

7170-V

Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)



Condensed consolidated interim financial statements  
for the period ended 31 March 2019 (unaudited)

Condensed Consolidated statement of comprehensive income

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

	Individual Period (1st quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	RM'000	%	Current Year Quarter	Preceding Year Corresponding Quarter	RM'000	%
	31/3/2019	31/3/2018			31/3/2019	31/3/2018		
	RM'000	RM'000			RM'000	RM'000		
Revenue	26,747	55,512	(28,765)	-52%	26,747	55,512	(28,765)	-52%
Operating Loss	(8,190)	(6,067)	(2,123)	>100%	(8,190)	(6,067)	(2,123)	>100%
Loss Before Interest and Tax	(6,096)	(4,128)	(1,968)	>100%	(6,096)	(4,128)	(1,968)	>100%
Loss Before Tax	(8,190)	(6,067)	(2,123)	>100%	(8,190)	(6,067)	(2,123)	>100%
Loss After Tax	(8,196)	(5,845)	(2,351)	>100%	(8,196)	(5,845)	(2,351)	>100%
Loss Profit Attributable to Ordinary Equity Holders of the Parent	(8,047)	(5,845)	(2,202)	>100%	(8,047)	(5,845)	(2,202)	>100%

7170-V

**Condensed consolidated interim financial statements  
for the period ended 31 March 2019 (unaudited)**

**Condensed Consolidated statement of comprehensive income (contd.)**

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

	<b>Current Quarter</b>	<b>Immediate</b>	<b>Changes</b>	
	<b>31/3/2019</b>	<b>Preceding Quarter</b>		
	<b>RM'000</b>	<b>31/12/2018</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue</b>	26,747	32,394	(5,647)	-17%
<b>Operating loss</b>	(8,190)	(136,600)	128,410	>100%
<b>Loss Before Interest and Tax</b>	(6,096)	(134,852)	128,756	>100%
<b>Loss Before Tax</b>	(8,190)	(136,991)	128,801	>100%
<b>Loss After Tax</b>	(8,196)	(141,694)	133,498	>100%
<b>Loss Attributable to Ordinary Equity Holders of the Parent</b>	(8,047)	(141,694)	133,647	>100%

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

**Condensed consolidated interim financial statements  
for the period ended 31 March 2019 (unaudited)**
**Condensed Consolidated statement of comprehensive income**

	Note	Current quarter 3 months ended		Cumulative quarters 3 months ended	
		31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Revenue		26,747	55,512	26,747	55,512
Other income		1,377	1,838	1,377	1,838
Raw materials and consumables used		(7,715)	(11,234)	(7,715)	(11,234)
Vendors' commissions		(4,630)	(5,912)	(4,630)	(5,912)
Transportation costs		(1,642)	(2,339)	(1,642)	(2,339)
Employee benefits expense		(13,541)	(29,461)	(13,541)	(29,461)
Depreciation and amortisation		(3,943)	(4,760)	(3,943)	(4,760)
Other expenses		(2,749)	(7,772)	(2,749)	(7,772)
Finance costs		(2,094)	(1,939)	(2,094)	(1,939)
Total costs		(36,314)	(63,417)	(36,314)	(63,417)
<b>Operating loss</b>		(8,190)	(6,067)	(8,190)	(6,067)
Share of results of associates		-	-	-	-
<b>Loss before tax</b>	5	(8,190)	(6,067)	(8,190)	(6,067)
Income tax benefit/(expense)	6	(6)	222	(6)	222
<b>Loss for the year, net of tax</b>		(8,196)	(5,845)	(8,196)	(5,845)
<b><u>Other comprehensive income</u></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		-	(58)	-	(58)
- Transfer to profit or loss upon disposal		-	-	-	-
Foreign currency translation		-	25	-	25
<b>Net other comprehensive profit/(loss) to be reclassified to profit or loss in subsequent periods</b>		-	(33)	-	(33)

**Condensed consolidated interim financial statements  
for the period ended 31 March 2019 (unaudited)**
**Condensed Consolidated statement of comprehensive income (contd.)**

