,308)	(2,648)
Interest income	(600)	(911)
Interest expenses	9,523	8,272
Depreciation of property, plant and equipment	20,115	20,084
Amortisation of intangible assets	869	787
Loss/(gain) on disposal of property, plant and equipment	15	(232)
Impairment loss on property, plant and equipment	1,819	-
Property, plant and equipment written off	8	-
Inventories written off	20	35
Inventories written down	440	722
(Reversal)/impairment loss on investment in an associate	(2,813)	2,680
Impairment loss on preference shares	-	10,017
Gain on disposal of a subsidiary	-	(442)
Gain on disposal of an associate	(2,643)	-
Dividend income	(104)	(536)
Operating loss before working capital changes	(36,082)	(18,039)
(Increase)/decrease in receivables	(7,170)	21,877
Decrease/(increase) in inventories	6,619	(2,180)
Increase in payables	16,148	40,418
Cash (used in)/generated from operations	(20,485)	42,076
Interest paid	(9,725)	(8,356)
Taxes paid/refund	(1,534)	(1,754)
Zakat paid	-	(127)
Net cash (used in)/generated from operating activities	(31,744)	31,839

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Condensed consolidated statement of cash flows (contd.)

	12 months ended	
	31 Dec 2015	31 Dec 2014
	RM'000	RM'000
<b>Cash flows from investing activities</b>		
Interest received	600	912
Purchase of property, plant and equipment	(8,892)	(25,502)
Purchase of intangible assets	(825)	(85)
Proceeds from disposal of property, plant and equipment	68	261
Purchase of securities in held for trading investment	(3,130)	(6,321)
Proceeds from disposal of held for trading investment	4,080	5,846
Proceeds from disposal of available-for-sale investment	1,068	14,139
Proceeds from disposal of other investment	8,848	-
Proceeds from disposal of an associate	31,800	-
Dividends received	104	1,735
Disposal of a subsidiary, net of cash outflow	-	(650)
Net cash generated from/(used in) investing activities	33,721	(9,665)
<b>Cash flows from financing activities</b>		
(Repayment)/drawdown of short term borrowings	(19,692)	27,845
Payment of hire purchase payables	(738)	(1,303)
Repayment of long term borrowings	(17,963)	(15,913)
Payment of retirement benefits	(413)	(1,230)
Withdrawal of pledged fixed deposits	74	122
Net cash generated from/(used in) financing activities	(38,732)	9,521
<b>Net increase/(decrease) in cash and cash equivalents</b>	(36,755)	31,695
<b>Effects of foreign exchange rate changes</b>	(13)	(1)
<b>Cash and cash equivalents at 1 January</b>	62,951	31,258
<b>Cash and cash equivalents at 31 Dec</b>	26,183	62,952

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

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**Explanatory notes pursuant to MFRS 134**  
**For the year ended 31 December 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 31 December 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**

On 23 April 2015 the Company announced to Bursa Malaysia Securities Berhad that it had entered into a Share Sale Agreement with Schwan-STABILO SchwanhauBer Finanzholding GMBH (Purchaser), the existing shareholder of Swan Malaysia Sendirian Berhad (Swan), to dispose its entire 40% equity interest amounting to 6,000,000 ordinary shares of RM1.00 each in Swan to the Purchaser for a cash consideration of RM31,800,000. The agreement was completed on 24 July 2015.

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**5. Profit/(loss) before tax**

Included in the profit/(loss) before tax are the following items:

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Interest income	(283)	(180)	(600)	(911)
Interest expense	2,250	2,050	9,523	8,272
Net impairment loss on trade and other receivables	4,610	28,475	6,900	32,944
Loss/(gain) on disposal of property, plant & equipment	-	73	15	(232)
Net fair value (gain)/loss on held for trading investment securities	(10)	710	115	995
Depreciation of property, plant and equipment	5,039	5,077	20,115	20,084
Amortisation of intangible assets	308	199	869	787

**6. Income tax expense**

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Current tax:				
Malaysian income tax	(609)	48	(1,968)	21
RPGT	181	-	-	-
Deferred tax	36	(127)	235	1,777
Zakat	-	(127)	20	(127)
	(392)	(206)	(1,733)	1,671

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. Profit/(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 quarters 12 months ended	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Loss net of tax attributable to owners of the parent used in the computation of loss per share (RM'000)	25,174	(45,406)	(19,219)	(81,979)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Basic and diluted profit/(loss) per share (sen)	22.73	(41.00)	(17.36)	(74.03)

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## 8. Property, plant and equipment

Acquisitions and disposals

During the twelve months ended 31 December 2015, the Group acquired assets at a cost of RM18.4 million (31 December 2014: RM38.1 million). Included in the total assets acquired is an amount for construction work-in-progress of RM15.4 million (31 December 2014: RM27.4 million). This construction work-in-progress represents the expenditure incurred for upgrading printing line and infrastructure work at printing facility in Bangi and the acquisition of investment properties which are under construction.

Assets with RM82,476 carrying amount were disposed of by the Group during the twelve months ended 31 December 2015, resulting in a loss on disposal of RM14,749 (31 December 2014: gain of RM231,644), 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 31 December 2015 (31 December 2014:RMNil).

## 10. Inventories

During the twelve months ended 31 December 2015, the Group recognised a write-down/off of inventories of RM459,708 (31 December 2014: RM756,970) 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>31 Dec 2015 RM'000</b>	<b>31 Dec 2014 RM'000</b>
Cash at bank and in hand	23,786	57,872
Short Term Deposit	3,825	6,581
Cash and bank balances	<u>27,611</u>	<u>64,453</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>31 December 2015</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	1,317	1,211	-	106
<b>Held for trading investments</b>				
- Equity instrument	1,781	1,781	-	-
<b>31 December 2014</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	3,770	2,391	-	1,379
<b>Held for trading investments</b>				
- Equity instrument	2,586	2,586	-	-

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 31 December 2015.

