

**Condensed consolidated interim financial statements  
for the six months period ended 30 June 2016 (unaudited)**
**Condensed Consolidated statement of comprehensive income**

	Note	Current quarter 3 months ended		Cumulative quarters 6 months ended	
		30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Revenue		58,081	62,020	105,815	119,871
Other income		2,563	2,947	4,809	5,610
Raw materials and consumables used		(17,287)	(19,266)	(35,369)	(39,268)
Vendors' commissions		(6,835)	(7,954)	(13,184)	(15,590)
Transportation costs		(3,359)	(3,345)	(6,960)	(6,515)
Employee benefits expense		(32,357)	(31,169)	(63,720)	(62,556)
Depreciation and amortisation		(5,123)	(5,362)	(10,305)	(10,403)
Other expenses		(8,956)	(12,064)	(18,051)	(22,632)
Finance costs		(2,390)	(2,546)	(4,691)	(5,137)
Total costs		(76,307)	(81,706)	(152,280)	(162,101)
<b>Operating loss</b>		(15,663)	(16,739)	(41,656)	(36,620)
Share of results of associates		3	1,193	(176)	1,423
<b>Loss before tax</b>	5	(15,660)	(15,546)	(41,832)	(35,197)
Income tax expense	6	(598)	(592)	(704)	(906)
<b>Loss for the period, net of tax</b>		(16,258)	(16,138)	(42,536)	(36,103)
<b><u>Other comprehensive income</u></b>					
Net gain on available-for-sale financial assets					
- Loss/(gain) on fair value changes		51	(236)	19	(113)
Foreign currency translation		(5)	-	3	1
Other comprehensive profit/(loss) for the period, net of tax		46	(236)	22	(112)
<b>Total comprehensive loss for the period</b>		(16,212)	(16,374)	(42,514)	(36,215)

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Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarters 6 months ended	
		30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
<b>Profit/(loss) attributable to:</b>					
Owners of the parent		(16,258)	(16,138)	(42,536)	(36,103)
<b>Total comprehensive loss attributable to:</b>					
Owners of the parent		(16,212)	(16,374)	(42,514)	(36,215)
<b>Loss per share attributable to owners of the parent (sen):</b>					
Basic, for loss for the year	7	(14.68)	(14.57)	(38.41)	(32.60)

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 June 2016 RM'000	31 Dec 2015 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	241,523	250,892
Investment properties		47,095	45,312
Intangible assets	9	1,685	2,140
Investments in associates		901	1,077
Investment securities	12	1,230	1,211
Other investments	12	106	106
Deferred tax assets		212	212
Trade and other receivables		1,804	1,654
Retirement benefit assets		3,949	3,750
		<u>298,505</u>	<u>306,354</u>
<b>Current assets</b>			
Inventories	10	15,549	15,057
Trade and other receivables		97,169	114,198
Tax recoverable		674	703
Investment securities	12	1,142	1,781
Cash and bank balances	11	24,786	27,611
		<u>139,320</u>	<u>159,350</u>
Non-current asset classified as held for sale		-	3,605
<b>Total assets</b>		<u>437,825</u>	<u>469,309</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		(27)	(49)
Retained earnings		(31,268)	11,268
<b>Total equity</b>		<u>130,142</u>	<u>172,656</u>

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Condensed Consolidated statement of financial position (contd.)

		30 June 2016 RM'000	31 Dec 2015 RM'000
	Note		
<b>Non-current liabilities</b>			
Loans and borrowings	14	134,257	145,376
Trade and other payables		28,000	28,000
Deferred tax liabilities		1	190
		162,258	173,566
<b>Current liabilities</b>			
Loans and borrowings	14	54,959	43,538
Trade and other payables		89,580	78,657
Taxation		886	892
		145,425	123,087
<b>Total liabilities</b>		307,683	296,653
<b>Total equity and liabilities</b>		437,825	469,309

