

**Condensed consolidated interim financial statements  
for the three months period ended 31 March 2017 (unaudited)**
**Condensed Consolidated statement of comprehensive income**

	Note	Current quarter 3 months ended		Cumulative quarters 3 months ended	
		31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Revenue		41,510	47,734	41,510	47,734
Other income		1,685	2,246	1,685	2,246
Raw materials and consumables used		(12,564)	(18,082)	(12,564)	(18,082)
Vendors' commissions		(5,930)	(6,349)	(5,930)	(6,349)
Transportation costs		(2,584)	(3,601)	(2,584)	(3,601)
Employee benefits expense		(30,206)	(31,363)	(30,206)	(31,363)
Depreciation and amortisation		(4,941)	(5,182)	(4,941)	(5,182)
Other expenses		(7,778)	(9,228)	(7,778)	(9,228)
Finance costs		(2,191)	(2,167)	(2,191)	(2,167)
Total costs		(66,194)	(75,972)	(66,194)	(75,972)
<b>Operating loss</b>		(22,999)	(25,992)	(22,999)	(25,992)
Share of results of associates		-	(179)	-	(179)
<b>Loss before tax</b>	5	(22,999)	(26,171)	(22,999)	(26,171)
Income tax expense/zakat	6	158	(106)	158	(106)
<b>Loss from continuing operations</b>		(22,841)	(26,277)	(22,841)	(26,277)
<b>Discontinuing operation</b>					
Loss from discontinuing operation, net of tax		(1)	(1)	(1)	(1)
<b>Loss for the year, net of tax</b>		(22,842)	(26,278)	(22,842)	(26,278)
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Net gain on available-for-sale financial assets					
- Gain/(loss) on fair value changes		6	(32)	6	(32)
Foreign currency translation		-	8	-	8
<b>Net other comprehensive loss to be reclassified to profit or loss in subsequent periods</b>		6	(24)	6	(24)

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Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarters 3 months ended	
		31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
<b>Total comprehensive loss for the year</b>		(22,836)	(26,302)	(22,836)	(26,302)
<b>Loss attributable to:</b>					
Owners of the parent		(22,842)	(26,278)	(22,842)	(26,278)
<b>Total comprehensive loss attributable to:</b>					
Owners of the parent		(22,836)	(26,302)	(22,836)	(26,302)
<b>Loss per share attributable to owners of the parent (sen):</b>					
Basic, for loss for the year	7	(20.63)	(23.73)	(20.63)	(23.73)

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

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**Condensed Consolidated statement of financial position (unaudited)**

		<b>31 Mar 2017 RM'000</b>	<b>31 Dec 2016 RM'000</b>
	<b>Note</b>		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	224,095	228,444
Investment properties		52,233	50,705
Intangible assets	9	1,203	1,423
Investments in associates		862	862
Investment securities	12	1,151	1,145
Other investments	12	123	123
Deferred tax assets		361	222
Other receivables		2,013	1,928
Retirement benefit assets		3,811	3,777
		<u>285,852</u>	<u>288,629</u>
<b>Current assets</b>			
Inventories	10	19,327	15,380
Trade and other receivables		61,183	66,313
Tax recoverable		974	968
Investment securities	12	1,023	656
Cash and bank balances	11	18,768	32,859
		<u>101,275</u>	<u>116,176</u>
Assets classified as held for sale	13	895	896
<b>Total assets</b>		<u>388,022</u>	<u>405,701</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		(121)	(127)
(Accumulated losses)/retained earnings		(80,649)	(57,807)
<b>Total equity</b>		<u>80,667</u>	<u>103,503</u>

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

	Note	31 Mar 2017 RM'000	31 Dec 2016 RM'000
<b>Non-current liabilities</b>			
Loans and borrowings	14	111,380	119,994
Trade and other payables		20,000	20,000
Deferred tax liabilities		-	137
		131,380	140,131
<b>Current liabilities</b>			
Loans and borrowings	14	57,957	53,933
Trade and other payables		117,448	107,396
Taxation		453	537
		175,858	161,866
Liabilities classified as held for sale	13	117	201
<b>Total liabilities</b>		307,355	302,198
<b>Total equity and liabilities</b>		388,022	405,701

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

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Condensed consolidated statement of changes in equity

	[-----Attributable to owners of the parent-----]						Total equity RM'000
	I-----Non-distributable-----		Distributable		I-----Non-distributable		
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Other reserves RM'000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	
At 1 January 2016	110,734	50,703	11,268	(49)	(344)	295	172,656
Loss for the year	-	-	(26,278)	-	-	-	(26,278)
Comprehensive income	-	-	-	(24)	(32)	8	(24)
At 31 March 2016	110,734	50,703	(15,010)	(73)	(376)	303	146,354
At 1 January 2017	110,734	50,703	(57,807)	(127)	(410)	283	103,503
Loss for the year	-	-	(22,842)	-	-	-	(22,842)
Comprehensive income	-	-	-	6	6	-	6
At 31 March 2017	110,734	50,703	(80,649)	(121)	(404)	283	80,667

These condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory information 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

	3 months ended	
	31 Mar 2017	31 Mar 2016
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation		
From continuing operation	(22,999)	(26,171)
From discontinuing operation	(1)	(1)
	(23,000)	(26,172)
Adjustments for:		
Impairment loss on trade and other receivables	674	331
Reversal of impairment loss on trade and other receivables	(184)	(90)
Net fair value (gain)/loss on held for trading investment	(128)	103
Gain on disposal of held for trading investment	(110)	(15)
Provision for retirement benefits	15	21
Share of loss of associates	-	179
Interest income	(36)	(53)
Interest expenses	2,191	2,167
Depreciation of property, plant and equipment	4,530	4,871
Depreciation of on investment properties	190	84
Amortisation of intangible assets	221	227
Dividend income	-	(7)
Operating loss before working capital changes	(15,637)	(18,354)
Decrease in receivables	1,995	11,285
Increase in inventories	(3,947)	(2,362)
Increase in payables	11,916	(9,069)
Cash used in operations	(5,673)	(18,500)
Payment of retirement benefits	(49)	(49)
Interest paid	(2,140)	(1,889)
Net taxes paid	(42)	(201)
Net cash used in operating activities	(7,904)	(20,639)

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

	<b>3 months ended</b>	
	<b>31 Mar 2017</b>	<b>31 Mar 2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Interest received	36	53
Purchase of property, plant and equipment	(230)	(241)
Purchase of investment properties	(1,226)	-
Purchase of securities in held for trading investment	(398)	(246)
Proceeds from disposal of held for trading investment	269	446
Proceeds from disposal of other investment	-	15,000
Dividends received	-	7
Net cash used in investing activities	<u>(1,549)</u>	<u>15,019</u>
<b>Cash flows from financing activities</b>		
Repayment of short term borrowings	(1,512)	8,980
Payment of hire purchase payables	(3)	(8)
Repayment of long term borrowings	(3,399)	(8,693)
Placement of pledged fixed deposits	(301)	(91)
Net cash used in financing activities	<u>(5,215)</u>	<u>188</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(14,668)</b>	<b>(5,432)</b>
<b>Effects of foreign exchange rate changes</b>	<b>-</b>	<b>8</b>
<b>Cash and cash equivalents classified held for sale (Note 13)</b>	<b>(50)</b>	<b>-</b>
<b>Cash and cash equivalents at 1 January</b>	<b>30,812</b>	<b>26,085</b>
<b>Cash and cash equivalents at 31 March</b>	<b><u>16,094</u></b>	<b><u>20,661</u></b>

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

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**Explanatory notes pursuant to MFRS 134**  
**For the three-month period ended 31 March 2017**

## 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 March 2017, 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 2016. 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 2016.

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 2016.

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 107 Statement of Cash Flows: Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 12 Annual Improvements to MFRSs 2014 - 2016 Cycle	1 January 2017

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>Effective for annual periods beginning on or after</b>
<b>MFRS and Amendments to MFRSs</b>	
Annual Improvements to MFRSs 2014 - 2016 Cycle	
(i) Amendments to MFRS 1: First-time Adoption of Malaysia Financial Reporting Standard	1 January 2018
(ii) MFRS 128 Investments in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 2 Share-based Payment: Classification and Measurement	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
Amendments to MFRS 140 Investment Property: Transfer of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 3 months ended	
	31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Interest income	(36)	(53)	(36)	(53)
Interest expense	2,191	2,167	2,191	2,167
Net impairment loss on trade and other receivables	490	241	490	241
Net fair value loss/(gain) on held for trading investment securities	(128)	103	(128)	103
Depreciation of property, plant and equipment	4,530	4,871	4,530	4,871
Amortisation of intangible assets	221	227	221	227

## 6. Income tax expense

	Current quarter 3 months ended		Cumulative quarters 3 months ended	
	31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Current tax:				
Malaysian income tax expense	(118)	(350)	(118)	(350)
Deferred tax benefit	276	244	276	244
	158	(106)	158	(106)

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 benefit during the period principally due to unutilisation of unabsorbed tax losses and capital allowances.

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## 7. Loss Per Share

Basic loss per share amounts are calculated by dividing loss for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company.

Diluted loss per share amounts are calculated by dividing loss for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares.

