

Condensed consolidated interim financial statements
for the year ended 31 December 2016 (unaudited)

Condensed Consolidated statement of comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarters 12 months ended	
		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
		RM'000	RM'000	RM'000	RM'000
Revenue		66,970	67,934	230,372	248,865
Other income		2,051	49,902	9,219	61,646
Raw materials and consumables used		(17,051)	(20,150)	(67,514)	(77,825)
Vendors' commissions		(6,462)	(7,556)	(25,929)	(30,738)
Transportation costs		(2,101)	(3,267)	(12,055)	(12,962)
Employee benefits expense		(32,811)	(36,719)	(128,109)	(129,666)
Depreciation and amortisation		(4,992)	(5,259)	(20,265)	(20,896)
Other expenses		(12,047)	(17,292)	(43,979)	(47,525)
Finance costs		(1,926)	(1,914)	(8,959)	(9,522)
Total costs		(77,390)	(92,157)	(306,810)	(329,134)
Operating (loss)/profit		(8,369)	25,679	(67,219)	(18,623)
Share of results of associates		-	22	(176)	1,272
(Loss)/profit before tax	5	(8,369)	25,701	(67,395)	(17,351)
Income tax expense/zakat	6	(902)	(2,283)	(1,984)	(3,624)
(Loss)/profit for the period, net of tax		(9,271)	23,418	(69,379)	(20,975)
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Net gain on available-for-sale financial assets					
- Gain on fair value changes		(112)	(66)	(66)	(113)
- Transfer to profit or loss upon disposal		-	96	-	(218)
Foreign currency translation		(9)	(3)	(12)	(13)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(121)	27	(78)	(344)

**Condensed consolidated interim financial statements
for the year ended 31 December 2016 (unaudited)**
Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarters 12 months ended	
		31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial (loss)/gains on defined benefit obligations		(608)	71	(608)	71
Income tax relating to actuarial gains and losses on defined benefit obligations		146	(17)	146	(17)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(462)	54	(462)	54
Total other comprehensive loss for the year		(583)	81	(540)	(290)
Total comprehensive (loss)/profit for the year		(9,854)	23,499	(69,919)	(21,265)
Profit/(loss) attributable to:					
Owners of the parent		(9,271)	23,418	(69,379)	(20,975)
Total comprehensive loss attributable to:					
Owners of the parent		(9,854)	23,499	(69,919)	(21,265)
Loss per share attributable to owners of the parent (sen):					
Basic, for loss for the year	7	(8.37)	21.15	(62.65)	(18.94)

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

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Condensed consolidated interim financial statements
for the year ended 31 December 2016 (unaudited)

Condensed Consolidated statement of financial position (unaudited)

	Note	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Assets			
Non-current assets			
Property, plant and equipment	8	237,271	250,892
Investment properties		36,754	45,312
Intangible assets	9	1,240	2,140
Investments in associates		901	1,077
Investment securities	12	1,145	1,211
Other investments	12	123	106
Deferred tax assets		146	212
Trade and other receivables		1,928	1,654
Retirement benefit assets		3,777	3,750
		<u>283,285</u>	<u>306,354</u>
Current assets			
Inventories	10	15,386	15,057
Trade and other receivables		65,199	114,198
Tax recoverable		881	703
Investment securities	12	656	1,781
Cash and bank balances	11	32,845	27,611
		<u>114,967</u>	<u>159,350</u>
Non-current asset classified as held for sale		6,800	3,605
Total assets		<u>405,052</u>	<u>469,309</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		(127)	(49)
Retained earnings		(58,573)	11,268
Total equity		<u>102,737</u>	<u>172,656</u>

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Condensed consolidated interim financial statements
for the year ended 31 December 2016 (unaudited)

Condensed Consolidated statement of financial position (contd.)

