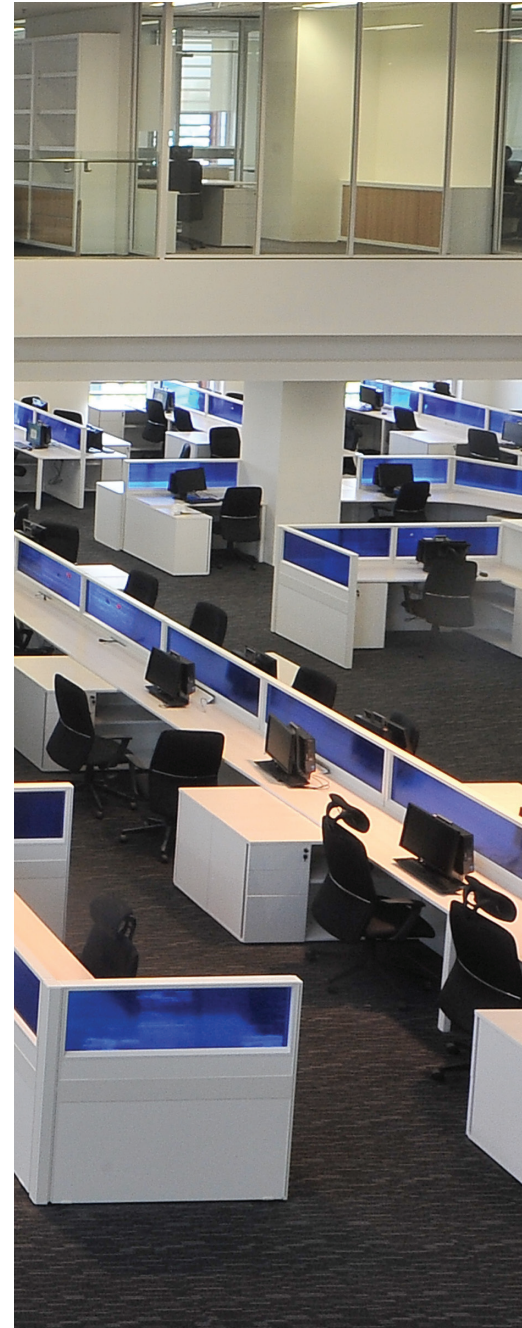


ANNUAL REPORT 2013





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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Sixth Annual General Meeting of Utusan Melayu (Malaysia) Berhad will be held at Dewan Besar, Level 1, Bangunan Korporat Utusan Melayu (Malaysia) Berhad, No. 44, Jalan Utusan Off Jalan Chan Sow Lin, 55200 Kuala Lumpur on Thursday, 5 June 2014 at 9.30 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon.
(See Note 2)
2. To re-elect the following Directors who retire in accordance with Article 97 of the Company's Articles of Association, and being eligible have offered themselves for re-election:
 - i) Datuk Seri Ismail Yusof
(Ordinary Resolution 1)
 - ii) Dato' Dr. Norraesah Mohamad
(Ordinary Resolution 2)
3. To re-elect the following Director who retires in accordance with Article 103 of the Company's Articles of Association, and being eligible has offered himself for re-election:
 - i) Encik Mohd Yusof Abu Othman
(Ordinary Resolution 3)
4. To re-appoint the following Director who retires in accordance with Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting:
 - i) Tan Sri Haji Husein Ahmad
(Special Resolution 1)
5. To approve the payment of Directors' fees for the financial year ended 31 December 2013.
(Ordinary Resolution 4)
6. To re-appoint Messrs. Ernst & Young as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting, at a remuneration to be determined by the Directors.
(Ordinary Resolution 5)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following Resolutions:

ORDINARY RESOLUTIONS

7. Authority Under Section 132D of the Companies Act, 1965 For Directors to Issue Shares
'THAT pursuant to Section 132D of the Companies Act, 1965, the Board of Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue.'
(Ordinary Resolution 6)



| Notice Of Annual General Meeting

8. Retention of Independent Non-Executive Directors

THAT the following Directors be retained as Independent Non-Executive Directors, in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting:

i) Tan Sri Haji Husein Ahmad

(Ordinary Resolution 7)

ii) YB Senator Dato' Dr. Firdaus Haji Abdullah

(Ordinary Resolution 8)

9. To transact any other ordinary business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 46th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 57(e) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 28 May 2014. Only a depositor whose name appears on the Record of Depositors as at 28 May 2014 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

SHIRAD ANUAR
(LS 0009472)
Company Secretary

Kuala Lumpur
15 May 2014



| Notice Of Annual General Meeting

GENERAL NOTES:

1. Appointment of Proxy

- i) A member of the Company entitled to attend and vote at this meeting may appoint a proxy (or in a case of a corporation to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- ii) A member of the Company shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or, if the appointor is a corporation, either under the common seal or under the hand of an officer on behalf of the corporation or attorney.
- iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one omnibus account, the exempt authorised nominee may appoint multiple proxies for each omnibus account it holds.
- v) To be valid the proxy form duly completed must be deposited at the Registrar's Office, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

2. Audited Financial Statements for the Financial Year Ended 31 December 2013

This Agenda is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

3. Statement Accompanying Notice of Annual General Meeting of the Company

Additional information required under Appendix 8A of the Listing Requirements of the Bursa Malaysia Securities Berhad is set out in the Statement Accompanying Notice of Annual General Meeting of the Company.

EXPLANATORY NOTES:

1. Ordinary Resolution 6 – Authority under Section 132D of the Companies Act, 1965 for Directors to Issue Shares

The proposed Ordinary Resolution 6 is for the purpose of granting a renewal General Mandate ('General Mandate'), if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting ('AGM') of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Forty-Fifth Annual General Meeting held on 12 June 2013 and which will lapse at the conclusion of the Forty-Sixth Annual General Meeting.



| Notice Of Annual General Meeting

2. Ordinary Resolution 7 & 8 - Retention of Independent Non-Executive Directors

i. Tan Sri Haji Husein Ahmad

Tan Sri Haji Husein Ahmad was appointed as an Independent Non-Executive Director on 16 August 1993. Subsequently, Tan Sri Haji Husein Ahmad was appointed as the Senior Independent Non-Executive Director. Tan Sri Haji Husein Ahmad has served the Company for more than ten (10) years as at the date of the Notice of AGM. However, Tan Sri Haji Husein Ahmad has fulfilled the criteria under the definition of an Independent Director as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Tan Sri Haji Husein Ahmad to be Independent and recommends Tan Sri Haji Husein Ahmad to remain as the Senior Independent Non-Executive Director.

ii. YB Senator Dato' Dr. Firdaus Haji Abdullah

YB Senator Dato' Dr. Firdaus Haji Abdullah was appointed as an Independent Non-Executive Director on 1 August 2001. YB Senator Dato' Dr. Firdaus Haji Abdullah has served the Company for more than ten (10) years as at the date of the Notice of AGM. However, YB Senator Dato' Dr. Firdaus Haji Abdullah has fulfilled the criteria under the definition of an Independent Director as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers YB Senator Dato' Dr. Firdaus Haji Abdullah to be Independent and recommends YB Senator Dato' Dr. Firdaus Haji Abdullah to remain as an Independent Non-Executive Director.



| Statement Accompanying Notice Of Annual General Meeting Of The Company

DIRECTORS who are standing for re-election at the Forty-Sixth Annual General Meeting of the Company are:

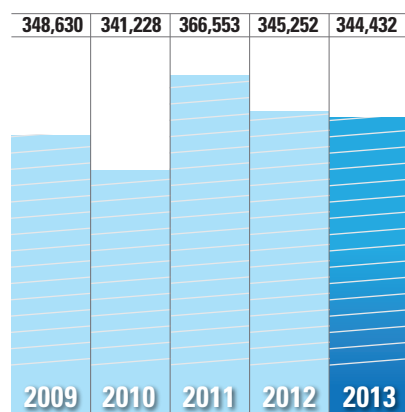
- i) Datuk Seri Ismail Yusof
- ii) Dato' Dr. Norraesah Mohamad
- iii) Encik Mohd Yusof Abu Othman
- iv) Tan Sri Haji Husein Ahmad

The details of the four (4) Directors standing for re-election are set out in their respective profiles which appear in the Profile of the Board of Directors on pages 11 to 14 of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings which appear on page 163 of this Annual Report.

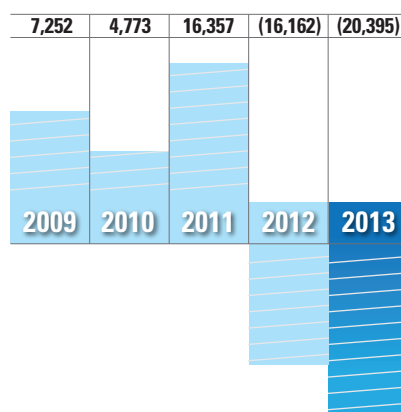


Five-Year Group Financial Highlights

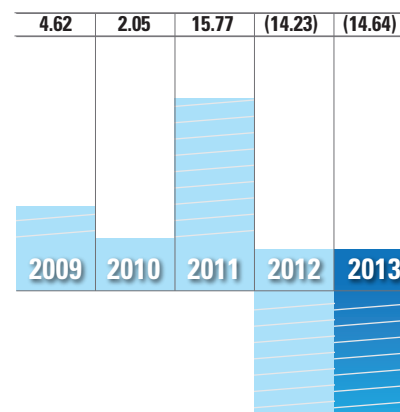
GROUP REVENUE RM'000



GROUP PROFIT/(LOSS) BEFORE TAX RM'000



BASIC EARNINGS PER SHARE SEN



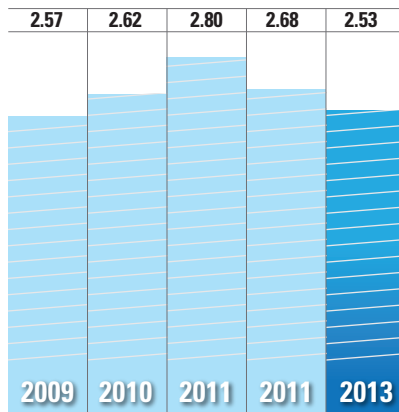
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RM'000	YEAR ENDED 31 DECEMBER				
	2013	2012	2011	2010	2009
Group Revenue	342,432	345,252	366,553	341,228	348,630
Group (Loss)/Profit Before Tax	(20,395)	(16,162)	16,357	4,773	7,252
Income Tax	4,231	444	1,367	(2,506)	(2,091)
Zakat	(50)	(36)	(261)	-	(40)
Group (Loss)/Profit For The Year	(16,213)	(15,754)	17,462	2,267	5,121
Attributable to:					
Owners Of The Parent	(16,213)	(15,754)	17,462	2,267	5,121
Earnings Per Share Attributable To Owners Of The Parent (sen):					
Basic, For (Loss)/Profit For The Year	(14.64)	(14.23)	15.77	2.05	4.62
Diluted, For (Loss)/Profit For The Year	(14.64)	(14.23)	15.77	2.05	4.62
Gross Dividend Per Share (sen)	-	-	-	-	-

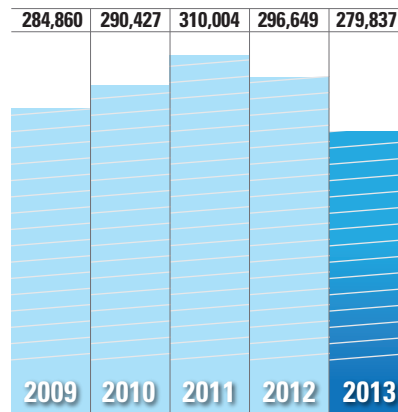


Five-Year Group Financial Highlights

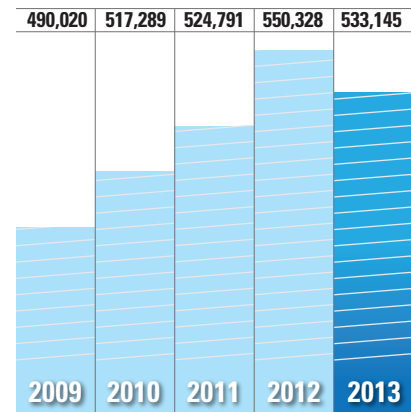
NET TANGIBLE ASSET PER SHARE RM



EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000



TOTAL ASSETS RM'000



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RM'000	AS AT 31 DECEMBER				
	2013	2012	2011	2010	2009
Share Capital	110,734	110,734	110,734	110,734	110,734
Reserves	169,103	185,915	199,800	179,693	174,126
Equity Attributable To Owners Of The Parent	279,837	296,649	310,534	290,427	284,860
Total Equity	279,837	296,649	310,534	290,427	284,860
Non-Current Liabilities	101,349	104,886	99,149	101,430	123,594
Current Liabilities	151,959	148,793	115,109	125,432	81,566
Total Liabilities	253,308	253,679	214,747	226,862	205,160
TOTAL EQUITY AND LIABILITIES	533,145	550,328	524,791	517,289	490,020
Non-Current Assets	358,724	350,825	325,246	300,230	288,023
Current Assets	174,420	199,503	199,545	217,059	201,997
TOTAL ASSETS	533,145	550,328	524,791	517,289	490,020
Net Tangible Asset Per Share (RM)	2.53	2.68	2.80	2.62	2.57



اوتوسن ملايو مليسيا برحد

UTUSAN MELAYU (MALAYSIA) BERHAD (7170-V)

ISNIN 17.02.14 17 RABIUL AKHIR 1435

www.utusan.com.my

Utusan Malaysia

BIL. 41 TAHUN KE-49 PP362/12/2012 (031409) ■ RM1.50 SEMENANJUNG ■ RM2.00 SABAH/SARAWAK

PEMANGKIN FIKIRAN RAKYAT

Zaid umum tanding PRK DUN Kajang »6

Pejabat JHEAINS diserang, kenderaan dirosakkan »12

Lebih 13 juta ahli nikmati hasil penda

Dividen K

- Lebih 13 juta ahli Kumpulan Wang Simpanan Pekerja (KWSP) akan menikmati dividen 6.35 peratus hasil daripada pendapatan pelaburan kasar KWSP yang mencatat rekod tertinggi RM35 bilion.
- Bayaran dividen 2013 adalah yang paling tinggi pernah diagihkan KWSP iaitu sebanyak RM31.20 bilion meningkat 13.66 peratus berbanding RM27.45 bilion pada 2012.
- Ekuiti muncul sebagai penyumbang terbesar kepada pendapatan pelaburan kasar KWSP tahun lalu yang menjana RM19.52 bilion pendapatan.