	Current quarter		Cumulative quarters	
	3 months ended		3 months ended	
Note	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b><u>Other comprehensive income (contd.)</u></b>				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Net gain on equity instruments designated at fair value through other comprehensive income				
- Gain on fair value changes	26	-	26	-
<b>Net other comprehensive profit/(loss) not to be reclassified to profit or loss in subsequent periods</b>	<b>26</b>	<b>-</b>	<b>26</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>	<b>(8,170)</b>	<b>(5,878)</b>	<b>(8,170)</b>	<b>(5,878)</b>
<b>Loss attributable to:</b>				
Owners of the parent	(8,047)	(5,845)	(8,047)	(5,845)
Non controlling Interest	(149)	-	(149)	-
	<b>(8,196)</b>	<b>(5,845)</b>	<b>(8,196)</b>	<b>(5,845)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the parent	(8,021)	(5,878)	(8,021)	(5,878)
Non controlling Interest	(149)	-	(149)	-
	<b>(8,170)</b>	<b>(5,878)</b>	<b>(8,170)</b>	<b>(5,878)</b>
<b>Loss per share attributable to owners of the parent (sen):</b>				
Basic, for loss for the year	7	(7.27)	(5.28)	(7.27)
		<b>(7.27)</b>	<b>(5.28)</b>	<b>(7.27)</b>

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

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



**Condensed consolidated interim financial statements**  
**for the period ended 31 March 2019 (unaudited)**

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

		<b>31 March</b>	<b>31 Dec</b>
		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	2,665	2,913
Investment properties		17,454	17,454
Intangible assets	9	173	219
Investments in associates		155	155
Investment securities	12	419	394
Other investments	12	50	50
Other receivables		1,074	1,075
Retirement benefit assets		2,453	2,433
		<u>24,443</u>	<u>24,693</u>
<b>Current assets</b>			
Inventories	10	2,634	1,913
Trade and other receivables		19,196	18,467
Tax recoverable		386	395
Investment securities	12	99	121
Cash and bank balances	11	10,182	10,087
		<u>32,497</u>	<u>30,983</u>
Assets classified as held for sale		237,503	238,759
<b>Total assets</b>		<u>294,443</u>	<u>294,435</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		161,437	161,437
Other reserves		(175)	(201)
Accumulated losses		(257,732)	(249,685)
Equity attributable to owners of the parent		<u>(96,470)</u>	<u>(88,449)</u>
Non controlling interest		11	-
<b>Total equity</b>		<u>(96,459)</u>	<u>(88,449)</u>

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



**Condensed consolidated interim financial statements**  
**for the period ended 31 March 2019 (unaudited)**

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

		<b>31 March</b>	<b>31 Dec</b>
		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current liabilities</b>			
Loans and borrowings	14	143	150
		<u>143</u>	<u>150</u>
<b>Current liabilities</b>			
Loans and borrowings	14	138,580	138,215
Trade and other payables		250,336	238,246
Contract liabilities		1,786	6,185
Tax Payables		57	85
		<u>390,759</u>	<u>382,731</u>
Liabilities classified as held for sales		-	3
<b>Total liabilities</b>		<u>390,902</u>	<u>382,884</u>
<b>Total equity and liabilities</b>		<u>294,443</u>	<u>294,435</u>

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

Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)

Condensed consolidated interim financial statements  
for the period ended 31 March 2019 (unaudited)



Condensed consolidated statement of changes in equity

	[-----Attributable to owners of the parent-----]			[----- Non-distributable -----]			Non Controlling Interest RM'000	Total equity RM'000
	Non-distributable	Distributable		Fair value reserve of available for sale financial assets RM'000	Fair value reserve of financial assets at FVOCI RM'000	Foreign currency translation reserve RM'000		
	Share capital RM'000	Retained earnings RM'000	Other reserves RM'000					
At 1 January 2018	161,437	(65,567)	(85)	(398)	-	313	-	95,785
Loss for the year	-	(5,845)	-	-	-	-	-	(5,845)
Other comprehensive loss	-	-	(33)	(58)	-	25	-	(33)
At 31 March 2018	161,437	(71,412)	(118)	(456)	-	338	-	89,907
At 1 January 2019	161,437	(249,685)	(201)	-	(529)	328	-	(88,449)
Loss for the year	-	(8,047)	-	-	-	-	(149)	(8,196)
Other comprehensive loss	-	-	26	-	26	-	-	26
Acquisition of non controlling interest	-	-	-	-	-	-	160	160
At 31 March 2019	161,437	(257,732)	(175)	-	(503)	328	11	(96,459)

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

Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)



Condensed consolidated interim financial statements  
for the period ended 31 March 2019 (unaudited)