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

	Current quarter 3 months ended		Cumulative quarters 3 months ended	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Loss attributable to owners of parent (RM'000):				
- from continuing operation	(22,841)	(26,277)	(22,841)	(26,277)
- from discontinuing operation	(1)	(1)	(1)	(1)
Total	(22,842)	(26,278)	(22,842)	(26,278)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Basic and diluted loss per share (sen)				
- from continuing operation	(20.63)	(23.73)	(20.63)	(23.73)
- from discontinuing operation	(0.00)	(0.00)	(0.00)	(0.00)
Total	(20.63)	(23.73)	(20.63)	(23.73)

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## **8. Property, plant and equipment/investmet properties**

Acquisitions and disposals

During the three months ended 31 March 2017, the Group acquired assets at a cost of RM1.9 million (31 March 2016: RM0.8 million). Included in the total assets acquired is an amount for construction work-in-progress of RM1.7 million (31 March 2016: RM0.7 million). This construction work-in-progress represents the expenditure incurred for the acquisition of investment properties which are under construction.

There were no assets disposed of by the Group during the three months ended 31 March 2017, accordingly no gain on disposal of assets recognised in other income in the statement of comprehensive income for the current period (31 March 2016: RMNil).

## **9. Intangible assets**

No goodwill was recognised in the intangible assets as at 31 March 2017 (31 March 2016:RMNil).

## **10. Inventories**

There was no inventories written down/off for the financial periods ended 31 March 2017 and 2016.

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

Cash and cash equivalentents comprised the following amounts

	<b>31 Mar 2017 RM'000</b>	<b>31 Mar 2016 RM'000</b>
Cash at bank and in hand	16,357	20,013
Short Term Deposit	2,411	4,270
Cash and bank balances	<b>18,768</b>	<b>24,283</b>

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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 March 2017</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	1,274	1,151	-	123
<b>Held for trading investments</b>				
- Equity instrument	1,023	1,023	-	-
<b>31 March 2016</b>				
<b>Available-for-sale financial assets</b>				
- Equity instrument	1,268	1,145	-	123
<b>Held for trading investments</b>				
- Equity instrument	656	656	-	-

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. Non-current asset classified as held for sale and disposal group

#### *Disposal group classified as held for sale*

The Group is in the midst of finalising the disposal of 60,000 ordinary shares which represent 60% of the total issued and paid-up capital in its wholly-owned subsidiary, Utusan Studios Sdn Bhd ('USS') (formerly known as Utusan Sight and Sound Sdn Bhd) .

Accordingly, USS has been classified under disposal group held for sale following the commitment of the Group to dispose the said shares.

The analysis of the results of the discontinuing operations is as follows:

	<b>31 Mar 2017 RM</b>	<b>31 Mar 2016 RM</b>
Revenue	-	-
Depreciation	(189)	(426)
Other operating expenses	(867)	(743)
Loss before tax from discontinuing operation	(1,056)	(1,169)
Taxation	-	-
<b>Loss after tax from discontinuing operation</b>	<b>(1,056)</b>	<b>(1,169)</b>

The losses from discontinuing operation of RM1,056 (2016: RM1,169) are attributable entirely to the Group.

Summarised cash flows of discontinuing operations as at 31 March 2017:

Net decrease in cash and bank balances	(1,425)
Cash and bank balances at beginning of year	51,499
<b>Cash and bank balances at end of period</b>	<b>50,074</b>

Effect of proposed disposal on the financial position of the Group as at 31 March 2017:

	RM
Property, plant and equipment	708
Inventories	844,000
Cash and bank balances	50,074
<b>Assets of disposal group classified as held for sale</b>	<b>894,782</b>
Trade and other payables	(116,818)
<b>Net liabilities of disposal group classified as held for sale</b>	<b>777,964</b>

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#### 14. Share capital, share premium and treasury shares

There is no movement in share capital and share premium during the financial period ended 31 March 2017.

#### 15. Interest bearing loans and borrowings

	31 Mar 2017 RM'000	31 Mar 2016 RM'000
<b>Short term borrowings</b>		
Secured	22,156	15,758
Unsecured	35,801	36,982
	<u>57,957</u>	<u>52,740</u>
<b>Long term borrowings</b>		
Secured	89,630	106,024
Unsecured	21,750	33,000
	<u>111,380</u>	<u>139,024</u>
	<u>169,337</u>	<u>191,764</u>

#### 16. Dividends

The directors did not pay any dividend in respect of the financial year ended 31 December 2016.

#### 17. Commitments

	31 Mar 2017 RM'000	31 Dec 2016 RM'000
Capital expenditure		
Approved and contracted for:		
Investment properties	15,069	16,811

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### **18. Contingent liabilities**

There are one new material litigation against the Group since the last status report for the position as at 31 December 2016, with nine ongoing defamation legal suits. As for the reporting period, the contingent liabilities stood at RM1.8 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.