### 14. Interest bearing loans and borrowings

	31 Dec 2015 RM'000	31 Dec 2014 RM'000
<b>Short term borrowings</b>		
Secured	20,407	21,609
Unsecured	22,146	32,838
	<u>42,553</u>	<u>54,447</u>
<b>Long term borrowings</b>		
Secured	109,761	119,457
Unsecured	36,600	43,900
	<u>146,361</u>	<u>163,357</u>
	<u>188,914</u>	<u>217,804</u>

### 15. Dividends

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

### 16. Commitments

	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	22,487	40,800

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### **17. Contingent liabilities**

There are four (4) new material litigations against the Group since the last status report for the position as at 30 September 2015. As at the reporting date, the contingent liabilities stood at RM 5.1 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 31 December 2015 and 31 December 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	5,850	7,393
Services rendered by Utusan Printcorp Sdn Bhd and Group, an associate	-	392

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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
	31 Dec 2015 RM'000	31 Dec 2015 RM'000	31 Dec 2015 RM'000	31 Dec 2015 RM'000	31 Dec 2015 RM'000	31 Dec 2015 RM'000	31 Dec 2015 RM'000
Revenue:							
External customers	242,021	-	-	6,355	248,376	-	248,376
Inter-segment	9,221	-	-	409	9,630	(9,630)	-
Total revenue	251,242	-	-	6,764	258,006	(9,630)	248,376
Segment profit/(loss) (Note A)	8,024	(78)	(655)	48,752	56,043	(73,529)	(17,486)
	<b>31 Dec 2014 RM'000</b>	<b>31 Dec 2014 RM'000</b>	<b>31 Dec 2014 RM'000</b>	<b>31 Dec 2014 RM'000</b>	<b>31 Dec 2014 RM'000</b>	<b>31 Dec 2014 RM'000</b>	<b>31 Dec 2014 RM'000</b>
Revenue:							
External customers	281,330	-	297	9,568	291,195	-	291,195
Inter-segment	10,285	-	157	531	10,973	(10,973)	-
Total revenue	291,615	-	454	10,099	302,168	(10,973)	291,195
Segment profit/(loss) (Note A)	(72,207)	(73)	(176)	(1,726)	(74,182)	(9,468)	(83,650)

#### Note A

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

	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Segment profit/(loss)	56,043	(74,182)
Share of profit of associates	1,308	2,648
Finance costs	(9,972)	(8,830)
Unallocated corporate expenses (inter-co transactions)	(64,865)	(3,286)
Loss before tax	(17,486)	(83,650)



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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 comparatives 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**  
**For the year ended 31 December 2015**

## **21. Performance review**

Revenue for the current quarter under review of RM67.4 million declined by 11.8% as against that of the preceding year's corresponding quarter of RM76.5 million. The decrease was attributed to the publication, distribution and advertisements segment. Higher other income by RM46.1 million was due to the gain on disposal of investments amounted to RM50.6 million. The reduction of total costs by 28.4% has also lessened the impact of the reduction in revenue. This has resulted in a profit before tax (PBT) of RM25.6 million as compared with a loss before tax (LBT) of RM45.2 million for the corresponding quarter last year. Likewise on a year-to-date basis the Group registered a lower revenue of RM248.4 million for the year ended 31 December 2015 as compared with RM291.2 million the previous year. Nonetheless, the Group recorded lower LBT of RM17.5 million as compared with LBT of RM83.7 million previously mainly due to the recognition of the gain on disposal of investments and the reduction of total costs by 16.6%.

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

Revenue for the current quarter increased by RM6.4 million from RM61.1 million in the preceding quarter ended 30 September 2015 to RM67.4 million contributed mainly by higher distribution of books. The gain of RM50.6 million on disposal of investments contributed to a PBT of RM25.6 million as compared with LBT of RM7.9 million in the preceding quarter.

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

The Group expects to continue to face challenges in 2016 given the on-going issues that are affecting consumer sentiment e.g. the implementation of Goods and Services Tax (GST) and the weakening Ringgit against other major currencies that will see an increase in certain raw material costs.

Nevertheless, we will strive to defend our market share of newspaper circulation and advertising revenue amidst strategies to seek new revenue streams to diversify our business portfolios. Based on the latest report released by the Audit Bureau of Circulations, our flagship newspaper *Mingguan Malaysia* managed to be the number 1 Bahasa for Sunday newspaper in the country for the second consecutive year 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.

**Utusan Melayu (Malaysia) Berhad**  
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**Explanatory notes pursuant to Bursa Malaysia Listing**  
**Requirements: Chapter 9, Appendix 9B, Part A**  
**For the year ended 31 December 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 its 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 31 December 2015 (31 December 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 31 December 2015 or the corresponding quarter ended 31 December 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.

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### 31. Supplementary information

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

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	(22,663)	27,417
- Unrealised loss	39	(309)
	<u>(22,624)</u>	<u>27,108</u>
Total share of retained profits from associated companies		
- Realised	1,044	24,915
- Unrealised loss	-	245
	<u>1,044</u>	<u>25,160</u>
	(21,580)	52,268
Add: Consolidation adjustments	34,603	(25,160)
Total group retained profits	<u>13,023</u>	<u>27,108</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: 24 February 2016