● Prestasi KWSP adalah konsisten dan stabil terutama sejak lima tahun lalu hasil daripada strategi pelaburan yang berhemah dan mantap.

● LEH 1,000 pes...

● CERIA D...

● PELU...

SHILA AMZAH BERTANDING LAGI »8 PANCAINDERA

NABILA HUDA SEDANG DIDUGA »27 PANCAINDERA

CETUSAN HATI NURANI RAKYAT

www.utusan.com.my

Mingguan Malaysia

AHAD 23.02.14 23 RABIUL AKHIR 1435 ■ BIL. 8 TAHUN KE-51 PP363/01/2013 (031693) ■ RM 2.00

PENERIMA I-BRIM YANG BARU DIPERKENALKAN

Wakil penerima Insurans Takaful Berkelompok Malaysia Di (BRIM), (dari kiri) Malathi A/p Poonnamy, Chiu Soo Fong dan Rosidah Abu Samah Malaysia (BRIM & I-BRIM) Peringkat Nasional 2014 di Kuala Lumpur, semalam. ■ MINGGULAN MALAYSIA

SUASANA hiba menyelubungi ahli-ahli keluarga mangsa lemas pada hari kedua operasi mencari lima lagi pelajar yang hilang di Sungai Muar, Buloh Kasap, Segamat, Johor, semalam. ■ MINGGULAN MALAYSIA

5 lagi mayat ditemui selepas azan dilaung

LIMA lagi mayat remaja yang hilang di Sungai Muar, Buloh Kasap, Segamat keimaran ditemui sejurus selepas diadakan solat hajat dan azan Zuhur dilaungkan. Kesemua mangsa ditemui dalam masa satu jam dengan mayat pertama, Mohd. Nazreen Zainal, 14, ditemui pukul 1.45 petang diikuti mayat Mohd. Shafiq Md. Shukor, 16, Mohd. Zaki Zaidi, 16, dan Mohd. Izzan Hakim Amin, 13, manakala mayat terakhir, Mohd. Hafizuddin Kamal, 16, ditemui pukul 2.46 petang. Mayat Mohd. Hafizul Daniel Norhisham, 16, Mohd. Zikri Zaidi, 14, dan Mohd. Nazrul Aminuddin Zamri, 16, ditemui semalam.

BERITA DI MUKA 4

Pancaindera



| Board Of Directors





Profile Of The Board Of Directors

TAN SRI MOHAMED HASHIM AHMAD MAKARUDDIN

(Executive Chairman, 64 years of age – Malaysian)

NON-INDEPENDENT Executive Director. He was appointed to the Board and assumed the position of the Executive Chairman of Utusan Melayu (Malaysia) Berhad with effect from 1 January 2004. Graduated with a Bachelor of Humanities (Mass Communications), University of Science, Malaysia and a Certificate in Journalism, Wellington Polytechnic, New Zealand. Formerly the Editor-in-Chief of the Malaysian National News Agency (BERNAMA) and has held various positions in the government sector such as the Adviser to the National Economic Action Council Communication Team, Press Secretary to the Minister of Finance and Press Secretary and later Special Assistant to the then Prime Minister of Malaysia, YABhg. Tun Dr. Mahathir Mohamad. Was an Adjunct Professor at the School of Media and Communication Studies, Faculty of Social Sciences and Humanities, National University of Malaysia (2009 – 2011). Holds directorship in subsidiaries companies within Kumpulan Utusan namely Utusan Media Sales Sdn Bhd, Utusan Karya Sdn Bhd and Utusan Publications & Distributors Sdn Bhd. Does not have any other directorships of public companies.



DATUK MOHD NASIR ALI

(Group Executive Director, 55 years of age – Malaysian)

NON-INDEPENDENT Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 2 October 2000. A member of the Investment Committee. Holds a Bachelor of Economics (Honours) from the University of Malaya and Masters of Science (Finance) from the University of Strathclyde, United Kingdom. Holds directorship in subsidiaries and associate companies within Kumpulan Utusan namely Utusan Media Sales Sdn Bhd, Utusan Karya Sdn Bhd, Utusan Publications & Distributors Sdn Bhd and Swan Malaysia Sdn Bhd. He is also a board member of The Nomad Group Bhd, a company listed on Bursa Malaysia.



DATUK ABDUL AZIZ ISHAK

(Group Editor-in-Chief, 49 years of age – Malaysian)

NON-INDEPENDENT Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 23 November 2009. Has been the Group Editor-in-Chief of Utusan Melayu (Malaysia) Berhad since 1 December 2008. Joined Utusan Melayu (Malaysia) Berhad on 1 April 1984 and served in various capacities prior to his present post. Holds a Degree in Strategic and Security Studies, National University of Malaysia and attended a Journalism Fellowship Programme in Securities Studies co-organised by the University of New York and East West Centre in Hawaii. Holds directorship in subsidiaries of Kumpulan Utusan namely Utusan Media Sales Sdn Bhd and Utusan Karya Sdn Bhd. Does not have any other directorships of public companies.



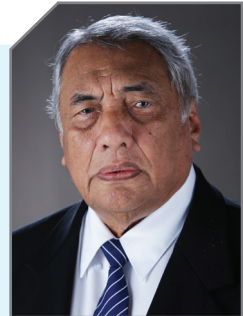


Profile Of The Board Of Directors

TAN SRI HAJI HUSEIN AHMAD

(79 years of age – Malaysian)

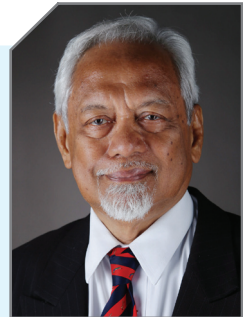
SENIOR Independent Non-Executive Director. Appointed to the Board of Utusan Melayu (Malaysia) Berhad on 16 August 1993. Chairman of the Nomination Committee and Remuneration Committee of the Board. He started his career as a teacher in 1951. Was appointed as Chairman of Syarikat Kenderaan Melayu Kelantan in 1975. He served as the Deputy Chief Minister of Kelantan between 1978 to 1982. He was appointed as a Senator in 1985 prior to his appointment as the Deputy Minister of Housing and Rural Development in 1988. He was appointed as the Head of Information, UMNO in 1982 to 1990. He served as the Chairman of Lembaga Pertanian Kemubu Negeri Kelantan (KADA) from 1992 to 2005. Current directorship of public companies includes Astral Asia Berhad.



YB SENATOR DATO' DR. FIRDAUS HAJI ABDULLAH

(70 years of age – Malaysian)

INDEPENDENT Non-Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 1 August 2001. Member of the Nomination Committee. Graduated with a B.A. in Political Science and Journalism, Northern Illinois University, M.A. in International Affairs and Communication, Ohio University and Ph.D. in Comparative Politics, Columbia University, New York, United States of America. Formerly was the Director-General of Dewan Bahasa & Pustaka and the Deputy Vice Chancellor (Student Affairs), University of Malaya and Dean, Faculty of Economics and Administration, University of Malaya. Does not have any other directorships of public companies.



DATUK SERI ISMAIL YUSOF

(69 years of age – Malaysian)

NON-INDEPENDENT Non-Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 15 January 2004. A member of the Audit and Remuneration Committees of the Board. Graduated with a Bachelor of Arts (Honours), University of Malaya. Held several posts in the government sector from 1967 to 1991. Currently a member of the Board of Trustees and is the Executive Vice-Chairman of the Albukhary Foundation. Current directorships of public companies include South Malaysia Industries Berhad, MINHO (M) Berhad and BCB Berhad.





Profile Of The Board Of Directors

DATUK TENGKU SARIFUDDIN TENGKU AHMAD

(51 years of age – Malaysian)

INDEPENDENT Non-Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 23 November 2009. A member of the Audit and Nomination Committees of the Board. Holds a Diploma in Mass Communications from University Technology MARA and attended the Fellowship Programme at the University of Seoul, Korea. Formerly was a journalist at the New Straits Times Press (M) Berhad from 1987 till 1997. Served in the government services as the Press Secretary to the Prime Minister of Malaysia from 1997 till now. He is also the Media Director of the Prime Minister's Office. Does not have any other directorships of public companies.



DATO' DR. NORRAESAH MOHAMAD

(66 years of age - Malaysian)

INDEPENDENT Non-Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 1 March 2012. Chairman of the Audit Committee and Investment Committee. Graduated with a Bachelor of Arts (Honours) in Economics from University of Malaya in 1972. Obtained Masters in International Economics Relations from International Institute of Public Administration, France and Masters in International Economics and Finance from University of Paris I, Pantheon-Sorbonne, France in 1982. Earned PhD (Economic Science) International Economics and International Finance from University of Paris I, Pantheon-Sorbonne, France in 1986. Held several posts in the government sector from 1972 to September 1988. Joined Esso Productions Malaysia Inc. as Communications Manager from October 1988 to 1990. Assumed the position of Managing Director with a consulting firm that provides financial and advisory services from 1990 to 1991 prior to appointment as Chief Representative of Credit Lyonnais Bank, Malaysia up to 1998. Formerly Chairman of Bank Kerjasama Rakyat Malaysia from 2000 to 2003. She is the Executive Chairman of My E.G. Services Berhad, Executive Director of Malaysian Genomics Resource Centre Berhad and also holds directorship in Adventa Berhad. Currently, she is a member of the Board of Trustee of the World Islamic Economic Forum Foundation ('WIEF'), Chairman of the WIEF Businesswomen Network and serves as a member of the WIEF International Advisory Panel.





Profile Of The Board Of Directors

ENCIK MOHD YUSOF ABU OTHMAN

(62 years of age - Malaysian)

INDEPENDENT Non-Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 16 January 2014. Graduated with a Bachelor of Arts (Honours) in Economics from University of Malaya in 1972. A member of the Audit Committee of the Board. Began his career in Malaysia in 1981 as a Project Accountant with Pernas-Sime Darby Holdings Sdn Bhd. Held several posts in numerous companies in various sectors from 1982 to 2001 including as Group Financial Controller in Kumpulan Perangsang Selangor Bhd, Chief Executive Officer in Malaysian Kuwaiti Investment Co Sdn Bhd, Percetakan Mas Sdn Bhd, SB Development Sdn Bhd, Tabung Amanah Saham Selangor Bhd and Tiarasetia Sdn Bhd and as Vice President - Revenue Development in MIDF Sisma Securities Sdn Bhd. He became the first Chief Executive Officer of Malaysia's Minority Shareholder Watchdog Group from 2001 to 2004 and has also served as a Chief Operations Officer in MK Land Holdings Berhad from 2008 to 2010. He is currently the Chairman of Medical Flexible Packaging Sdn Bhd and also an Independent Consultant offering professional services in Corporate Start-ups and Change Management. Does not have any other directorships of public companies.



ENCIK SHIRAD ANUAR

Company Secretary





| Other Information Of Directors

i) Family Relationship

None of the Directors have any family relationship with each other and/or major shareholders of the Company.

ii) Conflict of Interest

None of the Directors have any personal interest in any business arrangement with the Company.

iii) List of Convictions for Offences

None of the Directors have been convicted of any offences (other than traffic offences) within the past ten (10) years.

iv) Attendance of Directors at Board Meetings

There were six (6) Board Meetings held during the financial year ended 31 December 2013. Details of attendance of the Directors at Board Meetings are as follows:

DIRECTOR	ATTENDANCE
Tan Sri Mohamed Hashim Ahmad Makaruddin	6/6
Datuk Mohd Nasir Ali	6/6
Datuk Abdul Aziz Ishak	6/6
Tan Sri Haji Husein Ahmad	6/6
YB Senator Dato' Dr. Firdaus Haji Abdullah	5/6
Datuk Seri Ismail Yusof	5/6
Datuk Tengku Sariffuddin Tengku Ahmad	6/6
Dato' Dr. Norraesah Mohamad	4/6
Dato' Ab Halim Mohyiddin <i>(Resigned w.e.f 28 May 2013)</i>	3/3

v) Securities Holdings in the Company and its Subsidiaries

The Directors' shareholdings, etc are disclosed on page 163 of this Annual Report.