### **19. 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 March 2017 and 31 March 2016:

	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Services rendered by associates	-	2,391
Advances received from related entity	-	-
	<hr/>	<hr/>



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## 20. Segment information

	Publishing, distribution and advertisements	Others	Total	Adjustments and eliminations	Per consolidated financial statements
	31 Mar 2017 RM'000	31 Mar 2017 RM'000	31 Mar 2017 RM'000	31 Mar 2017 RM'000	31 Mar 2017 RM'000
Revenue:					
External customers	41,327	183	41,510	-	41,510
Inter-segment	1,264	78	1,342	(1,342)	-
Total revenue	42,591	261	42,852	(1,342)	41,510
Segment loss (Note A)	(22,293)	(245)	(22,538)	(461)	(22,999)
	31 Mar 2016 RM'000	31 Mar 2016 RM'000	31 Mar 2016 RM'000	31 Mar 2016 RM'000	31 Mar 2016 RM'000
Revenue:					
External customers	47,258	476	47,734	-	47,734
Inter-segment	1,679	153	1,832	(1,832)	-
Total revenue	48,937	629	49,566	(1,832)	47,734
Segment loss (Note A)	(25,640)	(146)	(25,786)	(385)	(26,171)

### Note A

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

	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Segment losses	(22,538)	(25,786)
Share of profit of associates	-	(179)
Finance costs	(2,191)	(2,167)
Unallocated corporate expenses (inter-co transactions)	1,730	1,961
Loss before tax	(22,999)	(26,171)

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**20. 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) Others - investment holding, management services, property development and others.

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**Explanatory notes pursuant to Bursa Malaysia Listing**  
**Requirements: Chapter 9, Appendix 9B, Part A**  
**For the three months period ended 31 March 2017**

## **21. Performance review**

The Group registered lower revenue of RM41.5 million for the current quarter under review as compared with RM47.7 million for the same quarter last year. The RM6.2 million reduction was attributable to the advertising segment. A reduction by RM9.8 million in total costs has lessened the impact of reduction in revenue. Hence, the Group registered a lower loss before tax ('LBT') of RM22.8 million as compared with LBT of RM26.3 million for the corresponding period last year.

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

The Group posted lower revenue by RM22.5 million from RM64.0 million in the preceding quarter ended 31 December 2016 to RM41.5 million in the current quarter mainly due to a reduction in revenue from the publication, distribution and advertising segment. Total costs dropped by RM10.7 million as higher cost in raw materials, employee benefits expense and impairment losses were recorded in the fourth quarter of 2016. Accordingly the Group recorded a LBT of RM22.8 million as compared with LBT of RM7.7 million for the preceding quarter.

## **23. 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 companies, the directors remain cautious with regard to the Group's performance in 2017.

Whilst our core business remains in print media, we are actively seeking new businesses to support our core business activities. The property and information technology sectors are the new business segments that we have identified and currently exploring. Meanwhile, the supply of computer tablets under an award by the Ministry of Educations which were uploaded with our digital newspapers has seen an increase in our subscribers' base to above 120,000. After successful delivery of the computer tablets to all teachers in the states of Sarawak, Kuala Lumpur and Selangor, we expect to do the same for teachers in other states before the end of this year.

The development of our property in Jalan Chan Sow Lin, Kuala Lumpur through a joint venture with a third party, is expected to complete in the second quarter of this year. This will boost the Group's asset value.

The Group will continue with its cost rationalization strategies to mitigate the effect of declining revenue.

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



**Explanatory notes pursuant to Bursa Malaysia Listing**  
**Requirements: Chapter 9, Appendix 9B, Part A**  
**For the three months period ended 31 March 2017**

**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 March 2017 (31 March 2016: 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 March 2017 or the corresponding quarter ended 31 March 2016.

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

The auditors' report on the financial statements for the year ended 31 December 2016 was not qualified.

Utusan Melayu (Malaysia) Berhad  
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For the three months period ended 31 March 2017

### 31. Supplementary information

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

	As at 31/3/2017 RM'000	As at 31/3/2016 RM'000
Total retained (losses)/profits of the Company and its subsidiaries		
- Realised	(44,943)	21,853
- Unrealised loss	(3,355)	(2,519)
	<u>(48,298)</u>	<u>19,334</u>
Total share of retained profits from associated companies		
- Realised	793	829
- Unrealised loss	-	-
	<u>793</u>	<u>829</u>
	(47,505)	20,163
Add: Consolidation adjustments	(33,144)	(35,173)
Total group retained losses	<u>(80,649)</u>	<u>(15,010)</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

**Shuhaila Yaakob**  
Company Secretary  
Date: 30 May 2017