	Note	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Non-current liabilities			
Loans and borrowings	14	126,491	145,376
Trade and other payables		20,000	28,000
Deferred tax liabilities		137	190
		<u>146,628</u>	<u>173,566</u>
Current liabilities			
Loans and borrowings	14	47,435	43,538
Trade and other payables		107,745	78,657
Taxation		507	892
		<u>155,687</u>	<u>123,087</u>
Total liabilities		<u>302,315</u>	<u>296,653</u>
Total equity and liabilities		<u>405,052</u>	<u>469,309</u>

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

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Condensed consolidated interim financial statements
for the year ended 31 December 2016 (unaudited)

Condensed consolidated statement of changes in equity

	[-----Attributable to owners of the parent-----]							
	-----Non-distributable-----		Distributable		-----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 2015	110,734	50,703	27,109	5,375	(13)	308	5,080	193,921
Loss for the year	-	-	(20,975)	-	-	-	-	(20,975)
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	11,268	(49)	(344)	295	-	172,656
At 1 January 2016	110,734	50,703	11,268	(49)	(344)	295	-	172,656
Loss for the year	-	-	(69,379)	-	-	-	-	(69,379)
Comprehensive income	-	-	(462)	(78)	(66)	(12)	-	(540)
At 31 December 2016	110,734	50,703	(58,573)	(127)	(410)	283	-	102,737

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

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Condensed consolidated interim financial statements
for the year ended 31 December 2016 (unaudited)

Condensed consolidated statement of cash flows

	12 months ended	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Cash flows from operating activities		
Loss before taxation	(67,395)	(17,351)
Adjustments for:		
Impairment loss on trade and other receivables	2,864	7,505
Reversal of impairment loss on trade and other receivables	(1,242)	(1,083)
Reversal of impairment loss on investment on associate	-	(2,813)
Net gain on disposal of an associate	-	(2,643)
Net fair value loss on held for trading investment	290	115
Gain on disposal of held for trading investment	(84)	(260)
Gain on disposal of available-for-sale investment	-	(218)
Loss/(gain) on disposal of other investment	8	(50,565)
Impairment loss on other investment	48	-
Provision for retirement benefits	84	91
Share of loss/(profit) of associates	176	(1,272)
Interest income	(299)	(622)
Interest expenses	8,959	9,523
Depreciation of property, plant and equipment	19,366	20,027
Amortisation of intangible assets	899	869
(Gain)/loss on disposal of property, plant and equipment	(3,736)	14
Inventories written off	15	20
Inventories written down	-	450
Property, plant and equipment written off	79	8
Impairment loss on property, plant and equipment	2,316	1,819
Creditors written off	(252)	-
Dividend income	(29)	(104)
Operating loss before working capital changes	(37,933)	(36,490)
Decrease/(increase) in receivables	4,100	(6,830)
(Increase)/decrease in inventories	(343)	6,609
Increase in payables	21,292	16,944
Cash (used in)/generated from operations	(12,884)	(19,767)
Interest paid	(8,908)	(9,725)
Taxes paid	(2,201)	(1,535)
RPGT	(187)	-
Net cash used in operating activities	(24,180)	(31,027)

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Condensed consolidated interim financial statements
for the year ended 31 December 2016 (unaudited)

Condensed consolidated statement of cash flows (contd.)

	12 months ended	
	31 Dec 2016	31 Dec 2015
	RM'000	RM'000
Cash flows from investing activities		
Interest received	299	622
Purchase of property, plant and equipment	(1,317)	(9,632)
Purchase of intangible assets	-	(825)
Proceeds from disposal of property, plant and equipment	7,349	69
Purchase of securities in held for trading investment	(1,118)	(3,130)
Purchase of other investment	(75)	-
Proceeds from disposal of held for trading investment	2,036	4,080
Proceeds from disposal of available-for-sale investment	-	1,068
Proceeds from disposal of other investment	43,002	8,848
Proceeds from disposal of an associate	-	31,800
Dividends received	29	104
Net cash generated from investing activities	50,205	33,004
Cash flows from financing activities		
Repayment of short term borrowings	(1,257)	(19,692)
Payment of hire purchase payables	(20)	(738)
Repayment of long term borrowings	(18,783)	(17,963)
Payment of retirement benefits	(719)	(413)
Withdrawal of pledged fixed deposits	(18)	(24)
Net cash used in financing activities	(20,797)	(38,830)
Net decrease in cash and cash equivalents	5,228	(36,853)
Effects of foreign exchange rate changes	(12)	(13)
Cash and cash equivalents at 1 January	26,085	62,951
Cash and cash equivalents at 31 December	31,301	26,085

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

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



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

	Effective for annual periods beginning on or after
MFRS and Amendments to MFRSs	
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.