Corporate Information

BOARD OF DIRECTORS

TAN SRI MOHAMED HASHIM AHMAD MAKARUDDIN
Executive Chairman

DATUK MOHD NASIR ALI
Group Executive Director

DATUK ABDUL AZIZ ISHAK
Group Editor-in-Chief

TAN SRI HAJI HUSEIN AHMAD
Senior Independent Non-Executive Director

YB SENATOR DATO' DR. FIRDAUS HAJI ABDULLAH
Independent Non-Executive Director

DATUK SERI ISMAIL YUSOF
Non-Independent Non-Executive Director

DATUK TENGKU SARIFFUDDIN TENGKU AHMAD
Independent Non-Executive Director

DATO' DR. NORRAESAH MOHAMAD
Independent Non-Executive Director

DATO' AB HALIM MOHYIDDIN
Independent Non-Executive Director
(Resigned w.e.f 28 May 2013)

ENCIK MOHD YUSOF ABU OTHMAN
Independent Non-Executive Director
(Appointed w.e.f 16 January 2014)

AUDIT COMMITTEE

DATO' DR. NORRAESAH MOHAMAD
Chairman (Appointed w.e.f 28 May 2013)

DATUK SERI ISMAIL YUSOF

DATUK TENGKU SARIFFUDDIN TENGKU AHMAD

ENCIK MOHD YUSOF ABU OTHMAN
(Appointed w.e.f 14 February 2014)

DATO' AB HALIM MOHYIDDIN
(Resigned w.e.f 28 May 2013)

REMUNERATION COMMITTEE

TAN SRI HAJI HUSEIN AHMAD
Chairman (Appointed w.e.f 28 May 2013)

DATUK SERI ISMAIL YUSOF

DATO' AB HALIM MOHYIDDIN
(Resigned w.e.f 28 May 2013)

NOMINATION COMMITTEE

TAN SRI HAJI HUSEIN AHMAD
Chairman

DATUK TENGKU SARIFFUDDIN TENGKU AHMAD
YB SENATOR DATO' DR. FIRDAUS HAJI ABDULLAH

INVESTMENT COMMITTEE

DATO' DR. NORRAESAH MOHAMAD
Chairman

DATUK MOHD NASIR ALI

PUAN W. NOR ASMAH W. ISMAIL

ENCIK AHMAD RAZIF MOHAMED

DATO' AB HALIM MOHYIDDIN

(Resigned w.e.f 28 May 2013)

COMPANY SECRETARY

ENCIK SHIRAD ANUAR

REGISTERED OFFICE

No. 44, Jalan Utusan
Off Jalan Chan Sow Lin
55200 Kuala Lumpur
Tel : 03-92322600
Fax : 03-92224131
Website : www.utusangroup.com.my

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur
Tel : 03-22643883
Fax : 03-22821886

AUDITORS

Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad
Bank Muamalat Malaysia Berhad
Affin Islamic Bank Berhad

STOCK EXCHANGE LISTING

Main Board of the Bursa Malaysia Securities Berhad
16 August 1994



Management And Heads Of Department



1. Tan Sri Mohamed Hashim Ahmad Makaruddin
EXECUTIVE CHAIRMAN
2. Datuk Mohd Nasir Ali
GROUP EXECUTIVE DIRECTOR
3. Datuk Abdul Aziz Ishak
GROUP EDITOR-IN-CHIEF
4. Datuk Othman Mohamad
DEPUTY GROUP EDITOR-IN-CHIEF
5. W. Nor Asmah W. Ismail
CHIEF FINANCIAL OFFICER
6. Shirad Anuar
SENIOR MANAGER, LEGAL/COMPANY SECRETARY
7. Mohd Nazlan Osman
GENERAL MANAGER, HUMAN RESOURCE
8. Ahmad Khairumuzamil Abd Rahman
GENERAL MANAGER, PRODUCTION
9. Hasmadi Hassan
GENERAL MANAGER, MARKETING/ CIRCULATION
10. Jamal Ahmed Ali Ahmad
CHIEF EXECUTIVE OFFICER, UMES
11. Abdul Kadir Mansuri
GENERAL MANAGER, PROPERTY, PROCUREMENT AND ADMINISTRATION
12. Ahmad Razif Mohamed
SENIOR MANAGER, CORPORATE SERVICES AND RISK MANAGEMENT
13. Abdul Halim Johar @ Mazahar
SENIOR MANAGER, INFORMATION TECHNOLOGY
14. Faridah Hashim
SENIOR MANAGER, INTERNAL AUDIT & GROUP COMPLIANCE
15. Syed Agil Syed Jaafar
MANAGER, EDITORIAL DEPARTMENT
16. Nur Shafina Redzuan
SENIOR MANAGER, CORPORATE COMMUNICATIONS
17. Noridzan Kamal
SENIOR MANAGER, INFORMATION CENTRE
18. Abdul Kadir Bachok
PHOTO EDITOR
19. Abdul Rashid Abdul Aziz
HEAD, GRAPHIC UNIT



| Statement Of Directors' Responsibility

In Relation to the Financial Statements

THIS statement is prepared as required by the Listing Requirements of the Bursa Malaysia Securities Berhad.

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

The directors consider that in preparing the financial statements:

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.



Audit Committee Report

1. MEMBERSHIP

The Audit Committee comprises three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as follows:

DATO' DR. NORRAESAH MOHAMAD – CHAIRMAN

Independent Non-Executive Director

DATUK SERI ISMAIL YUSOF

Non-Independent Non-Executive Director

DATUK TENGKU SARIFFUDDIN TENGKU AHMAD

Independent Non-Executive Director

DATO' AB HALIM MOHYIDDIN

Independent Non-Executive Director

(Resigned w.e.f 28 May 2013)

ENCIK MOHD YUSOF ABU OTHMAN

Independent Non-Executive Director

(Appointed w.e.f 14 February 2014)

2. MEETINGS AND ATTENDANCE

A total of five (5) meetings were held during the financial year ended 31 December 2013. The details of attendance of each Committee member are as follows:

MEMBERS	ATTENDANCE
Dato' Dr. Norraesah Mohamad <i>(Appointed w.e.f 28 May 2013)</i>	3/3
Datuk Seri Ismail Yusof	4/5
Datuk Tengku Sariffuddin Tengku Ahmad	5/5
Dato' Ab Halim Mohyiddin <i>(Resigned w.e.f 28 May 2013)</i>	3/3

3. COMPOSITION AND TERMS OF REFERENCE

3.1 Composition

The members of the Committee shall be appointed by the Board of Directors of Utusan Melayu (Malaysia) Berhad from amongst its directors which fulfills the following requirements:

- The Committee shall comprise not less than three (3) members, all of whom shall be non-executive directors. The majority of the Committee members shall be Independent Directors.
- At least one (1) member of the Committee:
 - must be a member of the MIA; or
 - if he is not a member of the MIA, he must have at least three (3) years working experience; and
 - he must have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967.
 - fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- The members shall elect a Chairman from amongst them whom shall be an independent director.



| Audit Committee Report

3.2 Procedure Of Meetings

- a. Meetings shall be held not less than four (4) times a year.
- b. A quorum shall be at least two (2) members and the majority present must be independent directors.
- c. The Chief Financial Officer and the head of Group Internal Audit shall normally attend the meetings to assist in deliberation and resolution of matters raised.
- d. At least twice (2) a year, the Committee shall meet with the external auditors without the presence of Management.
- e. The Company Secretary shall be appointed as the Secretary of the Committee.

3.3 Rights

The Committee is authorised by the Board of Directors to have the following rights:

- a. authority to investigate any activity within its terms of reference and the resources to do so.
- b. have full and unrestricted access to any information and documents pertaining to the Group.
- c. have direct communication channels with the external and internal auditors.
- d. obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as it considers necessary.
- e. convene meetings with the external and the internal auditors without the attendance of Management whenever deemed necessary.

3.4 Responsibilities and Duties

The following is a summary of the main responsibilities and duties of the Committee and the same would be reviewed and reported to the Board:

- a. External Audit
 - to discuss the audit plan and scope whilst evaluating the Group's system of risk management and internal controls with the external auditors.
 - to review the audit reports and to discuss any issues arising from the statutory audits.
 - to assess the performance of the external auditors and make recommendations to the Board on their appointment and removal.
- b. Financial Reporting
 - to ensure that the financial report presents a true and fair view of the Group's financial position and performance in compliance with regulatory requirements.
 - to review the quarterly results and year-end financial statements, before submission to the Board, focusing particularly on:
 - changes in or implementation of new accounting policies and practices;
 - significant or material adjustments with financial impact arising from the audit;
 - significant unusual events or exceptional activities; and
 - compliance with approved accounting standards and other legal and regulatory requirements.
- c. Internal Audit
 - to review and approve the Group Internal Audit ('GIA') Charter.
 - to review the adequacy of the scope, functions, competency and resources of the GIA, and that it has the necessary authority to carry out its work.
 - to review the internal audit plan and results of the internal audit process to ensure that appropriate and adequate remedial actions are taken by the management on significant lapses in controls and procedures that are identified.
 - to approve the appointment, replacement and dismissal of the head of the GIA.
- d. Related Party Transactions
 - to review any related party transactions and conflict of interests situation that may arise within the Company or Group and any other major transactions outside the normal course of business of the Company and Group.
- e. Other Matters
 - to consider such other matters as the Committee considers appropriate or as authorised by the Board.



| Audit Committee Report

4. SUMMARY OF ACTIVITIES OF THE COMMITTEE

The following activities were performed by the Audit Committee during the financial year ended 31 December 2013:

4.1 External Audit

- a. Reviewed with the external auditors :
 - their audit plan, strategy and scope of the statutory audits of the Group accounts for the year; and
 - the result and issues arising from their audit of the year-end financial statements and their resolutions of such issues highlighted in their report to the Committee.
- b. Reviewed the performance and independence of the external auditors and made recommendations to the Board on their re-appointment and remuneration.

4.2 Internal Audit

- a. Reviewed with the Group Internal Audit ('GIA') the annual audit plan to ensure the scope and coverage over the activities of the Group is adequate and comprehensive and to ensure the principal risk areas are adequately identified and covered in the plan.
- b. Reviewed the effectiveness of the audit process and resource requirements for the year.
- c. Reviewed the GIA reports which were tabled during the year, the audit recommendations made and Management's response to these recommendations. Where appropriate, the Committee has directed Management to rectify and improve control procedures and workflow processes based on the internal auditors' recommendations and suggestions for improvement.
- d. Monitored the corrective actions taken on the outstanding audit issues to ensure that all the key risks and control lapses have been addressed.

4.3 Financial Reporting

- a. Reviewed the quarterly results and the audited financial statements of the Group with the Chief Financial Officer and the external auditors before recommending to the Board for its approval and its announcement. Any significant issues resulting from the audit of the financial statements by the external auditors were noted and deliberated by the Committee; and
- b. The Committee, upon conclusion of each meeting, recommended to the Management of the Group to improve on the internal controls, procedures and system of the Group where deemed appropriate.

5. INTERNAL AUDIT FUNCTION

The in-house Group Internal Audit ('GIA') provides independent and objective assessment on the adequacy, integrity and effectiveness of the system of internal controls, risk management and governance processes throughout the Group. The purpose, authority and responsibility of the GIA are reflected in the GIA's Charter. The GIA reports directly to the Audit Committee.

The GIA adopts a risk-based audit approach in formulating the Annual Audit Plan. The GIA also maintains a flexible audit approach and a dynamic audit plan that appropriately addresses current issues and risks as well as potential risk exposures over key business processes within the Group. All high risk activities in each auditable unit are audited annually.

During the year, the GIA has carried out audits on the Group's operating units based on the Annual Audit Plan which had been approved by the Audit Committee as well as special ad-hoc and investigative reviews. The GIA also conducted information systems audits on the financial and key computer systems as well as network infrastructure to ensure that the computing resources are adequately secured and the data integrity and confidentiality are intact. In performing such reviews, recommendations for improvement and enhancements to the existing system of internal controls and work processes are made. The resulting reports of audits undertaken were presented to the Audit Committee and forwarded to the Management's concerned for their attention and necessary corrective actions. The Management is responsible for ensuring that corrective actions on reported weaknesses as recommended are taken within the required time frame.



| Audit Committee Report

The GIA continuously monitors the implementation of audit recommendations through periodic follow up reviews and works closely with the external auditors to resolve any control issues and assists in ensuring that appropriate Management actions are taken. The GIA works collaboratively with the Corporate Services and Risk Management Department to review and assess the risk management processes throughout the Group in respect of their adequacy and effectiveness.