Condensed consolidated statement of cash flows

	3 months ended	
	31 March 2019 RM'000	31 March 2018 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(8,190)	(6,067)
Adjustments for:		
Allowance for expected credit losses on trade and other receivables	70	523
Reversal of allowance for expected credit losses on trade and other receivables	-	(192)
Fair value loss on equity instrument designated at fair value through profit or loss	22	34
Gain on disposal of a subsidiary	(6)	-
Provision for retirement benefits	(20)	11
Interest income	(50)	(40)
Interest expenses	2,094	1,939
Depreciation of property, plant and equipment and investment properties	3,897	4,633
Amortisation of intangible assets	46	127
Impairment loss on property, plant and equipment	(2,440)	12
Dividend income	-	(6)
Operating loss before working capital changes	(4,577)	974
Increase in receivables	(590)	(4,878)
Increase in inventories	(721)	(1,022)
Increase in payables	7,632	12,163
Cash generated from operations	1,744	7,237
Payment of retirement benefits	-	(65)
Interest paid	(2,094)	(1,939)
Net taxes	(24)	(64)
Net cash (used in)/generated from operating activities	(374)	5,169



Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)



**Condensed consolidated interim financial statements  
for the period ended 31 March 2019 (unaudited)**

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

	<b>3 months ended</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Interest received	50	40
Purchase of property, plant and equipment	(7)	(170)
Purchase of investment properties	-	(32)
Proceeds from disposal of property, plant and equipment	1	189
Purchase of securities in held for trading investment	-	(100)
Disposal of subsidiary, net cash disposed	6	-
Dividends received	-	6
Net cash generated from/(used in) investing activities	<u>50</u>	<u>(67)</u>
<b>Cash flows from financing activities</b>		
Drawdown/(repayment) of borrowings	425	(9,888)
Repayment of hire purchase payables	(6)	(5)
Placement of pledged fixed deposits	(1)	(1)
Net cash generated from/(used in) financing activities	<u>418</u>	<u>(9,894)</u>
<b>Net decrease in cash and cash equivalents</b>	94	(4,792)
<b>Effects of foreign exchange rate changes</b>	-	25
<b>Cash and cash equivalents at 1 January</b>	<u>8,278</u>	<u>16,043</u>
<b>Cash and cash equivalents at 31 March</b>	<u><u>8,372</u></u>	<u><u>11,276</u></u>

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

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



**Explanatory notes pursuant to MFRS 134**  
**For the 3-month period ended 31 March 2019**

## 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 2018, 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 2018. 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 2018.

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 2018.

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>
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
MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019

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 3-month period ended 31 March 2019**

## 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>
Amendments to MFRS 3 : Definition of a Business	1 January 2020
Amendments to MFRS 10 and MFRS 128: Definition of Material	1 January 2020
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:

### Acquisition of subsidiary:

On 5 March 2019, the Company had acquired 240,000 shares of RM1 each for a cash consideration of RM240,000 in Media House Entertainment Sdn Bhd ("MHE"), which represent 60% of the issued and paid up share capital of MHE. The principal activity of MHE is that of providing media entertainment business and services. Subsequent to the said acquisition, MHE became subsidiary of the Company. On 23 April 2019, MHE had incorporated a wholly-owned subsidiary, namely MHE Pictures Sdn Bhd ("MHE Pictures"), which comprising 2 ordinary shares of RM1 each. The principal activities of MHE Pictures are production house and media, motion picture, video and television programme production activities and to operate and manage a news syndicate and news agency activities furnishing news, pictures and features to the media.

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



**Explanatory notes pursuant to MFRS 134**  
**For the 3-month period ended 31 March 2019**

#### 4. Changes in composition of the Group (contd.)

Disposal of subsidiary:

On 20 March 2019, the Company had entered into a Share Sale Agreement ('the Agreement') with two individuals for the disposal of 1,000,000 ordinary shares of RM1.00 each which represent 100% of the total issued and paid-up capital in its wholly-owned subsidiary, Asian Environmental Engineering Sdn. Bhd. for a consideration of RM3,000 upon such terms and subject to the conditions of the Agreement. The Agreement was fully completed on the same date.

Disposal of subsidiary:

On 25 March 2019, the Company had entered into a Share Sale Agreement ('the Agreement') with DBMM Jaya Sdn Bhd for the disposal of 2 ordinary shares of RM1.00 each which represent 100% of the total issued and paid-up capital in its wholly-owned subsidiary, Litegreen Technology Sdn Bhd (formerly known as Utusan Technology Asia Sdn Bhd) for a consideration of RM5,000 upon such terms and subject to the conditions of the Agreement. The Agreement was fully completed on the same date.