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
For the year ended 31 December 2016

2. Basis of Preparation (contd.)

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

MFRS and Amendments to MFRSs	Effective for annual periods beginning on or after
MFRS 107 Disclosures Initiatives (Amendments to MFRS 107)	1 January 2017
MFRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)	1 January 2017
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019

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.

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
For the year ended 31 December 2016

5. Loss before tax

Included in the loss before tax are the following items:

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Interest income	(54)	(305)	(299)	(622)
Interest expense	2,402	2,250	8,959	9,523
Net impairment loss on trade and other receivables	436	4,132	1,622	6,422
Gain on disposal of property, plant & equipment	-	(1)	(3,736)	14
Net fair value loss/(gain) on held for trading investment securities	95	(10)	290	115
Depreciation of property, plant and equipment	4,774	4,951	19,366	20,027
Amortisation of intangible assets	218	308	899	869

6. Income tax expense

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Current tax:				
Malaysian income tax expense	(752)	(2,616)	(1,809)	(3,995)
RPGT	-	181	(187)	-
Deferred tax benefit	(150)	(89)	12	110
Zakat	-	241	-	261
	(902)	(2,283)	(1,984)	(3,624)

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.

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
For the year ended 31 December 2016

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 12 months ended	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Loss net of tax attributable to owners of the parent used in the computation of loss per share (RM'000)	(9,271)	23,418	(69,379)	(20,975)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Basic and diluted loss per share (sen)	(8.37)	21.15	(62.65)	(18.94)

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
For the year ended 31 December 2016

8. Property, plant and equipment

Acquisitions and disposals

During the twelve months ended 31 December 2016, the Group acquired assets at a cost of RM6.4 million (31 Dec 2015: RM19.1 million). Included in the total assets acquired is an amount for construction work-in-progress of RM3.4 million (31 Dec 2015: RM16.0 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 twelve months ended 31 December 2016, resulting in a gain on disposal of RM3.7 million (31 Dec 2015: loss of RM14 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 31 December 2016 (31 December 2015:RMNil).

10. Inventories

During the twelve months ended 31 December 2016, the Group recognised a write-down/off of inventories of RM15,002 (31 December 2015: RM469,709) and the cost was included in the statement of comprehensive income.

11. Cash and bank balances

Cash and cash equivalents comprised the following amounts

	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Cash at bank and in hand	30,786	24,171
Short Term Deposit	2,059	3,440
Cash and bank balances	<u>32,845</u>	<u>27,611</u>

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
For the year ended 31 December 2016

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
31 December 2016				
Available-for-sale financial assets				
- Equity instrument	1,268	1,145	-	123
Held for trading investments				
- Equity instrument	656	656	-	-
31 December 2015				
Available-for-sale financial assets				
- Equity instrument	1,317	1,211	-	106
Held for trading investments				
- 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.

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
For the year ended 31 December 2016

13. Share capital, share premium and treasury shares

There is no movement in share capital and share premium during the financial period ended 31 December 2016.

14. Interest bearing loans and borrowings

	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Short term borrowings		
Secured	17,947	20,792
Unsecured	29,488	22,746
	47,435	43,538
Long term borrowings		
Secured	97,491	109,376
Unsecured	29,000	36,000
	126,491	145,376
	173,926	188,914

15. Dividends

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

16. Commitments

	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Capital expenditure		
Approved and contracted for:		
Investment properties	16,811	22,737

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
For the year ended 31 December 2016

17. Contingent liabilities

There are no new material litigation against the Group since the last status report for the position as at 30 September 2016. As at the reporting date, the contingent liabilities stood at RM 2.8 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 31 December 2016 and 31 December 2015:

	2016	2015
	RM'000	RM'000
Services rendered by associates	6,421	4,696
Advances received from related entity	5,000	5,000
	<hr/>	<hr/>

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
for the year ended 31 December 2016 (unaudited)