The Audit Committee reviews and approves the GIA's human resource requirements to ensure that the function is adequately resourced with competent internal auditors. The total operational costs of the GIA in 2013 are as follows:

	RM
Salaries & staff welfare costs	920,198
Other expenses	11,549
Total	931,747



Statement Of Risk Management And Internal Control

BOARD'S RESPONSIBILITIES

The Board of Directors ('Board') acknowledges its overall responsibility for the Group's risk management and system of internal control and for reviewing its adequacy and integrity in order to safeguard the Group's assets and shareholders' investments.

The risk management and system of internal control comprises risk management, financial, operational and compliance controls. Such a system is designed to manage rather than eliminate the risk of failure to achieve the business objectives of the Group. It can therefore only provide reasonable and not absolute assurance against material misstatement or loss.

THE FRAMEWORK OF THE GROUP'S INTERNAL CONTROL SYSTEM

- The Board oversees the conduct of the Group's business and review the adequacy and integrity of the risk management and internal control system and compliance to applicable law and regulations. The Audit Committee ('AC') and the Board also review the operational and financial performance of the Group at Audit Committee and Board meetings.
- The Group Executive Director provides the Board with quarterly financial information. These include amongst others, the monitoring of results against budget with major variances being followed up and management action taken, where necessary. Business plan and budget are reviewed and approved by the Board on an annual basis. These processes are also practiced at each subsidiary level.
- The AC on behalf of the Board regularly reviews the effectiveness of the risk management and internal control system reported by the Group Internal Audit Department ('GIAD') and the external auditors. The AC also reviews the adequacy of scope, functions and resources of GIAD.
- The Risk Management Committee comprising Executive Directors and key management personnel from the relevant business and support functions is entrusted with the responsibility of assisting the Board in overseeing the risk management practices throughout the Group. The Committee reviews and recommends overall risk management policies and processes and monitors significant risks through review of risks profile and its mitigation plans.
- Policies and procedures of key business processes are documented in the Operating Manuals and implemented throughout the Group. These policies and procedures are subject to regular reviews, updates and continuous improvements.
- The Company's printing and distribution operations are ISO 9001 certified. The Corporate Services and Risk Management Department ('CSRMD') facilitates the process of routine internal quality audits and performs ongoing monitoring to ensure the operational processes are in accordance with the ISO 9001 Quality Systems.
- Clear limits of authority are imposed in respect of day-to-day operations which sets the limit for operating and capital expenditure for each level of Management within the Group.
- Senior Management Committee meetings and Head of Subsidiary meetings, both chaired by the Executive Chairman are conducted on a regular basis to monitor business performance and to discuss other significant issues.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department which is independent of the activities or operations of the Group. GIAD conducts independent risk-based audits based on an approved Internal Audit Plan to ensure that the system of internal controls is effective and operating satisfactorily. GIAD reports directly to AC where significant findings and recommendations for improvement are highlighted on quarterly basis. GIAD's practices and conduct are governed by the Internal Audit Charter.



| Statement Of Risk Management And Internal Control

RISK MANAGEMENT FRAMEWORK

The Board recognises that one of the key elements of a sound risk management and internal control is the management of risks associated with the Group's business. The Group has developed a risk management framework to identify the key risks facing the Group, the potential impact and likelihood of those risks occurring, the control effectiveness and the action plans being taken to manage the risks to the desired level.

CSRMD has been entrusted to assist the Board in managing the risks within the Group. The CSRMD reports directly to the Group Executive Director and its major roles pertaining to risk management are to:

- be a central platform, whereby risks throughout the Group can be viewed on an enterprise-wide basis;
- standardise the risk measurement methodology in order to enable comparability;
- act as a central resource for evaluating risks to assist management, business and operating units;
- recommend means to control or minimise risks; and
- facilitate each department and subsidiary within the Group in the process of identifying, evaluating, managing and monitoring risks.

The Risk Management Committee conducts review of the status of risk management for the Group on a periodical basis.

The Board approved the Group's Risk Management Policy. The policy outlines the role of the Board, the management and the staff of the Group pertaining to risk management.

Based on the risk management and internal control system stated above, we, Tan Sri Mohamed Hashim Ahmad Makaruddin and Datuk Mohd Nasir Ali being two of the Directors of Utusan Melayu (Malaysia) Berhad ('UMMB') and W. Nor Asmah W. Ismail, being the officer primarily responsible for the financial management of UMMB do hereby assure that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

Statement made in accordance with the resolution of the Board of Directors dated 30 April 2014.



| Statement On Corporate Governance

INTRODUCTION

The Board of Directors ('the Board') of Utusan Melayu (Malaysia) Berhad ('Utusan') recognises the importance of adopting high standards of corporate governance in order to protect shareholders' interest and to enhance shareholders' value. In this context, the Board strives to ensure that the Company adheres and complies with the principles and best practices of the Malaysian Code on Corporate Governance 2012 ('MCCG 2012').

The Board is pleased to present below, a statement on the application of the principles and best practices as set out in the MCCG 2012.

1. THE BOARD OF DIRECTORS

1.1 Board Composition and Balance

The Board consists of nine (9) members comprising:
Three (3) Executive Directors (including Chairman)
Four (4) Independent Non-Executive Directors
One (1) Senior Independent Non-Executive Director
One (1) Non-Independent Non-Executive Director

The Board has a balanced composition of Executive and Non-Executive Directors (including Non-Independent Directors). The Independent Directors have the necessary skill and experience to bring independent views and judgment to facilitate the decision making process during the Board meetings so that no individual or group of individuals dominates the Boards' decision. The Independent Non-Executive Directors make up 66.6% of the Board membership.

Although the Chairman of the Board holds an executive position, the Board is of the opinion that the independence and the balance of power between the Executive Chairman and the Group Executive Director of the Company is still appropriately preserved. This is because the power and authority of the Chairman and the Group Executive Director are subject to the control and scrutiny of the Board, the majority of whom are Non-Executive Directors.

1.2 Duties and Responsibilities

The Board has full control over the businesses and affairs of the Company and the Group. The principal duties and responsibilities of the Board are:

- formulating the business direction and objectives of the Group;
- reviewing, adopting and approving the Group's annual budgets, strategic plans, key operational initiatives, major investments and funding decision;
- overseeing the conduct of business of the Group;
- reviewing the adequacy and integrity of risk management and internal control systems and management information system to ensure compliance with relevant laws, rules, regulations, directives and guidelines; and
- assuming its responsibility in succession planning within the Group.

The Board will take the necessary steps to review and revise its Board Charter to be in line with the recommendations of MCCG 2012. The Board Charter serves as a guide to the Utusan Board. The Board is also assisted by the Board Committees in carrying out its duties and responsibilities.

1.3 Board Meeting

During the financial year ended 31 December 2013, six (6) Board meetings and one (1) Annual General Meeting ('AGM') were held. The Board members will receive in advance documents on matters requiring their consideration with detailed management reports, proposal papers and supporting documents before the Board meetings. Senior management and advisers were invited to attend Board meetings, where necessary, to provide additional information and insights on the relevant agenda items tabled at Board meetings.



Statement On Corporate Governance

The members of the Board and their attendance at the meetings were as follows:

NAME OF DIRECTOR	ATTENDANCE
Tan Sri Mohamed Hashim Ahmad Makaruddin	6/6
Datuk Mohd Nasir Ali	6/6
Datuk Abdul Aziz Ishak	6/6
Tan Sri Haji Husein Ahmad	6/6
YB Senator Dato' Dr. Firdaus Haji Abdullah	5/6
Datuk Seri Ismail Yusof	5/6
Datuk Tengku Sariffuddin Tengku Ahmad	6/6
Dato' Dr. Norraesah Mohamad	4/6
Dato' Ab Halim Mohyiddin (<i>Resigned w.e.f 28 May 2013</i>)	3/3

1.4 Supply of Information

The Board is supplied with full access to all relevant information to discharge its duty effectively. The Board is furnished with ad-hoc reports to ensure that they are apprised on key business, operational, financial, corporate, legal, regulatory and industry matters, as and when the need arises. All Directors have direct access to the advice and services of the Company Secretary in ensuring the effective functioning of the Board. Directors are also at liberty to seek external independent professional advice on any matter connected with the discharge of their responsibilities as they may deem necessary and appropriate at the Company's expense.

The Board is notified of any corporate announcements releases to Bursa Malaysia Securities Berhad ('Bursa'). They are also notified of the impending restrictions in dealing with the securities of the Company at least one (1) month prior to the release of the quarterly financial results announcement.

The proceedings and resolutions reached at each Board meeting are recorded in the Minutes Book kept at the corporate office. Besides Board meetings, the Board also exercises control on matters that requires its approval through the circulation of Directors' Resolutions.

1.5 Appointment and Re-Election of Directors

The Nomination Committee is responsible for recommending suitable candidates with the necessary mix of skills, experience and competency to be appointed to the Board.

Upon appointment, new Directors are advised of their legal and statutory responsibilities. All Directors are also being regularly updated on new requirements affecting their responsibilities and constantly being reminded of their obligations.

The Company Secretary will ensure that all appointments are properly made and that legal and statutory obligations are met.

In accordance with the Company's Articles of Association, one-third or nearest to one-third of the Directors shall retire from office at each AGM and be eligible to offer themselves for re-election. Hence, every Director will stand for re-election at least once in every three (3) years. The Director who is appointed to fill a casual vacancy or as an addition to the Board, shall hold office until the next AGM and shall then be eligible for re-election. Directors who are over 70 years of age are required to submit themselves for re-appointment annually pursuant to Section 129(2) and Section 129(6) of the Companies Act 1965.



| Statement On Corporate Governance

The tenure of the independent directors should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the directors' re-designation as a non-independent director. The Board may seek shareholders' approval to retain him or her as independent director in the next AGM if the Board is satisfied that he or she is able to bring independent judgment to the Board deliberations.

The two (2) Independent Directors namely, Tan Sri Haji Husein Ahmad and YB Senator Dato' Dr. Firdaus Haji Abdullah have each attained a cumulative term of nine (9) years. The Board had assessed the independence of these two (2) directors and considered them to be independent.

1.6 Director's Training

The Board fully supports the need for its members to continuously enhance their skills and knowledge to keep abreast with the latest developments in the industry and market place, to effectively carry out their duties and responsibilities as directors in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad.

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa. The Board will continue to evaluate and determine the training needs of its Directors on an on-going basis. During the financial year under review, various members of the Board have attended the following seminars:

- Financial Statement Preparation and Analysis;
- Executive Effective Transformation Process-Getting It Right; and
- Advocacy Sessions on Corporate Disclosure for Directors.

1.7 Board Committees

The following Board Committees have been established to assist the Directors in the execution of its responsibilities:

(a) Audit Committee

The composition, terms of reference and the Report of Audit Committee are set out separately in the Audit Committee Report as laid out on page 19 to 22 of this Annual Report.

(b) Nomination Committee

The members of the Nomination Committee comprises Independent Non-Executive Directors as follows:

- Tan Sri Haji Husein Ahmad (Chairman)
- Datuk Tengku Sariffuddin Tengku Ahmad
- YB Senator Dato' Dr. Firdaus Haji Abdullah

The Nomination Committee reviews the existing mix of skills and experience of the Board and recommends to the Board suitable committee members and candidates for directorships of the Company.

(c) Remuneration Committee

The Remuneration Committee assists the Board in establishing and recommending the remuneration package and policy for the Executive Directors and Non-Executive Directors. The reviews cover all aspects of remuneration, including but not limited to Director's fees, salaries, bonuses, allowances and benefits-in-kind based on the performances of the Company and individual as well as the level of responsibilities undertaken by the particular Director concerned.

The members of the Remuneration Committee comprises mainly of Independent Non-Executive Directors as follows:

- Tan Sri Haji Husein Ahmad (Chairman)
- Datuk Seri Ismail Yusof
- Dato' Ab Halim Mohyiddin (*Resigned w.e.f 28 May 2013*)

No meeting was held during the financial year ended 31 December 2013.



Statement On Corporate Governance

(d) Executives' Share Option Committee ('Option Committee')

The Option Committee which was established on 30 May 2003 to administer the Company's Executives' Share Option Scheme ('the Scheme') has been dissolved due the expiry of the said Scheme on 6 July 2013.

(e) Investment Committee

The Investment Committee was established on 24 December 2012 to evaluate all investment proposal prior to approval by the Board for the Group's implementation. The Committee is to consider all investment proposal based upon the necessary criteria for investment, return on investment and source of funding.