Upon completion of the disposal of Asia Environmental Engineering Sdn Bhd and Utusan Technology Asia Sdn Bhd, both ceased to be a subsidiary.

The disposal had the following effects on the financial position of the Group as at 31 March 2019.

	RM'000
Property, plant & equipment	-
Inventories	-
Cash & bank balances	2
Trade and other payables	(2)
Total net liabilities	<u>0</u>
Total disposal proceed	8
Net liabilities disposed	<u>0</u>
Gain on disposal to the Group	<u>8</u>
Cash inflow arising from the disposal:	
Cash consideration	8
Cash and cash equivalent of subsidiary disposed	<u>(2)</u>
Net cash inflow on disposal	<u>6</u>

Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134  
For the 3-month period ended 31 March 2019

## 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 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Interest income	(50)	(40)	(50)	(40)
Interest expense	2,094	1,939	2,094	1,939
Net allowance for expected credit losses on trade and other receivables	70	331	70	331
Fair value loss on equity instrument designated at fair value through profit or loss	22	34	22	34
Impairment loss on property, plant and equipment	(2,440)	12	(2,440)	12
Depreciation of property, plant and equipment/investment properties	3,897	4,633	3,897	4,633
Amortisation of intangible assets	46	127	46	127

## 6. Income tax benefit/(expense)

	Current quarter 3 months ended		Cumulative quarters 3 months ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Current tax:				
Malaysian income tax expense	(6)	(55)	(6)	(55)
Deferred tax benefit	-	277	-	277
	(6)	222	(6)	222

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.

Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134  
For the 3-month period ended 31 March 2019

## 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 3 months ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Loss attributable to owners of parent (RM'000):	(8,047)	(5,845)	(8,047)	(5,845)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Basic and diluted loss per share (sen)	(7.27)	(5.28)	(7.27)	(5.28)

## 8. Property, plant and equipment/investment properties

### Acquisitions and disposals

During the three months ended 31 March 2019, the Group acquired assets at a cost of RM6 thousand (31 March 2018: RM3.5 million). Included in the total assets acquired is an amount for construction work-in-progress of RMNil (31 March 2018: RM3.3 million). This construction work-in-progress represents the expenditure incurred for the acquisition of investment properties which are under construction.

Assets with RMNil carrying amount were disposed of by the Group during the three months ended 31 March 2018, resulting in a gain on disposal of RM1 thousand (31 March 2017: RMNil), recognised and included in revenue in the statement of comprehensive income.

Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134  
For the 3-month period ended 31 March 2019

#### 9. Intangible assets

No goodwill was recognised in the intangible assets as at 31 March 2019 (31 March 2018: RMNil).

#### 10. Inventories

There was no inventories written down/off for the financial periods ended 31 March 2019 and 31 March 2018.

#### 11. Cash and bank balances

Cash and cash equivalents comprised the following amounts

	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
Cash at bank and in hand	8,029	9,900
Short Term Deposit	2,153	3,122
Cash and bank balances	<u>10,182</u>	<u>13,022</u>

Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134  
For the 3-month period ended 31 March 2019

## 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 2019</b>				
<b>Equity instruments designated at fair value through other comprehensive income</b>				
- Equity instrument	397	397	-	-
<b>Equity instruments designated at fair value through profit or loss</b>				
- Equity instrument	172	122	-	50
<b>31 March 2018</b>				
<b>Equity instruments designated at fair value through other comprehensive income</b>				
- Equity instrument	1,099	1,099	-	-
<b>Equity instruments designated at fair value through profit or loss</b>				
- Equity instrument	605	530	-	75

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 3-month period ended 31 March 2019

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

There is no movement in share capital and share premium during the financial year ended 31 March 2019.

### 14. Interest bearing loans and borrowings

	31 March 2019 RM'000	31 March 2018 RM'000
<b>Short term borrowings</b>		
Secured	95,555	24,460
Unsecured	43,025	35,347
	<u>138,580</u>	<u>59,807</u>
<b>Long term borrowings</b>		
Secured	143	75,954
Unsecured	-	14,633
	<u>143</u>	<u>90,587</u>
	<u>138,723</u>	<u>150,394</u>

### 15. Dividends

The directors did not pay any dividend in respect of the financial year ended 31 December 2018.