19. Segment information

	Publishing, distribution and advertisements 31 Dec 2016 RM'000	Information technology and multimedia 31 Dec 2016 RM'000	Investment holding, management services and others 31 Dec 2016 RM'000	Total 31 Dec 2016 RM'000	Adjustments and eliminations 31 Dec 2016 RM'000	Per consolidated financial statements 31 Dec 2016 RM'000
Revenue:						
External customers	225,713	-	4,659	230,372	-	230,372
Inter-segment	7,951	-	462	8,413	(8,413)	-
Total revenue	233,664	-	5,121	238,785	(8,413)	230,372
Segment loss (Note A)	(63,565)	7,051	2,360	(54,154)	(13,241)	(67,395)
	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	242,547	-	6,318	248,865	-	248,865
Inter-segment	9,221	-	409	9,630	(9,630)	0
Total revenue	251,768	-	6,727	258,495	(9,630)	248,865
Segment loss (Note A)	8,175	(655)	48,017	55,537	(72,888)	(17,351)

Note A

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

	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Segment profit/(loss)	(54,154)	55,537
Share of profit of associates	(176)	1,272
Finance costs	(8,959)	(9,522)
Unallocated corporate expenses (inter-co transaction)	(4,106)	(64,638)
Loss before tax	(67,395)	(17,351)

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134
For the year ended 31 December 2016

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.

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to Bursa Malaysia Listing
Requirements: Chapter 9, Appendix 9B, Part A
For the year ended 31 December 2016

20. Performance review

The Group posted revenue of RM67.0 million for the current quarter as compared with RM67.9 million in the corresponding quarter ended 31 December 2015. Other income dropped significantly by RM47.9 million as a result of recognition of gain on disposal of investment amounted to RM50.6 in the 4th quarter 2015. The reduction in total costs by 16.0% has lessened the impact of the decline in other income. Accordingly, the Group registered a loss before tax (LBT) of RM8.4 million as compared with a profit before tax (PBT) of RM25.7 million for the corresponding quarter last year.

Similarly on a year-to-date basis, the Group registered lower revenue of RM230.4 million for the year ended 31 December 2016 as compared with RM248.9 million last year. This RM18.5 million reduction was attributable to the publishing and distribution segment. The reduction by RM52.4 million in other income was due to the same reason as mentioned above. A reduction of 6.8% in total costs has lessened the impact of reduction in revenue and other income. Hence, the Group registered a higher LBT of RM67.4 million as compared with LBT of RM17.4 million last year

21. Comparison with the immediate preceding quarter results

Revenue for the current quarter increased by RM9.4 million to RM67.0 million from RM57.6 million in the preceding quarter ended 30 September 2016 contributed mainly by higher distribution of books and print advertisement. Accordingly the Group recorded lower LBT of RM8.4 million as compared with LBT of RM17.2 million for the preceding quarter.

22. Comment on current year prospects

The Malaysian economy is expected to continue on a moderate growth path in 2017. Given the continuing challenges faced by print-based media company, the directors remain cautious with regard to the Group's performance in 2017.

We are actively seeking new businesses to support our core business activities. Whilst our core business remains in print media, we are promoting our Utusan Online portal and digital newspapers. In the e-learning segment, we have introduced Tutor Guru application which is a teaching tool for teachers. This application is intergrated with the existing Tutor.com.my offered by the Group. Continuous efforts are made to ensure our digital products garner higher traffics and subscriptions.

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to Bursa Malaysia Listing
Requirements: Chapter 9, Appendix 9B, Part A
For the year ended 31 December 2016

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 31 December 2016 (31 December 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 31 December 2016 or the corresponding quarter ended 31 December 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.

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to Bursa Malaysia Listing
Requirements: Chapter 9, Appendix 9B, Part A
For the year ended 31 December 2016

30. Supplementary information

Breakdown of retained profits into realised and unrealised

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	(29,840)	48,403
- Unrealised loss	(3,050)	(2,763)
	(32,890)	45,640
Total share of retained profits from associated companies		
- Realised	832	1,008
- Unrealised loss	-	-
	832	1,008
	(32,058)	46,648
Add: Consolidation adjustments	(26,515)	(35,380)
Total group retained (loss)/profit	(58,573)	11,268

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: 28 February 2017