The Committee reports to the Board and comprises the following members:

- Dato' Dr. Norraesah Mohamad (Chairperson, Independent Non-Executive Director)
- Datuk Mohd Nasir Ali (Non-Independent Executive Director)
- Puan W. Nor Asmah W. Ismail (Chief Financial Officer)
- Encik Ahmad Razif Mohamed (Senior Manager, Corporate Services and Risk Management)

1.8 Directors Remuneration

The remuneration of the Directors for the financial year ended 31 December 2013 are as follows:

	Salaries (RM)	Fees (RM)	Benefits - in kind (RM)	Total (RM)
Executive Directors	1,592,417	120,000	172,808	1,885,225
Non-Executive Directors	-	220,664	-	220,664

The number of Directors of the Company whose total remuneration fall within the following bands for the financial year ended 31 December 2013 are as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	6
RM400,001 - RM450,000	1	-
RM700,001 - RM750,000	2	-

The objective of the Company's policy on Directors' remuneration is to attract and retain Directors needed to run the Company successfully. The Non-Executive Directors' remuneration is determined by the Board. Non-Executive Directors are paid annual fees and attendance allowances for attending Board/Committee meetings.

The Board is of the opinion that the band disclosure made above is in compliance with Paragraph 11(b) Part A of Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. ACCOUNTABILITY AND AUDIT

2.1 Financial Reporting

The annual financial statements and quarterly results are reviewed by the Audit Committee and approved by the Board of Directors prior to public release. A statement by the Directors explaining the Board's responsibilities for preparing the annual financial statements is set out on page 18 of this Annual Report.



| Statement On Corporate Governance

2.2 Risk Management Framework and Internal Control

A Statement on Risk Management and Internal Control which provides an overview of the state of risk management and internal control within the Group is disclosed on pages 23 to 24 of this Annual Report.

2.3 Relationship with the Auditors

Through the Audit Committee, the Company has established a formal and transparent relationship with the auditors, both internal and external. The external auditors are invited to discuss the annual financial statements, their audit plan, audit findings and other special matters that require the Board's attention.

The Audit Committee meets with the external auditors without the Management or the Executive Directors presence at least twice (2) a year.

3. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATIONS

The Company endeavours to maintain constant and effective communications with shareholders through timely and comprehensive announcements. The Board regards the AGM as an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue. The Executive Chairman and the Group Executive Director are available to respond to shareholders' queries during the meeting. The notice of AGM is dispatched to the shareholders, together with explanatory notes or circular on items of special business, at least twenty-one (21) days prior to the meeting date.

The shareholders and the investors are also able to access the latest corporate, financial and market information of the Company via the Bursa Malaysia Berhad at www.bursamalaysia.com.

In addition, the shareholders and investors can also convey their concerns and queries to Tan Sri Haji Husein Ahmad, the Senior Independent Non-Executive Director of the Company at fax no. 03-92224131 or by mail to the registered office of the Company at No. 44, Jalan Utusan Off Jalan Chan Sow Lin, 55200 Kuala Lumpur.

Statement made in accordance with the resolution of the Board of Directors passed on 30 April 2014.



| Other Information

Required by The Listing Requirements of The Bursa Malaysia Securities Berhad

SHARE BUYBACKS

During the financial year, the Company did not enter into any share buyback transactions.

AMERICAN DEPOSITORY RECEIPT ('ADR') OR GLOBAL DEPOSITORY RECEIPT ('GDR') PROGRAMME

During the financial year, the Company did not sponsor any ADR or GDR programme.

IMPOSITION OF SANCTIONS AND PENALTIES

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or Management by the relevant regulatory bodies during the financial year.

NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by both the Group and the Company for the financial year amounted to RM7,500.

PROFIT GUARANTEE

During the financial year, there were no profit guarantees given by the Company.

INTERNAL AUDIT FUNCTIONS

The Group has an in-house Internal Audit Department to undertake the internal audit functions.



اوتوسن ملايو مليسيا برحد

UTUSAN MELAYU (MALAYSIA) BERHAD (7170-V)

Kosmo! Hanya **RM1**

Dua pramugari dibogel, disamun sebelum ditinggal tepi jalan 16

Liza Abdullah sah bercerai talak satu 16

SUARA KONTEMPORARI

Kosmo!

Hari **KRAF** Kebangsaan 102 Kompleks Kraf Kuala Lumpur 26 Februari - 10 Mac 10.00 pagi - 10.00 malam +603 - 21627533 www.kraftangan.gov.my

www.kosmo.com.my

SELASA 25 FEBRUARI 2014

SELASA 25 FEBRUARI 2014

Kosmo! Hanya **RM1**

Saksi sepupu maut dilanggar lari depan mata 8

Budak 3 tahun mati dihempap televisyen 3

SUARA KONTEMPORARI

Kosmo!

2 FEBRUARI 2014 • RM1 • BIL: 108 TAHUN 8 PP 14098/01/2013 (031504) AHAD

KRISIS air di Selangor sampai ke kemuncaknya semalam apabila Kerajaan Selangor mengumumkan pelaksanaan catuan bekalan air bermula hari ini bagi menangan masalah gangguan bekalan di beberapa kawasan terutamanya Batu 11, Cheras dan Bukit Tam Dengkil.

Melalui langkah catuan itu, kawasan-kawasan yang terlibat mendapat bekalan air selama diikuti catuan bagi dua hari dengan tempoh catuan dijan diteruskan sehingga pengu depan.

PERDANA Menteri, Datuk Seri Najib Tun Razak (tengah) dan isteri, Datin Seri Rosmah Mansor (dua kiri) beramah-mesra dengan Aishah (kiri), Ammar (kanan), Adam (dua kanan) dan Ari di kediaman Perdana Menteri di Jalan Langgak Duta, Kuala Lumpur semalam.

Watak jahat buat

Kosmo! Hanya **RM1**

Saksi sepupu maut dilanggar lari depan mata 8

Budak 3 tahun mati dihempap televisyen 3

SUARA KONTEMPORARI

Kosmo!

2 FEBRUARI 2014 • RM1 • BIL: 108 TAHUN 8 PP 14098/01/2013 (031504) AHAD

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Watak jahat buat

hab HIB

Segalanya Hiburan

Khamis 24 April 2014

Kosmo! SABTU 26 APRIL 2014

PUKUL BANTAL SEDUNIA

ACARA lawan bantal yang disambut setiap 5 April di 100 bandar seluruh dunia termasuk Washington, Amerika Syarikat untuk bereronok sambil mengingati detik indah di zaman kanak-kanak. >30

Horizon

KHAMIS 24 APRIL 2014

LIBURAN Hujung Minggu

BANGKOK SHUTDOWN BUKAN PENGHALANG 36

Menyelami Hidup Anda



Chairman's Statement

Dear Shareholders,

The year 2013 has been another challenging year for Utusan Melayu (Malaysia) Berhad and its subsidiaries. Against the backdrop of reduced revenue and increased operating expenditure, the Group has recorded an after-tax loss for the financial year, thus making it two consecutive years of negative financial results for the Group. And for this, we are truly regretful that the Company is again unable to recommend any payment of dividend for the financial year ended 31 December 2013.



FINANCIAL PERFORMANCE

Group

For the financial year under review, the Group registered a higher after-tax loss of RM16.2 million compared with RM15.8 million loss in the preceding year. Revenue from the sale of newspapers, magazines and books dropped by 3.4% while operational costs increased by 2.1% mainly due to higher employee benefits' expenses and impairment losses allowances.

Company

The Company's revenue which contributed 80% to the Group's total revenue increased marginally by 0.1% to RM274.4 million from RM274.2 million in 2012. Whilst circulation revenue declined by 2.3% from RM167.1 million in 2012 to RM163.3 million in 2013, advertising revenue increased by 3.8% to RM111.1 million. Meanwhile, operating expenditure rose by 1.6% to RM324.1 million from RM318.9 million previous year. With this scenario, the Company posted a loss after tax of RM23.1 million in 2013 compared with a loss of RM16.6 million previously.

SUBSIDIARY PERFORMANCE

In the advertising sector, Utusan Media Sales Sdn Bhd, the Group's advertising arm, recorded a slightly lower after-tax profit of RM216,589 compared with an after-tax profit of RM255,462 in 2012.

Utusan Airtime Sdn Bhd which acts as the marketing agent for RTM's radio and television commercial airtime, registered an after-tax profit of RM6.3 million, down from RM7.1 million profit in the preceding year.

Karya Outdoor Sdn Bhd, the Group's new advertising subsidiary which acts as the marketing

agent for outdoor advertising incurred an after-tax loss of RM360,426 in its first year of operation.

In the publishing sector, Utusan Karya Sdn Bhd, the Group's magazine publishing subsidiary, posted an after-tax loss of RM57,995 compared with an after-tax profit of RM1.61 million previously as a result of lower circulation revenue.

Meanwhile, Utusan Publications & Distributors Sdn Bhd ('UP&D') which is in the book publishing and distribution business, recorded lower after-tax loss of RM5.5 million against a loss of RM6.4 million in the preceding year.

Juasa Holdings Sdn Bhd, an investment holding subsidiary, expanded its after-tax profit to RM3.4 million in 2013 from RM1.6 million the year before.

JobHouse Sdn Bhd, which is involved in the job recruitment management services, posted an after-tax loss of RM1.3 million compared with an after-tax loss of RM123,566 in 2012 due to impairment loss allowances for its doubtful debts.

CORPORATE DEVELOPMENT

During the financial year, the Company has successfully





Chairman's Statement



"While doing so, we will stay focus on our core business activities and will continually strive to improve our products and services. Initiatives will be undertaken to increase circulation of newspapers and magazines and market share of advertising revenue despite the intense competition among all media companies. Continuous content improvements and aggressive marketing and promotional activities will be carried out in respect of our newspapers to better serve the needs of existing readers and attract new readers. In addition, creative and innovative advertising packages will continue to be offered."

moved into its new corporate head office building and almost all departments are now centralized under one roof. The opening ceremony of the new corporate headquarters was officiated by the Prime Minister on 13 September 2013.

On the publishing front, to strengthen Kosmo's circulation, the cover price of the tabloid newspaper has been reduced to RM1.00 from RM1.20 per copy effective 1 November 2013. Meanwhile, in line with the cost control measures, the Company has decided to cease the printing and distribution of Utusan Melayu Mingguan ('UMM'), a weekly Jawi pull-out of Utusan Malaysia newspaper. Instead, UMM is now published in digital format and available for free download.

The Company's first property project which is a joint venture development of one parcel of its land bank in Chan Sow Lin area into a 14-storey commercial building is well in progress

and receiving positive sales response. The Company is also actively looking for proposals from interested parties to unlock the value of the other remaining parcels located within the same area.

The Group has also secured the renewal of contract for the marketing of RTM's radio and television commercial airtime with the Government of Malaysia for another two years beginning February 2014.

Last year, the Company divested 100% of its shareholding in Perfisio Solutions Sdn Bhd to Cendana Senada Sdn Bhd via a management buy-out. The divestment was undertaken to enable the Company to concentrate on newspaper publishing business. Perfisio Solutions Sdn Bhd is involved in the business of IT and multimedia services.

Early this year, the Company has also divested 100% of its shareholding in Arah Pendidikan Sdn Bhd to Baiduri Stationery Sdn Bhd. This sale is in line with a strategy to rationalize the book distribution business due to heavy losses incurred by UP&D in the last two (2) years.





Chairman's Statement

AWARDS

During the year 2013, our photographers received the Malaysia Sports Photography Competition Award while two books published by UP&D, "Deru Angin" and "Magic Eyes" won the National Library-RTM Book Awards in the Adult Fiction category. We congratulate them for their achievements.

FUTURE OUTLOOK

Even though the global economic outlook is set to improve in 2014 and the Malaysian economy is expected to grow positively, the Group expects 2014 to be another challenging year as we embark to consolidate and strengthen some of our businesses in the effort to turn around the financial deficit situation.

While doing so, we will stay focus on our core business activities and will continually strive to improve our products and services. Initiatives will be undertaken to increase



"The Group will also continuously review its strategies and plans and explore new business opportunities to support the Group's businesses and continuity plans."

circulation of newspapers and magazines and market share of advertising revenue despite the intense competition among all media companies. Continuous content improvements and aggressive marketing and promotional activities will be carried out in respect of our newspapers to better serve the needs of existing readers and attract new readers. In addition, creative and innovative advertising packages will continue to be offered.

The Group will continue to adopt prudent cost saving strategies in its business operations. Amongst others, the Group will undertake measures to reduce the return rate by employing efficient allocation of newspapers and magazines supplies. Administration, production and staff costs will be aggressively monitored. Stringent controls over raw materials, medical and overtime costs has been implemented. On top of that the recruitment of new staff has been frozen to halt the increase in costs.

The Group will also continuously review its strategies and plans and explore new business opportunities to support the Group's businesses and continuity plans.

ACKNOWLEDGEMENTS

In these trying times, on behalf of the Board of Directors, I would like to thank our management and staff for their dedication, commitment and untiring contributions during the challenging period under review, and to our advertisers, vendors, business associates, readers and all other stakeholders for their continued support and loyalty to our brands.

I would also like to thank my fellow Board members for their support throughout last year. I also wish to express the Board's gratitude to Dato' Ab Halim Mohyiddin who resigned from the Board on 28 May 2013 for valuable contributions and guidance during his tenure in office. Lastly, I would like to welcome Encik Mohd Yusof Abu Othman as a new member of the Board and I am confident that the Group will benefit tremendously from his experience.