### 16. Commitments

	31 March 2019 RM'000	31 March 2018 RM'000
Capital expenditure		
Approved and contracted for:		
Investment properties	9,087	11,791

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



**Explanatory notes pursuant to MFRS 134**  
**For the 3-month period ended 31 March 2019**

### 17. Contingent liabilities

There are no new material litigations against the Group for the quarter period starting 1 Jan 2019 to 31 March 2019 and as at 31 March 2019, there are three (3) ongoing defamation legal suits and two (2) ongoing suits on breach of contract, the contingent liabilities stood at RM1.22 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 March 2019 and 31 March 2018:

<b><u>Group</u></b>	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>
Services rendered by associates	Nil	Nil
Advances received from related entity	Nil	Nil

### 19. Segment information

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.

Utusan Melayu (Malaysia) Berhad  
(Incorporated in Malaysia)



Explanatory notes pursuant to MFRS 134  
for the period ended 31 March 2019 (unaudited)

19. Segment information (contd.)

	Publishing, distribution and advertisements 31 March 2019 RM'000	Others 31 March 2019 RM'000	Total 31 March 2019 RM'000	Adjustments and eliminations 31 March 2019 RM'000	Per consolidated financial statements 31 March 2019 RM'000
Revenue:					
External customers	26,769	(22)	26,747	-	26,747
Inter-segment	630	406	1,036	(1,036)	-
Total revenue	<u>27,399</u>	<u>384</u>	<u>27,783</u>	<u>(1,036)</u>	<u>26,747</u>
Segment loss (Note A)	<u>(7,902)</u>	<u>(290)</u>	<u>(8,192)</u>	<u>2</u>	<u>(8,190)</u>
	<b>31 March 2018 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2018 RM'000</b>
Revenue:					
External customers	55,444	68	55,512	-	55,512
Inter-segment	1,013	169	1,182	(1,182)	-
Total revenue	<u>56,457</u>	<u>237</u>	<u>56,694</u>	<u>(1,182)</u>	<u>55,512</u>
Segment loss (Note A)	<u>(5,661)</u>	<u>(507)</u>	<u>(6,168)</u>	<u>101</u>	<u>(6,067)</u>

**Note A**

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

	31 March 2019 RM'000	31 March 2018 RM'000
Segment losses	<u>(8,192)</u>	<u>(6,168)</u>
Share of losses of associates	-	-
Finance costs	(2,094)	(1,939)
Unallocated corporate expenses (inter-co transactions)	2,096	2,040
Loss before tax	<u>(8,190)</u>	<u>(6,067)</u>

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



**Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A for the period ended 31 March 2019 (unaudited)**

## **20. Performance review**

The Group posted lower revenue of RM26.75 million for the current quarter as compared with RM55.51 million in the corresponding quarter last year. The decrease was attributed to the reduction in publishing, distribution and advertising by RM28.76 million. The significant decrease in total cost in the current quarter mainly due to lower employee benefits expenses by RM15.92 million. The Group registered a loss before tax (LBT) of RM8.19 million as compared with a loss before tax (LBT) of RM5.85 million for the corresponding quarter last year.

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

The Group posted lower revenue by RM5.65 million from RM32.39 million in the preceding quarter ended 31 December 2018 to RM26.75 million in the current quarter mainly attributed to the publishing, distribution and advertising segment. Total cost also higher due to provision of employee voluntary separation scheme and impairment on plant and machinery and receivables in preceding quarter. Accordingly the Group recorded higher LBT of RM141.69 million as compared with LBT of RM8.19 million for the preceding quarter.

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

The year 2019 will continue to challenge the Company's internal and external strengths. The perseverance, commitment and determination of each employee to go through this trying period with the management will be a strong basis for the Company to continue its operations. In addition to the continuous support from advertising agencies, government-linked companies and ministries on Utusan's new commitment and contents, the Company is confident that this will allow the Company to progress further and in accordance with the Company's restructuring plan.

Efforts to generate higher revenue will continue to be the main agenda. The Company will continue to monitor its operational costs especially managing its short term cashflow so that the business is managed in the most cost-efficient manner.

## **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.

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



**Explanatory notes pursuant to Bursa Malaysia Listing**  
**Requirements: Chapter 9, Appendix 9B, Part A**  
**for the period ended 31 March 2019 (unaudited)**

## **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 March 2019 (31 March 2018: 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 31 March 2019 or the corresponding financial year ended 31 March 2018.

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

The auditors' report on the financial statements for the year ended 31 December 2018 has included an emphasis of matter paragraph to draw attention to the material uncertainty related to going concern.

### **BY ORDER OF THE BOARD**

**Tharwah Kassim**  
Company Secretary  
Date: 27 May 2019