

7170-V

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Condensed consolidated interim financial statements
for the nine months period ended 30 September 2018 (unaudited)

Condensed Consolidated statement of comprehensive income

(a) Financial review for current quarter and financial year to date

	Individual Period (3rd quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	RM'000	%	Current Year Quarter	Preceding Year Corresponding Quarter	RM'000	%
	30/09/2018	30/09/2017			30/09/2018	30/09/2017		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	40,113	93,439	(53,326)	-57%	159,497	188,780	(29,283)	-16%
Operating (Loss)/Profit	(33,933)	31,544	(65,477)	>100%	(42,662)	(2,158)	(40,504)	>100%
(Loss)/Profit Before Interest and Tax	(31,988)	33,578	(65,566)	>100%	(36,954)	4,163	(41,117)	>100%
(Loss)/Profit Before Tax	(33,933)	31,460	(65,393)	>100%	(42,662)	(2,242)	(40,420)	>100%
(Loss)/Profit After Tax	(33,902)	31,449	(65,351)	>100%	(42,398)	(2,070)	(40,328)	>100%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(33,902)	31,449	(65,351)	>100%	(42,398)	(2,070)	(40,328)	>100%

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Condensed Consolidated statement of comprehensive income (contd.)

(b) Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate	Changes	
	30/09/2018	Preceding Quarter		
	RM'000	30/06/2018	RM'000	%
Revenue	40,113	63,872	(23,759)	-37%
Operating loss	(33,933)	(2,662)	(31,271)	>100%
Loss Before Interest and Tax	(31,988)	(838)	(31,150)	>100%
Loss Before Tax	(33,933)	(2,662)	(31,271)	>100%
Loss After Tax	(33,902)	(2,651)	(31,251)	>100%
Loss Attributable to Ordinary Equity Holders of the Parent	(33,902)	(2,651)	(31,251)	>100%

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 comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarters 9 months ended	
		30 Sept 2018 RM'000	30 Sept 2017 RM'000	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Revenue		40,113	93,439	159,497	188,780
Other income		1,048	5,545	23,299	9,407
Raw materials and consumables used		(9,730)	(12,409)	(31,972)	(37,015)
Vendors' commissions		(6,254)	(6,197)	(18,362)	(18,229)
Transportation costs		(1,754)	(2,585)	(5,984)	(7,220)
Employee benefits expense		(44,167)	(29,101)	(116,808)	(88,790)
Depreciation and amortisation		(4,308)	(4,851)	(13,828)	(14,689)
Other expenses		(6,936)	(10,179)	(32,796)	(28,081)
Finance costs		(1,945)	(2,118)	(5,708)	(6,321)
Total costs		(75,094)	(67,440)	(225,458)	(200,345)
Operating (loss)/profit		(33,933)	31,544	(42,662)	(2,158)
Share of results of associates		-	(84)	-	(84)
(Loss)/profit before tax	5	(33,933)	31,460	(42,662)	(2,242)
Income tax benefit/(expense)	6	31	(11)	264	172
(Loss)/profit for the year, net of tax		(33,902)	31,449	(42,398)	(2,070)
<u>Other comprehensive income</u>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Net gain on available-for-sale financial assets					
- Loss on fair value changes		(15)	22	(101)	(4)
- Transfer to profit or loss upon disposal		(95)	-	(95)	-
Foreign currency translation		7	4	32	10
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(103)	26	(164)	6

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Condensed Consolidated statement of comprehensive income (contd.)

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2018	2017	2018	2017
Note	RM'000	RM'000	RM'000	RM'000
<u>Other comprehensive income (contd.)</u>				
Total comprehensive (loss)/profit for the year	(34,005)	31,475	(42,562)	(2,064)
Loss attributable to:				
Owners of the parent	(33,902)	31,449	(42,398)	(2,070)
Total comprehensive loss attributable to:				
Owners of the parent	(34,005)	31,475	(42,562)	(2,070)
Loss per share attributable to owners of the parent (sen):				
Basic, for loss for the year	7	(30.62)	28.40	(38.29)
		(1.87)		

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Condensed consolidated interim financial statements
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Condensed Consolidated statement of financial position (unaudited)

		30 Sept	31 Dec
		2018	2017
	Note	RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	8	196,279	209,066
Investment properties		89,749	85,911
Intangible assets	9	378	691
Investments in associates		546	546
Investment securities	12	354	1,157
Other investments	12	75	75
Deferred tax assets		3,748	3,243
Other receivables		2,192	2,195
Retirement benefit assets		4,125	3,830
		<u>297,446</u>	<u>306,714</u>
Current assets			
Inventories	10	7,832	14,611
Trade and other receivables		53,063	83,825
Tax recoverable		497	549
Investment securities	12	168	464
Cash and bank balances	11	12,778	17,788
		<u>74,338</u>	<u>117,237</u>
Total assets		<u>371,784</u>	<u>423,951</u>
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital		161,437	161,437
Other reserves		(249)	(85)
Accumulated losses		(107,965)	(65,567)
Total equity		<u>53,223</u>	<u>95,785</u>

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**Condensed consolidated interim financial statements
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Condensed Consolidated statement of financial position (contd.)