TAN SRI MOHAMED HASHIM AHMAD MAKARUDDIN
Executive Chairman



Corporate Responsibility Statement

THE year 2013 marks the 75th anniversary of Utusan Melayu (Malaysia) Berhad. In its 75 years of existence, Utusan Melayu has weathered many challenges and obstacles. However, it has remained staunch in its struggle in defence of race and religion, while contributing to the development of national culture and socio-economic development.

The Group is committed to the aspiration of building a visionary society as a means of achieving a developed nation status. We take pride in assuming a meaningful role in society through our Corporate Social Responsibility activities in the areas of education, the community, the environment and the positive development of the nation.

THE COMMUNITY

Newspapers published by Kumpulan Utusan continues to provide various news coverage for the community. Stories that affect communities ranging from natural disasters, socio-cultural incidents, issues on education, sports and others are given due coverage with an agenda that all levels of the society should receive the publicity needed to encourage the execution of activities that would benefit the community in question.

To commemorate the 75th anniversary of Utusan Melayu, a corporate social responsibility program was organised to benefit orphans with a donation in kind, channelled through the Pertubuhan Kebajikan Anak-Anak Yatim Islam Daerah Jasin Melaka.

The Group has also extended its collaboration with the Malaysia Relief Agency (MRA) through the creation of the Tabung Bencana Banjir MRA-Utusan (MRA-Utusan Flood Relief Fund). Through this Fund, the Group was able to extend relief to those affected by the major floods in the

east coast and southern parts of the country by channelling aid funds collected from the public and corporate bodies to all flood victims.

The Group has long upheld Malay language importance and has undertaken the responsibility to ensure the development of Malay literature that is stimulating and enduring for the future generation of readers.

This is achieved through its organisation of the 28th Hadaiah Sastera Kumpulan Utusan ExxonMobil and the 3rd Sayembara Fiksyen Sains dan Teknologi UTM-Kumpulan Utusan. Both literary competitions have successfully provided a platform for local writers to hone their writing skills and achieve literary recognition.

Meanwhile, the 2013 edition of the Festival Hari Guru (FHG) organised in collaboration with the Ministry of Education Malaysia, bearing the theme '1Pendidikan 1Malaysia' is now in its fifth year. This festival has successfully strengthened the Group's branding among local visitors through its various integrated activities with almost 100 exhibitors.

We are also encouraged with the support from fans of the sepak takraw which has led to the fourth year of the Kejohanan Sepak Takraw KFC-Utusan with our main sponsor partner, KFC Holdings (M) Berhad. This traditional sport still has many fans and the Group is confident of its popularity and will continue to strengthen the popularity of this sport by improving on the organisation of future championships.

EDUCATION

Excellence in education is instrumental in forming the core of efforts towards achieving a developed nation status. Thus, since its inception in 2001, the



FESTIVAL Hari Guru 2013.



CONTRIBUTION of Ramadan and school needs to the Pertubuhan Kebajikan Anak Yatim Islam Daerah Jasin Melaka.



Corporate Responsibility Statement



MAJLIS Penyampaian Hadiah Sastera Kumpulan Utusan ExxonMobil 2012.



KEJOHANAN Sepak Takraw KFC-Utusan.

tutor.com.my education portal has provided free online learning materials for students. For those without access to the internet, we have provided a printed version, the supplement Tutor for this purpose.

We have recently improved on this supplement and distributed it exclusively to schools every week from Monday to Wednesday.

We also provide learning fee scholarships for financially disadvantaged students through the Projek Biasiswa YPC-Utusan Malaysia which is still in force to date.

As the leading light in the publication of Jawi newspaper, the art of Jawi script-writing among the new generation continues to be perpetuated through the Pertandingan Seni Jawi Nusantara for secondary school students. In recognition of this noble effort, ANGKASA has continued its collaboration with the Group for the third year in a row.

This year too marks the cessation of the print edition of the Utusan Melayu Mingguan (Jawi) supplement. However, the supplement continues to be published in a digital version and can be

Perak taja Tutor di 164 sekolah

Oleh SYUKRI SHAARI
pengarang@utusan.com.my

IPOH 18 Mac - Kerajaan negeri hari ini menandatangani memorandum persefahaman (MoU) dengan Utusan Melayu (M) Bhd. untuk menaja akhbar pendidikan Tutor kepada 164 sekolah di negeri ini.

Majlis menandatangani MoU berkenaan disempurnakan oleh Pengerusi Yayasan Perak, Datuk Muhammad Daud Mohd. Yusoff serta Pengerusi Besarnya, Dr. Zulkapli Mohamed manakala Utusan Melayu pula diwakili Pengarang Utusan Malaysia, Datuk Hassan Mohd. Noor serta Pengerusi dan Pengarang Pendidikan Utusan Malaysia, Wahid Hashim.

Majlis berkenaan turut disaksikan Menteri Besar, Datuk Seri Dr. Zambry Abd. Kadir dan Pengerusi Eksekutif Kumpulan Utusan, Tan Sri Mohamed Hashim Ahmad Makarudin.

Terdahulu, Zambry dalam ucapannya berkata, langkah menaja akhbar itu inisiatif kerajaan negeri dalam usaha meningkatkan prestasi pelajar sekolah khususnya yang ba-



ZAMBRY Abd. Kadir bersama Mohamed Hashim Ahmad Makarudin (dua dari kanan) dan Hassan Mohd. Noor (kanan) serta Muhammad Amin Zakaria (tengah) menandatangani upacara menandatangani dokumen perjanjian di antara Dr. Zulkapli Mohamed (dekat kiri) dan Wahid Hashim pada Program Amanjaya Cemerlang UPSR 2014-2015 dan MoU di antara Utusan Melayu (M) Bhd. dengan Kerajaan Negeri Perak di Kinta Riverfront, Ipoh, Perak, semalam. - UTUSAN/HAFI KHAMIS

pilih di negeri ini," katanya. Selain majlis menandatangani MoU tersebut, turut diadakan adalah pelancaran Program Amanjaya Gemilang Ujian Pencapaian Sekolah Rendah (UPSR) 2014-2015. Yang turut hadir, Pengerusi Jawatankuasa Pendidikan Sains, Alam Sekitar dan Teknologi Hijau negeri, Dr. Muhammad Amin Zakaria dan Ketua Pengarang Kumpulan Utusan, Datuk Abdul Aziz Ishak. Dalam pada itu, mengisytiharkan mengenai pelancaran Program Amanjaya Gemilang UPSR 2014-2015, Zambry memberitahu, inisiatif tersebut bertujuan meningkatkan prestasi pencapaian UFSK di negeri Perak. Katanya, Perak perlu mengambil langkah segera meningkatkan pencapaian pelajar sekolah rendah memandangkan masih berada pada kelompok lima sekolah terendah di seluruh negara. "Menyeras program ini, kami menyasarkan untuk meningkatkan kedudukan Perak kepada tempat kelima terbalik daripada aspek pencapaian UPSR pada tahun ini dan melonjak kepada tangga ketiga pada 2015," jelasnya.

Guru jangan sabotaj usaha tingkat pencapaian

IPOH 18 Mac - Golongan pendidik khususnya guru diingatkan supaya tidak menjadi petualang dengan melakukan sabotaj terhadap sebarang usaha dilaksanakan kerajaan untuk meningkatkan prestasi pelajar.

Pengerusi Jawatankuasa Pendidikan Sains, Alam Sekitar dan Teknologi Hijau, Dr. Muhammad Amin Zakaria berkata, semua pihak berharap agar golongan berkenaan khususnya di Perak berusaha menjadi guru cemerlang berdasarkan pelbagai kemudahan yang telah tersedia.

"Jadilah guru yang sentiasa mahu berjaya memberikan pendidikan terbaik kepada murid serta pelajar sekolah. Segala kemudahan telah tersedia untuk digunakan. "Janganlah jadi seorang petualang yang sentiasa mahu mencuba melakukan sabotaj terhadap usaha-usaha dilaksanakan kerajaan dalam usaha meningkatkan prestasi pencapaian pendidikan," katanya.

Beliau berkata demikian ketika berucap pada majlis pelancaran Program Amanjaya Gemilang Ujian Pencapaian Sekolah Rendah (UPSR) 2014-2015 dan menandatangani memorandum persefahaman antara



SEBAHAGIAN guru-guru sekolah negeri Perak memegang akhbar pendidikan Tutor pada Program Amanjaya Cemerlang UPSR 2014-2015 dan Menandatangani Memorandum Persefahaman Antara Utusan Melayu (M) Bhd. dan Kerajaan Negeri Perak di Kinta Riverfront, Ipoh, semalam.

Utusan Melayu (M) Bhd. dengan Kerajaan Negeri Perak berhubung tajaan akhbar pendidikan Tutor. Dalam pada itu, Muhammad Amin memberitahu, kerajaan negeri menyasarkan peningkatan kadar peratusan kelulusan dalam peperiksaan UPSR meningkat kepada 69.68 peratus berbanding 63.77 peratus tahun lalu selepas Program Amanjaya Gemilang UPSR 2014-2015 diumumkan. Selain itu katanya, kerajaan negeri juga menyasarkan peratusan lulus UPSR meningkat kepada 71.77 peratus pada 2015.

TUTOR sponsorship for schools distribution to be broadcast in the Utusan Malaysia newspapers.



Corporate Responsibility Statement



MAJLIS Meraikan Anak Yatim Kumpulan Utusan dan Memperingati Nuzul Al-Quran.

accessed through www.utusan.com.my (Utusan Online).

THE ENVIRONMENT

Efforts towards protecting the environment and 'green' activities are published in our editorials and news stories in our newspapers and other publications to ensure that the public is kept up to date with current scenarios and developments.

Meanwhile, the Employment Safety and Health Unit within the Group strives to improve, preserve and protect to achieve sustainability in the environment in which we operate.

Environmentally-friendly practices such as recycling paper, cutting down on use of energy, the use of electronic communication and centralised printing are part of the measures taken in our daily operations.

STAFF AND WORKPLACE

The Group prioritises the welfare, safety and health of its staff by ensuring that the workplace environment is safe and secure. The Department of Human Resource and the Employment Safety and Health Unit has executed work safety programs and health talks for the staff to increase their awareness of safety aspects at the workplace and to adopt a more healthy lifestyle.

Compliance to the ISO 9001:2008 Standards are also



MAJLIS Malam Jasamu Dikenang.

practised as part of the management's initiative in creating a workplace that is systematic, comfortable, clean and safe which in turn contributes to work quality and productivity in the Company.

Various special programmes and activities were organised as part of our efforts to maintain good relations among staff. Events such as Malam Jasamu Dikenang, Majlis Korban dan Akikah, breaking fast with staff, Majlis Meraikan Anak Yatim Kumpulan Utusan and Memperingati Nuzul Al-Quran and other charitable activities organised during the month of Ramadan were designed to enhance relations among staff.

In fact, charitable activities organised by the Badan Keluarga Utusan Melayu has contributed immensely towards strengthening the Company's gesture of appreciation towards its staff.

Children of our staff who achieve good results in Ujian Penilaian Sekolah Rendah (UPSR), Peperiksaan Menengah Rendah (PMR), Sijil Pelajaran Malaysia (SPM) and Sijil Tinggi Pelajaran Malaysia (STPM) examinations are also rewarded with incentives from the Company to encourage them to strive and achieve success in their studies.

The Group takes pride in its performance record in corporate governance and assume an important role in all activities related to corporate responsibility. We practise corporate responsibility in all aspects of our business and are committed in practising it for the benefit of the Company, the community and the country.



9 March 2013

UTUSAN Melayu (M) Berhad on this date held a company-wide event at its headquarters on the occasion of its 75th anniversary which fell on the 18th of June 2013. The event was officiated by the Executive Chairman of Utusan Melayu, Tan Sri Mohamed Hashim Ahmad Makaruddin. This event heralded one of many year-long events and programs held to commemorate Utusan Melayu's 75th anniversary. The theme for this year's anniversary was 'Merintis Pemikiran Membina Peradaban' (Pioneering Thoughts Building Civilisation).



12 to 19 May 2013

THE Festival Hari Guru 2013, organised in its fifth year established its branding as a crowd-puller at all the locations it was held to date. The 2013 edition was held for eight days at the Kompleks Belia dan Sukan Paroi, Negeri Sembilan. This event was officiated by the Chief Minister of Negeri Sembilan, Y.A.B. Datuk Seri Mohamad Hasan, on the 14th of May 2013.



24 to 26 May 2013

THE first Fiesta Rihuh Sakan-Utusan/Kosmo!, was held on these dates at Dataran Penggaram, Batu Pahat, Johor with encouraging support from visitors drawn from the local community. The event was held in appreciation of the newspapers' loyal readers and to introduce future readers to the various publications of the Utusan Group with the hope that it will boost future sales.