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
	-----Non-distributable-----	Distributable	-----Non-distributable-----		Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Other reserves RM'000				
At 1 January 2015	110,734	50,703	27,108	5,375	(13)	308	5,080	193,920
Loss for the year	-	-	(36,103)	-	-	-	-	(36,103)
Comprehensive income	-	-	-	(112)	(113)	1	-	(112)
At 30 June 2015	110,734	50,703	(8,995)	5,263	(126)	309	5,080	157,705
At 1 January 2016	110,734	50,703	11,268	(49)	(344)	295	-	172,656
Loss for the year	-	-	(42,536)	-	-	-	-	(42,536)
Comprehensive income	-	-	-	22	19	3	-	22
At 30 June 2016	110,734	50,703	(31,268)	(27)	(325)	298	-	130,142

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

	6 months ended	
	30 June 2016 RM'000	30 June 2015 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(41,832)	(35,197)
Adjustments for:		
Impairment loss on trade and other receivables	1,253	304
Reversal of impairment loss on trade and other receivables	(491)	(10)
Net fair value loss on held for trading investment	224	(30)
Gain on disposal of held for trading investment	(3)	(118)
Provision for retirement benefits	42	51
Share of loss/(profit) of associates	176	(1,423)
Interest income	(208)	(189)
Interest expenses	4,393	4,906
Depreciation of property, plant and equipment	9,851	10,030
Amortisation of intangible assets	454	373
(Gain)/loss on disposal of property, plant and equipment	(3,737)	27
Property, plant and equipment written off	76	-
Creditors written off	(208)	-
Dividend income	(13)	(74)
Operating loss before working capital changes	<u>(30,023)</u>	<u>(21,350)</u>
Increase in receivables	(6,890)	(8,983)
Increase in inventories	(491)	(685)
Increase in payables	10,899	22,035
Cash used in operations	<u>(26,505)</u>	<u>(8,983)</u>
Interest paid	(4,155)	(4,046)
Taxes paid	(682)	(745)
RPGT	(187)	(181)
Net cash used in operating activities	<u>(31,529)</u>	<u>(13,955)</u>

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**Condensed consolidated statement of cash flows (contd.)**

	<b>6 months ended</b>	
	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Interest received	208	189
Purchase of property, plant and equipment	(697)	(5,693)
Proceeds from disposal of property, plant and equipment	7,350	51
Purchase of securities in held for trading investment	(597)	(1,366)
Proceeds from disposal of held for trading investment	1,015	1,846
Proceeds from disposal of other investment	23,000	-
Dividends received	13	74
Net cash generated from/(used in) investing activities	<u>30,292</u>	<u>(4,899)</u>
<b>Cash flows from financing activities</b>		
Drawdown/(repayment) of short term borrowings	12,008	(3,202)
Payment of hire purchase payables	(12)	(613)
Repayment of long term borrowings	(13,347)	(11,832)
Payment of retirement benefits	(241)	(142)
Withdrawal of pledged fixed deposits	7	30
Net cash used in financing activities	<u>(1,585)</u>	<u>(15,759)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,822)</b>	<b>(34,613)</b>
<b>Effects of foreign exchange rate changes</b>	<b>4</b>	<b>1</b>
<b>Cash and cash equivalents at 1 January</b>	<b>26,085</b>	<b>62,951</b>
<b>Cash and cash equivalents at 30 June</b>	<b><u>23,267</u></b>	<b><u>28,339</u></b>

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 six-month period ended 30 June 2016**

## 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 2016, 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 2015. 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 2015.

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 2015.

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

	<b>Effective for annual periods beginning on or after</b>
<b>MFRS and Amendments to MFRSs</b>	
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of 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

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



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## 2. Basis of Preparation (contd.)