		30 Sept 2018 RM'000	31 Dec 2017 RM'000
	Note		
Non-current liabilities			
Loans and borrowings	14	83,498	93,025
		<u>83,498</u>	<u>93,025</u>
Current liabilities			
Loans and borrowings	14	54,310	63,985
Trade and other payables		180,628	171,156
Taxation		125	-
		<u>235,063</u>	<u>235,141</u>
Total liabilities		<u>318,561</u>	<u>328,166</u>
Total equity and liabilities		<u>371,784</u>	<u>423,951</u>

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 interim financial statements
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Condensed consolidated statement of changes in equity

	[-----Attributable to owners of the parent-----]					
	I-----Non-distributable			Distributable		
	Share capital RM'000	Retained earnings RM'000	Other reserves RM'000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Total equity RM'000
At 1 January 2017	161,437	(57,807)	(127)	(410)	283	103,503
Loss for the year	-	(2,070)	-	-	-	(2,070)
Comprehensive loss	-	-	6	(4)	10	6
At 30 September 2017	161,437	(59,877)	(121)	(414)	293	101,439
At 1 January 2018	161,437	(65,567)	(85)	(398)	313	95,785
Loss for the year	-	(42,398)	-	-	-	(42,398)
Comprehensive loss	-	-	(164)	(196)	32	(164)
At 30 September 2018	161,437	(107,965)	(249)	(594)	345	53,223

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

	9 months ended	
	30 Sept 2018	30 Sept 2017
	RM'000	RM'000
Cash flows from operating activities		
Loss before taxation	(42,662)	(2,242)
Adjustments for:		
Impairment loss on trade and other receivables	3,895	2,020
Reversal of impairment loss on trade and other receivables	(577)	(756)
Net fair value loss on held for trading investment	94	50
Gain on disposal of held for trading investment	(74)	(258)
Gain on disposal of available for sale investment	(95)	-
Gain on disposal of a subsidiary	-	(2,841)
Provision for retirement benefits	32	44
Share of loss of associates	-	84
Interest income	(117)	(121)
Interest expenses	5,708	6,321
Depreciation of property, plant and equipment and investment properties	13,515	14,084
Amortisation of intangible assets	313	605
Inventories written off/down	187	-
Property, plant and equipment written off	-	16
Loss/(gain) on disposal of property, plant and equipment	122	(20)
Gain on disposal of investment properties	-	(31,541)
Impairment loss on property, plant and equipment	773	1,421
Dividend income	(12)	(12)
Operating loss before working capital changes	<u>(18,898)</u>	<u>(13,146)</u>
Decrease/(increase) in receivables	27,479	(6,008)
Decrease/(increase) in inventories	6,591	(2,704)
Increase in payables	8,543	28,119
Cash generated from operations	<u>23,715</u>	<u>6,261</u>
Payment of retirement benefits	(327)	(302)
Interest paid	(4,807)	(6,215)
Net taxes	(65)	(370)
Net cash generated from/(used in) operating activities	<u>18,516</u>	<u>(626)</u>

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**Condensed consolidated interim financial statements
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Condensed consolidated statement of cash flows (contd.)

	9 months ended	
	30 Sept 2018	30 Sept 2017
	RM'000	RM'000
Cash flows from investing activities		
Interest received	117	121
Purchase of property, plant and equipment	(1,176)	(291)
Purchase of investment properties	(143)	(1,229)
Proceeds from disposal of property, plant and equipment	437	21
Purchase of securities in held for trading investment	(2,000)	(499)
Proceeds from disposal of held for trading investment	2,275	749
Proceeds from disposal of available for sale investment	701	-
Disposal of subsidiary, net cash disposed	-	19
Dividends received	12	12
Net cash generated from/(used in) investing activities	223	(1,097)
Cash flows from financing activities		
Repayment of borrowings	(23,766)	(23,559)
Repayment of hire purchase payables	(14)	(3)
Placement of pledged fixed deposits	(24)	(324)
Net cash used in financing activities	(23,804)	(23,886)
Net decrease in cash and cash equivalents	(5,065)	(25,609)
Effects of foreign exchange rate changes	32	10
Cash and cash equivalents at 1 January	16,043	30,863
Cash and cash equivalents at 30 September	11,010	5,264

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 nine-month period ended 30 September 2018

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 financial year ended 31 December 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 2017. 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 2017.