29 May 2013

A dual language magazine titled Ibu & Anak published by Utusan Karya Sdn Bhd was launched on this date. A magazine directed specifically for mothers on parenthood was launched by the Deputy Prime Minister's wife, YABhg. Puan Sri Noorainee Abdul Rahman, during a high tea event, Majlis Minum Petang Ibu Ratu Hatiku at the Hotel Royale Chulan, Kuala Lumpur.



6 to 8 July 2013

IN memory of Queen Street... Members of the Kelab Kembara Bermotosikal Utusan Melayu created history when it completed a 3-day, 400 kilometres convoy flagged of from the Utusan Melayu's present headquarters in Jalan Chan Sow Lin to its previous headquarters in Queen Street, Singapore to commemorate the company's 75th anniversary. The convoy was led by Y.B. Datuk Seri Dr. Ahmad Zahid Hamidi, the Home Minister, to the Kajang exit along the Kuala Lumpur-Seremban Highway accompanied by 100 members of the Superbike Association of Malaysia (SAM).



23 August 2013

A meaningful Aidil Fitri ... This year's Majlis Sambutan Hari Raya Aidilfitri Kumpulan Utusan is the first to be held at the Main Hall of the Utusan Melayu new headquarters. Dignitaries who attended among over 1,500 guests included D.Y.M.M. Regent of Perak Darul Ridzuan and Consort, Y.A.B. Prime Minister and wife, cabinet ministers and corporate partners.



13 September 2013

ON this date, after 55 years of operating from its old building, the staff of Utusan Melayu was honoured to be part of history when the Prime Minister of Malaysia, Y.A.B. Dato' Sri Mohd Najib bin Tun Razak officiated the new headquarters of Utusan Melayu and announced the renaming of Jalan Enam off Jalan Chan Sow Lin to Jalan Utusan. This historic occasion was also witnessed by cabinet ministers, board members, shareholders and corporate partners.



29 September 2013

THE 4th season of the Kejuhanan Sepaktakraw KFC-UTUSAN introduced a different approach to its organisation with the introduction of a single national category with two rounds consisting of one preliminary round and one final round held at two locations. As in previous series of tournaments, KFC Holdings (Malaysia) Berhad was the main sponsor for this event.



اوتوسن ملايو مليسيا برحد

UTUSAN MELAYU (MALAYSIA) BERHAD (7170-V)

UTUSAN MALAYSIA

SAINS:
Gajet penyelamat nyawa

GAJET:
Tablet Asus T100 kini di pasaran

INOVASI:
Mesin pengisian isipadu

HITS:
Hanis Zalkha enggan tukar nama

ISININ 31.03.14

mega

Sarang walet tiruan

EDISI 7

SUMBER KECEMERLANGAN PEMBELAJARAN DAN PENGAJARAN

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Tutor SPM

HARGA: 50 SEN | TEL: 019-5716282

Musim-musim kemarau ni sempat lagi kamu mandikan motor... yang kamu tu dah seminggu tak mandi!

Jimat air pak, motor mandi satu baldi, kalau saya mandi lapan baldi tak cukup!

MUDAH DAN TERBUKTI

DARIPADA

Mingguan

27.04.14

Pancawarna

pancawarna@utusan.com.my

Mingguan

27.04.14

Pancasihhat

kesihatan@utusan.com.my

Kenali punca keguguran 'habitual' » 12

Anak zaman ini lebih pintar » 16

Alumni: Ekspedisi Bukit Broga » 17

Pancaindera

Mingguan

30.03.14

pancaindera@utusan.com.my

BAHASA AKAN TERANCAM LUAR SEPERTI PENJAJAH BUDAYA ATAU PENGUASA

KEPUK BAH

BAHASA AKAN TERANCAM LUAR SEPERTI PENJAJAH BUDAYA ATAU PENGUASA



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Directors' Report

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

- The principal activities of the Company are the publication, printing and distribution of newspapers.
- The principal activities of the subsidiaries are described in Note 14 to the financial statements.
- There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Loss for the year, attributable to owners of the parent	(16,213,366)	(23,133,833)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The directors do not recommend any payment of dividend in respect of the financial year ended 31 December 2013.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Mohamed Hashim Bin Ahmad Makaruddin
 Datuk Mohd Nasir Bin Ali
 Datuk Abdul Aziz Bin Ishak
 Tan Sri Haji Husein Bin Ahmad
 YB Senator Dato' Dr. Firdaus Bin Haji Abdullah
 Datuk Seri Ismail Bin Yusof
 Datuk Tengku Sariffuddin Bin Tengku Ahmad
 Dato' Dr Norraesah Binti Mohamad
 Encik Mohd Yusof Bin Abu Othman
 Dato' Ab Halim Bin Mohyiddin

(appointed w.e.f 16 January 2014)
 (resigned w.e.f 28 May 2013)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Executives' Share Options Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.



Directors' Report

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

The Company	Number of ordinary shares of RM1 each			
	1 January 2013	Acquired	Sold	31 December 2013
Direct interest				
Datuk Mohd Nasir Bin Ali	10,000	-	-	10,000

	Number of options over ordinary shares of RM1 each			
	1 January 2013	Granted	Forfeited	31 December 2013
Tan Sri Mohamed Hashim Bin Ahmad Makaruddin	1,000,000	-	(1,000,000)	-
Datuk Mohd Nasir Bin Ali	500,000	-	(500,000)	-
Datuk Abdul Aziz Bin Ishak	53,700	-	(53,700)	-

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

EXECUTIVES' SHARE OPTIONS SCHEME

The Utusan Melayu (Malaysia) Berhad Executives' Share Options Scheme ("ESOS") is a scheme approved by the shareholders at an Extraordinary General Meeting held on 27 May 2003. The shareholders have approved certain amendments to the provisions of the existing by-laws governing the ESOS ("Existing By-Laws") and adopted the amended by-laws of the ESOS ("Amended By-Laws") at an Extraordinary General Meeting held on 31 May 2006.

The ESOS Committee had, on 14 February 2012 approved the granting of ESOS under the existing scheme to new eligible executives involving 1,980,900 units of options over ordinary shares of the Company. The ESOS was granted on 10 April 2012 at the price of RM1.00 being the higher of par value of the shares of the Company of RM1.00 or the average market price of the shares of the Company for the five trading days preceding the date of offer.

The Company had, on 5 July 2013 announced to Bursa Malaysia Securities Berhad that the ESOS were to expire on 6 July 2013 and the Company has no intention to make further extension to the said ESOS. The number of Options outstanding was 10,740,384.

The salient features and other terms of the ESOS are as disclosed in Note 25 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the statement of comprehensive income and statement of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts had been written off and that adequate provision had been made for doubtful debts; and



Directors' Report

- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year, other than as disclosed in Note 29 to the financial statements.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated on 30 April 2014.

TAN SRI MOHAMED HASHIM BIN AHMAD MAKARUDDIN

DATUK MOHD NASIR BIN ALI



| Statement By Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, Tan Sri Mohamed Hashim Bin Ahmad Makaruddin and Datuk Mohd Nasir Bin Ali, being two of the directors of Utusan Melayu (Malaysia) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 48 to 158 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 37 on page 159 of the financial statements have been prepared in accordance with the Guidance on 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, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated on 30 April 2014.

Tan Sri Mohamed Hashim Bin Ahmad Makaruddin

Datuk Mohd Nasir Bin Ali



| Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, W. Nor Asmah Binti W. Ismail, being the officer primarily responsible for the financial management of Utusan Melayu (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 48 to 159 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed W. Nor Asmah Binti W. Ismail
at Kuala Lumpur in Wilayah Persekutuan
On 30 April 2014

W. Nor Asmah Binti W. Ismail

Before me,
Commissioner for Oaths



Independent Auditors' Report

To The Members Of Utusan Melayu (Malaysia) Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Utusan Melayu (Malaysia) Berhad, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 48 to 158.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the years ended 31 December 2013 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 ("Act"), in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 14 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.



| Independent Auditors' Report

To The Members Of Utusan Melayu (Malaysia) Berhad (Incorporated in Malaysia)

OTHER MATTERS

The supplementary information set out in Note 37 to the financial statements on page 159 is disclosed to meet the requirements of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
30 April 2014

Nik Rahmat Kamarulzaman bin Nik Ab. Rahman
No. 1759/02/16(J)
Chartered Accountant



Consolidated Statement Of Comprehensive Income

For The Financial Year Ended 31 December 2013

	Note	2013 RM	2012 RM Restated
Revenue	3	342,431,794	345,252,448
Other income	4	16,013,554	11,386,640
Changes in inventories of finished goods and work-in-progress		(2,686,085)	433,638
Raw materials and consumables used		(106,180,392)	(109,791,642)
Vendors' commissions		(39,938,681)	(44,783,472)
Transportation costs		(16,254,750)	(15,263,738)
Employee benefits expense	5	(129,089,560)	(123,206,029)
Depreciation of property, plant and equipment		(18,677,860)	(18,587,403)
Depreciation of investment properties		(231,469)	(222,904)
Amortisation of intangible assets		(773,229)	(714,243)
Other expenses		(60,881,842)	(56,016,293)
Finance costs	7	(7,735,761)	(6,607,091)
Operating loss		(24,004,281)	(18,120,089)
Share of results of associates		3,609,505	1,958,185
Loss before tax	8	(20,394,776)	(16,161,904)
Income taxation	9	4,231,486	444,099
Zakat		(50,076)	(36,000)
Loss for the year, net of tax		(16,213,366)	(15,753,805)
Other comprehensive (loss)/income			
Actuarial gains on defined benefit obligations		155,572	91,587
Income tax relating to actuarial gains and losses on defined benefit obligations		(37,337)	(22,897)
Net gain on available-for-sale financial assets:			
- Gain on fair value changes		254,651	1,609,847
- Transfer to profit or loss upon disposal		(982,999)	(121,950)
Foreign currency translation		10,770	313,016
Other comprehensive (loss)/income for the year, net of tax		(599,343)	1,869,603
Total comprehensive loss for the year		(16,812,709)	(13,884,202)



Consolidated Statement Of Comprehensive Income

For The Financial Year Ended 31 December 2013 (Contd.)

	Note	2013 RM	2012 RM Restated
Loss attributable to:			
Owners of the parent		(16,213,366)	(15,753,805)
Total comprehensive loss attributable to:			
Owners of the parent		(16,812,709)	(13,884,202)
Loss per share attributable to owners of the parent (sen):			
Basic, for loss for the year	10	(14.64)	(14.23)
Diluted, for loss for the year	10	(14.64)	(14.23)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Consolidated Statement Of Financial Position

As At 31 December 2013

	Note	31 December 2013 RM	31 December 2012 RM Restated	1 January 2012 RM Restated
Assets				
Non-current assets				
Property, plant and equipment	11	270,300,046	257,989,615	228,844,764
Investment properties	12	14,347,602	13,859,620	14,082,524
Intangible assets	13	2,885,408	2,095,926	1,742,291
Investments in associates	15	27,391,103	24,978,798	27,447,813
Investment securities	20	28,891,973	36,660,338	36,397,495
Deferred tax assets	16	109,896	184,290	1,301,734
Trade and other receivables	19	14,798,315	15,056,680	15,429,192
		358,724,343	350,825,267	325,245,813
Current assets				
Inventories	18	23,503,477	40,800,922	34,906,817
Trade and other receivables	19	114,011,923	108,095,352	96,872,526
Investment securities	20	2,861,350	-	-
Cash and cash equivalents	21	32,882,057	49,979,725	67,598,236
Tax recoverable		1,161,607	626,924	167,764
		174,420,414	199,502,923	199,545,343
TOTAL ASSETS		533,144,757	550,328,190	524,791,156
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	25	110,733,837	110,733,837	110,733,837
Share premium		50,703,162	50,703,162	50,703,162
Other reserves	26	10,992,854	12,096,273	10,298,855
Retained earnings	27	107,406,886	123,116,176	138,797,796
TOTAL EQUITY		279,836,739	296,649,448	310,533,650



Consolidated Statement Of Financial Position

As At 31 December 2013 (Contd.)