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

<b>MFRS and Amendments to MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments	1 January 2018

The adoption of the above Standards, Interpretations and Amendments are not expected to 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 the 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 quarters 6 months ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Interest income	(155)	(90)	(208)	(189)
Interest expense	2,226	2,427	4,393	4,906
Net impairment loss on trade and other receivables	521	2	762	294
Gain on disposal of property, plant & equipment	(3,737)	(14)	(3,737)	27
Net fair value loss/(gain) on held for trading investment securities	121	73	224	(30)
Depreciation of property, plant and equipment	4,896	5,176	9,851	10,030
Amortisation of intangible assets	227	186	454	373

**6. Income tax expense**

	Current quarter 3 months ended		Cumulative quarters 6 months ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Current tax:				
Malaysian income tax expense	(355)	(762)	(705)	(913)
RPGT	(187)	-	(187)	(181)
Deferred tax benefit	(56)	170	188	188
	(598)	(592)	(704)	(906)

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 quarters 6 months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Loss net of tax attributable to owners of the parent used in the computation of loss per share (RM'000)	(16,258)	(16,138)	(42,536)	(36,103)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Basic and diluted loss per share (sen)	(14.68)	(14.57)	(38.41)	(32.60)

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## **8. Property, plant and equipment**

### Acquisitions and disposals

During the six months ended 30 June 2016, the Group acquired assets at a cost of RM2.3 million (30 June 2015: RM5.7 million). Included in the total assets acquired is an amount for construction work-in-progress of RM2.0 million (30 June 2015: RM3.6 million). This construction work-in-progress represents the expenditure incurred for the acquisition of investment properties which are under construction.

Assets with RM3.6 million carrying amount were disposed of by the Group during the six months ended 30 June 2016, resulting in a gain on disposal of RM3.7 million (30 June 2015: loss of RM27 thousand), recognised and included in revenue in the statement of comprehensive income. The assets disposed were 2 parcels of industrial land which were reclassified as non-current assets classified as held for sale and the sale was completed in the second quarter of 2016.

## **9. Intangible assets**

No goodwill was recognised in the intangible assets as at 30 June 2016 (30 June 2015:RMNil).

## **10. Inventories**

There was no inventories written down/off for the financial period ended 30 June 2016 and 2015.

## **11. Cash and bank balances**

Cash and cash equivalents comprised the following amounts

	<b>30 June 2016 RM'000</b>	<b>30 June 2015 RM'000</b>
Cash at bank and in hand	22,656	23,900
Short Term Deposit	2,130	6,439
Cash and bank balances	<u>24,786</u>	<u>30,339</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 June 2016</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	1,336	1,230	-	106
<b>Held for trading investments</b>				
- Equity instrument	1,142	1,142	-	-
<b>30 June 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	-	-

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 is no movement in share capital and share premium during the financial period ended 30 June 2016.

### 14. Interest bearing loans and borrowings

	30 June 2016 RM'000	30 June 2015 RM'000
<b>Short term borrowings</b>		
Secured	16,955	19,274
Unsecured	38,004	104,063
	<u>54,959</u>	<u>123,337</u>
<b>Long term borrowings</b>		
Secured	103,257	83,820
Unsecured	31,000	-
	<u>134,257</u>	<u>83,820</u>
	<u>189,216</u>	<u>207,157</u>

### 15. Dividends

The directors did not pay any dividend in respect of the financial year ended 31 December 2015.

### 16. Commitments

	30 June 2016 RM'000	31 Dec 2015 RM'000
Capital expenditure		
Approved and contracted for:		
Investment properties	18,442	22,487

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## **17. Contingent liabilities**

There is one new material litigation against the Group since the last status report for the position as at 31 March 2016. As for the reporting period, the contingent liabilities stood at RM 3.5 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 quarters ended 30 June 2016 and 30 June 2015:

	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Services rendered by associates	4,453	2,953
Advances received from related entity	-	5,000
	<hr/>	<hr/>