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 2017.

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

MFRS and Amendments to MFRSs	Effective for annual periods beginning on or after
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 140 Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

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.

MFRS and Amendments to MFRSs	Effective for annual periods beginning on or after
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
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 except for the following:

On 18 January 2018 the Company had announced to Bursa Malaysia Securities Berhad that it had acquired two ordinary shares of RM1.00 each for a cash consideration of RM2.00 in Asian Environmental Engineering Sdn Bhd. Subsequent to the said acquisition, Asian Environmental Engineering Sdn Bhd became a wholly-owned subsidiary of the Company.

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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 9 months ended	
	30 Sept 2018 RM'000	30 Sept 2017 RM'000	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Interest income	(40)	(39)	(117)	(121)
Interest expense	1,945	2,118	5,708	6,321
Net impairment loss on trade and other receivables	1,091	180	3,318	1,264
Loss/(gain) on disposal of property, plant & equipment	110	(6)	122	(20)
Gain on disposal of investment property	-	(31,541)	-	(31,541)
Net fair value loss on held for trading investment securities	(41)	129	94	50
Depreciation of property, plant and equipment/investment properties	4,248	4,687	13,515	14,084
Amortisation of intangible assets	60	164	313	605

6. Income tax benefit/(expense)

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	30 Sept 2018 RM'000	30 Sept 2017 RM'000	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Current tax:				
Malaysian income tax expense	(134)	(62)	(241)	(223)
Deferred tax benefit	166	51	506	395
	31	(11)	264	172

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 profit/(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 profit/(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 9 months ended	
	30 Sept 2018	30 Sept 2017	30 Sept 2018	30 Sept 2017
(Loss)/profit attributable to owners of parent (RM'000):	(33,902)	31,449	(42,398)	(2,070)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Basic and diluted loss per share (sen)	(30.62)	28.40	(38.29)	(1.87)

8. Property, plant and equipment/investment properties

Acquisitions and disposals

During the nine months ended 30 September 2018, the Group acquired assets at a cost of RM5.9 million (30 September 2017: RM40.9 million). Included in the total assets acquired is an amount for construction work-in-progress of RM4.7 million (30 September 2017: RM1.3 million). This construction work-in-progress represents the expenditure incurred for the acquisition of investment properties which are under construction.

Assets with RM0.6 million carrying amount were disposed of by the Group during the nine months ended 30 September 2018, resulting in a loss on disposal of RM122,000 (30 September 2017: RM6.8 million), recognised and included in revenue in the statement of comprehensive income.

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9. Intangible assets

No goodwill was recognised in the intangible assets as at 30 September 2018 (30 September 2017: RMNil).

10. Inventories

During the nine months ended 30 September 2018, the Group recognised a write-down/off of inventories of RM187,241 (30 September 2017: RMNil) and the cost was included in the statement of comprehensive income.

11. Cash and bank balances

Cash and cash equivalents comprised the following amounts

	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Cash at bank and in hand	9,964	10,182
Short Term Deposit	2,814	2,434
Cash and bank balances	<u>12,778</u>	<u>12,616</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
30 September 2018				
Available-for-sale financial assets				
- Equity instrument	429	354	-	75
Held for trading investments				
- Equity instrument	168	168	-	-
30 September 2017				
Available-for-sale financial assets				
- Equity instrument	1,232	1,157	-	75
Held for trading investments				
- Equity instrument	464	464	-	-

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 year ended 30 September 2018.

14. Interest bearing loans and borrowings

	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Short term borrowings		
Secured	25,065	25,631
Unsecured	29,246	27,652
	<u>54,310</u>	<u>53,283</u>
Long term borrowings		
Secured	69,273	80,444
Unsecured	14,225	22,000
	<u>83,498</u>	<u>102,444</u>
	<u>137,808</u>	<u>155,727</u>

15. Dividends

The directors did not pay any dividend in respect of the financial year ended 31 December 2017.

16. Commitments

	30 Sept 2018 RM'000	31 Dec 2017 RM'000
Capital expenditure		
Approved and contracted for:		
Investment properties	10,491	15,069

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17. Contingent liabilities

There are two new material litigations against the Group for the quarter period starting 1 July 2018 to 30 September 2018 and as at 30 September 2018, nine ongoing defamation legal suits and two ongoing suits on breach of contract, the contingent liabilities stood at RM 20.31 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 September 2018 and 30 September 2017:

<u>Group</u>	2018 RM'000	2017 RM'000
Services rendered by associates	Nil	Nil
Advances received from related entity	Nil	Nil

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 اوتوسن ملايو مليسيا برحد
UTUSAN MELAYU (MALAYSIA) BERHAD (7170-V)

Explanatory notes pursuant to MFRS 134
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19. Segment information

	Publishing, distribution and advertisements	Others	Total	Adjustments and eliminations	Per consolidated financial statements
	30 Sept 2018 RM'000	30 Sept 2018 RM'000	30 Sept 2018 RM'000	30 Sept 2018 RM'000	30 Sept 2018 RM'000
Revenue:					
External customers	159,113	384	159,497	-	159,497
Inter-segment	3,256	238	3,494	(3,494)	-
Total revenue	<u>162,369</u>	<u>622</u>	<u>162,991</u>	<u>(3,494)</u>	<u>159,497</u>
Segment loss (Note A)	<u>(43,845)</u>	<u>(1,982)</u>	<u>(45,827)</u>	<u>3,165</u>	<u>(42,662)</u>
	30 Sept 2017 RM'000	30 Sept 2017 RM'000	30 Sept 2017 RM'000	30 Sept 2017 RM'000	30 Sept 2017 RM'000
Revenue:					
External customers	156,783	31,997	188,780	-	188,780
Inter-segment	4,698	335	5,033	(5,033)	-
Total revenue	<u>161,481</u>	<u>32,332</u>	<u>193,813</u>	<u>(5,033)</u>	<u>188,780</u>
Segment loss (Note A)	<u>(37,259)</u>	<u>30,450</u>	<u>(6,809)</u>	<u>4,567</u>	<u>(2,242)</u>

Note A

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

	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Segment losses	(45,827)	(6,809)
Share of losses of associates	-	(84)
Finance costs	(5,708)	(6,321)
Unallocated corporate expenses (inter-co transactions)	8,873	10,972
Loss before tax	<u>(42,662)</u>	<u>(2,242)</u>

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**Explanatory notes pursuant to MFRS 134
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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) 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 nine months period ended 30 September 2018 (unaudited)

20. Performance review

The Group posted lower revenue of RM40.1 million for the current quarter as compared with RM93.4 million in the corresponding quarter last year. This is as a result of lower revenue from distribution of Tutor Guru and also gain on disposal of land of RM31.5 million recognised in the same quarter 2017. Other income dropped by RM4.5 million due to recognition of gain on disposal of 60% interest in a subsidiary of RM2.8 million in the third quarter 2017. Hence, the Group registered a loss before tax (LBT) of RM33.9 million as compared with a profit before tax (PBT) of RM31.5 million for the corresponding quarter last year.

Similarly on a year-to-date basis, the Group registered lower revenue of RM159.5 million for the period ended 30 September 2018 as compared with RM188.8 million last year mainly due to recognition of gain on disposal of land of RM31.5 million last year. Total costs increased by 12.5%, mainly from employee benefits and other expenses. Accordingly the Group registered a higher LBT of RM42.7 million as compared with LBT of RM2.2 million last year.

21. Comparison with the immediate preceding quarter results

The Group posted lower revenue by RM23.8 million from RM63.9 million in the preceding quarter ended 30 June 2018 to RM40.1 million in the current quarter mainly attributed to the publishing, distribution and advertising segment. Accordingly the Group recorded higher LBT of RM33.9 million as compared with LBT of RM2.7 million for the preceding quarter.

22. Comment on current year prospects

The Malaysia economy is expected to grow at a moderate pace for this year at 4.8% after recording better-than expected growth last year at 5.9%. However, the Board remains cautious as to the Group's performance in 2018 given the continuing downward trend of print newspaper industry and increasing demand for online news. .

The Company has been classified as a Practice Note 17 (PN17) company on 20 August 2018 and in the midst of formulating a regularisation plan to address its PN17 status. The Company has also submitted the first proposal on Debt Restructuring Scheme to Corporate Debt Restructuring Committee on 26 October 2018.

Utusan Melayu (Malaysia) Berhad
(Incorporated in Malaysia)



Explanatory notes pursuant to Bursa Malaysia Listing
Requirements: Chapter 9, Appendix 9B, Part A
for the nine months period ended 30 September 2018 (unaudited)

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 except for the restructuring exercise submitted to Corporate Debt Restructuring Committee.

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 September 2018 (30 September 2017: 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 financial year ended 30 September 2018 or the corresponding financial year ended 30 September 2017.

29. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

BY ORDER OF THE BOARD

Wan Haslinda Wan Yusoff
Company Secretary
Date: 29 November 2018