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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 June 2016 RM'000	30 June 2016 RM'000	30 June 2016 RM'000	30 June 2016 RM'000	30 June 2016 RM'000	30 June 2016 RM'000	30 June 2016 RM'000
Revenue:							
External customers	101,439	-	-	4,376	105,815	-	105,815
Inter-segment	3,751	-	-	287	4,038	(4,038)	-
Total revenue	105,190	-	-	4,663	109,853	(4,038)	105,815
Segment loss (Note A)	(44,935)	94	1	3,169	(41,671)	(161)	(41,832)
	<b>30 June 2015 RM'000</b>	<b>30 June 2015 RM'000</b>	<b>30 June 2015 RM'000</b>	<b>30 June 2015 RM'000</b>	<b>30 June 2015 RM'000</b>	<b>30 June 2015 RM'000</b>	<b>30 June 2015 RM'000</b>
Revenue:							
External customers	117,597	-	-	2,274	119,871	-	119,871
Inter-segment	4,557	-	-	273	4,830	(4,830)	-
Total revenue	122,154	-	-	2,547	124,701	(4,830)	119,871
Segment loss (Note A)	(35,320)	(27)	9	(580)	(35,918)	721	(35,197)

#### Note A

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

	30 June 2016 RM'000	30 June 2015 RM'000
Segment profit/(loss)	(41,671)	(35,918)
Share of profit of associates	(176)	1,423
Finance costs	(4,691)	(5,137)
Unallocated corporate expenses (inter-co transactions)	4,706	4,435
Loss before tax	(41,832)	(35,197)



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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.

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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**

The Group posted revenue of RM58.1 million for the current quarter as compared with RM62.0 million in the corresponding quarter ended 30 June 2015. The decline was mainly attributed to the publishing and distribution segment. Included in the revenue for the current quarter is a gain on disposal of properties of RM3.7 million by a subsidiary in the investment holdings & services segment. The overall decline in revenue of 6.4% was cushioned by the lower operating costs. Hence, the loss for the period remained at around RM16 million.

Similarly on a year-to-date basis, the Group registered lower revenue of RM105.8 million for the period ended 30 June 2016 as compared with RM119.9 million last year mainly due to a reduction in revenue from the publishing and distribution segment. Accordingly the Group registered a higher LBT of RM41.8 million as compared with LBT of RM35.2 million last year. A reduction of 6.1% in total costs has lessened the impact of reduction in revenue and lower share of results of associates.

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

The Group posted higher revenue by RM10.4 million from RM47.7 million in the preceding quarter ended 31 March 2016 to RM58.1 million in the current quarter mainly attributed to the advertising segment and investment holdings & services segment. Accordingly the Group recorded lower LBT of RM15.7 million as compared with LBT of RM26.2 million for the preceding quarter.

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

The Malaysian economy is expected to continue on a moderate growth path in 2016. Given the continuing challenges faced by print-based media company, the directors remain cautious with regard to the Group's performance in 2016.

We are actively seeking new businesses to support our core business activities. Newspapers' contents are being continually improved and creative packages for advertisements are offered in our effort to increase readership and revenue. Whilst maintaining focus on print media, we are promoting our Utusan Online portal and digital newspapers. Continuous efforts are made to ensure our digital products garner higher traffics and subscriptions. In the school segment, our printed Tutor products are also available online through tutor.com.my. In short, the Group will continue to evolve and adapt to the ever-transforming media landscape.

The Group will also continue to implement stringent cost control measures and to improve operational efficiency in order to strengthen our internal structure to ensure a solid foundation for the Group to embark on its future plans.

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**Requirements: Chapter 9, Appendix 9B, Part A**  
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**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.

**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 June 2016 (30 June 2015: 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 June 2016 or the corresponding quarter ended 30 June 2015.

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

The auditors' report on the financial statements for the year ended 31 December 2015 was not qualified.

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Requirements: Chapter 9, Appendix 9B, Part A  
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### 30. Supplementary information

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

	As at 30/6/2016 RM'000	As at 30/6/2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	5,869	(60,859)
- Unrealised loss	(2,574)	147
	<u>3,295</u>	<u>(60,712)</u>
Total share of retained profits from associated companies		
- Realised	832	26,340
- Unrealised loss	-	243
	<u>832</u>	<u>26,583</u>
	4,127	(34,129)
Add: Consolidation adjustments	(35,395)	25,134
Total group retained (loss)/profit	<u>(31,268)</u>	<u>(8,995)</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: 23 August 2016