	Note	31 December 2013 RM	31 December 2012 RM Restated	1 January 2012 RM Restated
Non-current liabilities				
Retirement benefit obligations	22	1,375,883	2,091,027	3,257,015
Loans and borrowings	23	98,545,782	94,482,410	83,199,746
Deferred tax liabilities	16	1,427,222	8,312,833	12,691,983
		101,348,887	104,886,270	99,148,744
Current liabilities				
Retirement benefit obligations	22	689,747	1,155,666	570,625
Loans and borrowings	23	96,029,543	92,769,323	56,843,718
Trade and other payables	24	54,575,055	54,188,818	56,137,019
Tax payables		664,786	678,665	1,557,400
		151,959,131	148,792,472	115,108,762
TOTAL LIABILITIES		253,308,018	253,678,742	214,257,506
TOTAL EQUITY AND LIABILITIES		533,144,757	550,328,190	524,791,156

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 December 2013

	←-- Non-distributable -->		Distributable		Attributable to owners of the parent					Total equity RM
	Share capital RM	Share premium RM	Retained earnings RM	Other reserves RM	Fair value adjustment reserve RM	Foreign currency translation reserve RM	Share option reserve RM	Capital reserve RM		
At 1 January 2012	110,733,837	50,703,162	138,308,106	10,298,855	4,844,143	(14,624)	389,336	5,080,000	310,043,960	
Effects of revised MFRS 119 (revised) disclosed in Note 2.2	-	-	489,690	-	-	-	-	-	489,690	
At 1 January 2012 (restated)	110,733,837	50,703,162	138,797,796	10,298,855	4,844,143	(14,624)	389,336	5,080,000	310,533,650	
Loss for the year	-	-	(15,753,805)	-	-	-	-	-	(15,753,805)	
Other comprehensive income	-	-	68,690	1,800,913	1,487,897	313,016	-	-	1,869,603	
Total comprehensive loss	-	-	(15,685,115)	1,800,913	1,487,897	313,016	-	-	(13,884,202)	
Transaction with owners	-	-	-	-	-	-	-	-	-	
Forfeiture of share options granted under ESOS recognised directly in equity	-	-	3,495	(3,495)	-	-	(3,495)	-	-	
At 31 December 2012 (restated)	110,733,837	50,703,162	123,116,176	12,096,273	6,332,040	298,392	385,841	5,080,000	296,649,448	
At 1 January 2013 (restated)	110,733,837	50,703,162	123,116,176	12,096,273	6,332,040	298,392	385,841	5,080,000	296,649,448	
Loss for the year	-	-	(16,213,366)	-	(728,348)	10,770	-	-	(16,213,366)	
Other comprehensive income/(loss)	-	-	118,235	(717,578)	(728,348)	10,770	-	-	(599,343)	
Total comprehensive loss	-	-	(16,095,131)	(717,578)	(728,348)	10,770	-	-	(16,812,709)	
Transaction with owners	-	-	-	-	-	-	-	-	-	
Forfeiture of share options granted under ESOS recognised directly in equity	-	-	385,841	(385,841)	-	-	(385,841)	-	-	
At 31 December 2013	110,733,837	50,703,162	107,406,886	10,992,854	5,603,692	309,162	-	5,080,000	279,836,739	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Consolidated Statement Of Cash Flows

For The Financial Year Ended 31 December 2013

	2013 RM	2012 RM Restated
Cash flows from operating activities		
Loss before taxation	(20,394,776)	(16,161,904)
Adjustments for:		
Impairment loss on trade and other receivables	10,803,047	5,268,056
Reversal of impairment loss on trade and other receivables	(2,952,582)	(1,508,736)
Net gain on disposal of a subsidiary	(993,485)	-
Gain on disposal of available-for-sale investment	(1,307,159)	(113,949)
Gain on disposal of held for trading investment	(598,486)	-
Net fair value loss on held for trading investment	242,812	-
Provision for retirement benefits	550,943	574,034
Share of results of associates	(3,609,505)	(1,958,185)
Interest income	(1,392,507)	(1,738,072)
Interest expenses	7,259,691	6,206,396
Depreciation of property, plant and equipment	18,677,860	18,587,403
Depreciation of investment properties	231,469	222,904
Amortisation of intangible assets	773,229	714,243
Inventories written off	354,139	562,548
Inventories written down	2,810,403	160,427
Gain on disposal of property, plant and equipment	(158,906)	(173,661)
Impairment loss on intangible assets	-	981,645
Property, plant and equipment written off	5,785	3,761
Intangible assets written off	50,000	-
Deposit written off	360,509	-
Present value adjustment on preference shares	-	1,693,614
Dividend income	(2,203,675)	(2,840,646)
Operating profit before working capital changes	8,508,806	10,479,878



Consolidated Statement Of Cash Flows

For The Financial Year Ended 31 December 2013 (Contd.)

	2013 RM	2012 RM Restated
Cash flows from operating activities (contd.)		
Operating profit before working capital changes (contd.)	8,508,806	10,479,878
Increase in receivables	(16,607,103)	(14,609,634)
Decrease/(increase) in inventories	14,132,903	(6,617,080)
Increase/(decrease) in payables	4,817,758	(1,562,872)
Cash generated from/(used in) operations	10,852,364	(12,309,708)
Interest paid	(7,314,270)	(6,591,725)
Taxes paid	(4,402,767)	(4,257,188)
Zakat paid	(50,076)	(36,000)
Taxes refund	1,239,513	83,642
Net cash generated from/(used in) operating activities	324,764	(23,110,979)
Cash flows from investing activities		
Purchase of securities in available-for-sale investment	-	(2,865,000)
Purchase of securities in held-for-trading investment	(8,926,013)	-
Additional investment in associates	(10,000)	(1,180,000)
Proceeds from disposal of held for trading investment	6,420,339	-
Proceeds from disposal of available-for-sale investment	8,347,174	1,210,389
Proceed arising from capital reduction of investment in associate	-	1,600,000
Redemption of preference shares	-	1,300,000
Interest received	1,392,507	1,738,072
Purchase of property, plant and equipment	(12,889,804)	(45,561,061)
Purchase of investment properties	(719,451)	-
Purchase of intangible assets	(731,724)	(356,403)
Proceeds from disposal of property, plant and equipment	159,211	173,661
Net cash outflow on disposal of subsidiary	(432,956)	-
Dividends received	3,410,840	6,842,993
Net cash used in investing activities	(3,979,877)	(37,097,349)



Consolidated Statement Of Cash Flows

For The Financial Year Ended 31 December 2013 (Contd.)

	2013 RM	2012 RM Restated
Cash flows from financing activities		
Drawdown of short term borrowings	6,961,014	31,257,531
Drawdown of term loan	-	25,461,189
Payment of hire purchase payables	(1,222,517)	(667,712)
Repayment of long term borrowings	(16,163,101)	(14,163,100)
Payment of retirement benefits	(1,576,434)	(1,063,394)
Placement of pledged fixed deposits	(646,912)	(511,449)
Net cash (used in)/generated from financing activities	(12,647,950)	40,313,065
Net decrease in cash and cash equivalents	(16,303,063)	(19,895,263)
Effects of foreign exchange rate changes	10,770	313,016
Cash and cash equivalents at 1 January	47,550,126	67,132,373
Cash and cash equivalents at 31 December (Note 21)	31,257,833	47,550,126

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Statement Of Comprehensive Income

For The Financial Year Ended 31 December 2013

	Note	2013 RM	2012 RM Restated
Revenue	3	274,404,988	274,138,613
Other income	4	19,677,201	24,078,530
Raw materials and consumables used		(82,565,582)	(84,887,178)
Vendors' commissions		(34,020,076)	(38,414,640)
Transportation costs		(15,958,751)	(14,981,614)
Employee benefits expense	5	(99,604,964)	(95,450,438)
Depreciation of property, plant and equipment		(17,380,419)	(17,202,155)
Depreciation of investment properties		(4,864)	(4,864)
Amortisation of intangible assets		(676,496)	(375,414)
Other expenses		(66,191,402)	(61,005,276)
Finance costs	7	(7,706,104)	(6,555,489)
Loss before tax	8	(30,026,469)	(20,659,925)
Income taxation	9	6,892,636	4,099,398
Loss for the year, net of tax		(23,133,833)	(16,560,527)
Other comprehensive loss			
Actuarial gains on defined benefit obligations		155,572	91,587
Income tax relating to actuarial gains and losses on defined benefit obligations		(37,337)	(22,897)
Net (loss)/gain on available-for-sale financial assets:			
- Loss on fair value changes		(581,038)	(140,479)
- Transfer to profit or loss upon disposal		13,200	-
Other comprehensive loss for the year, net of tax		(449,603)	(71,789)
Total comprehensive loss for the year		(23,583,436)	(16,632,316)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Statement Of Financial Position

As At 31 December 2013

	Note	31 December 2013 RM	31 December 2012 RM Restated	1 January 2012 RM Restated
Assets				
Non-current assets				
Property, plant and equipment	11	260,163,818	248,674,571	219,805,015
Investment properties	12	215,629	220,493	225,357
Intangible assets	13	2,680,210	1,873,160	325,051
Investments in subsidiaries	14	4,730,002	8,190,001	10,553,957
Investments in associates	15	3,679,000	3,669,000	4,089,000
Investment securities	20	13,993,579	14,613,833	17,747,926
Trade and other receivables	19	15,131,273	16,341,337	17,096,426
		300,593,511	293,582,395	269,842,732
Current assets				
Inventories	18	14,492,603	28,866,686	23,406,219
Trade and other receivables	19	77,037,587	90,198,323	87,429,319
Cash and cash equivalents	21	7,664,025	7,678,684	15,768,848
Tax recoverable		2,334,161	1,703,810	457,081
		101,528,376	128,447,503	127,061,467
TOTAL ASSETS		402,121,887	422,029,898	396,904,199
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	25	110,733,837	110,733,837	110,733,837
Share premium		50,703,162	50,703,162	50,703,162
Other reserves	26	1,767,573	2,721,252	2,865,226
Retained earnings	27	(1,213,095)	21,416,662	37,905,004
TOTAL EQUITY		161,991,477	185,574,913	202,207,229



Statement Of Financial Position

As At 31 December 2013 (Contd.)

	Note	31 December 2013 RM	31 December 2012 RM Restated	1 January 2012 RM Restated
Non-current liabilities				
Retirement benefit obligations	22	1,281,604	1,536,248	2,663,947
Loans and borrowings	23	98,665,809	94,508,718	83,199,746
Deferred tax liabilities	16	1,007,914	7,863,213	12,146,911
		100,955,327	103,908,179	98,010,604
Current liabilities				
Retirement benefit obligations	22	205,316	1,115,569	534,148
Loans and borrowings	23	92,813,893	88,715,679	54,524,025
Trade and other payables	24	46,155,874	42,715,558	41,041,048
Tax payable		-	-	587,145
		139,175,083	132,546,806	96,686,366
TOTAL LIABILITIES		240,130,410	236,454,985	194,696,970
TOTAL EQUITY AND LIABILITIES		402,121,887	422,029,898	396,904,199

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Statement Of Changes In Equity

For The Financial Year Ended 31 December 2013

	Note	← Non-distributable →		Distributable ←		Non-distributable →			Total equity RM
		Share capital RM	Share premium RM	Retained earnings RM	Other reserves RM	Fair value adjustment reserve RM	Share option reserve RM		
At 1 January 2012		110,733,837	50,703,162	37,415,314	2,865,226	2,475,890	389,336	201,717,539	
Effects of revised MFRS 119 (revised) disclosed in Note 2.2		-	-	489,690	-	-	-	489,690	
At 1 January 2012 (restated)		110,733,837	50,703,162	37,905,004	2,865,226	2,475,890	389,336	202,207,229	
Loss for the year		-	-	(16,560,527)	-	-	-	(16,560,527)	
Other comprehensive income/(loss)		-	-	68,690	(140,479)	(140,479)	-	(71,789)	
Total comprehensive loss		-	-	(16,491,837)	(140,479)	(140,479)	-	(16,632,316)	
Transaction with owners									
Forfeiture of share options granted under ESOS recognised directly in equity	26	-	-	3,495	(3,495)	-	(3,495)	-	
At 31 December 2012 (restated)		110,733,837	50,703,162	21,416,662	2,721,252	2,335,411	385,841	185,574,913	
At 1 January 2013 (restated)		110,733,837	50,703,162	21,416,662	2,721,252	2,335,411	385,841	185,574,913	
Loss for the year		-	-	(23,133,833)	-	-	-	(23,133,833)	
Other comprehensive income/(loss)		-	-	118,235	(567,838)	(567,838)	-	(449,603)	
Total comprehensive loss		-	-	(23,015,598)	(567,838)	(567,838)	-	(23,583,436)	
Transaction with owners									
Forfeiture of share options granted under ESOS recognised directly in equity	26	-	-	385,841	(385,841)	-	(385,841)	-	
At 31 December 2013		110,733,837	50,703,162	(1,213,095)	1,767,573	1,767,573	-	161,991,477	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Statement Of Cash Flows

For The Financial Year Ended 31 December 2013

	2013 RM	2012 RM Restated
Cash flows from operating activities		
Loss before taxation	(30,026,469)	(20,659,925)
Adjustments for:		
Impairment loss on trade and other receivables	11,268,566	6,938,631
Reversal of impairment loss on trade and other receivables	(5,167,338)	(822,703)
Impairment loss on investment in a subsidiary	3,099,999	2,363,956
Loss on disposal of a subsidiary	359,999	-
Provision for retirement benefits	508,943	545,173
Interest income	(1,072,940)	(1,073,364)
Interest expenses	7,366,590	6,262,859
Depreciation of property, plant and equipment	17,380,419	17,202,155
Depreciation of investment properties	4,864	4,864
Amortisation of intangible assets	676,496	375,414
Property, plant and equipment written off	4,060	-
Inventories written off	-	27,510
Gain on disposal of property, plant and equipment	(158,052)	(147,221)
Gain on disposal of available-for-sale investment	1,083	-
Present value adjustment on preference shares	-	1,693,614
Deposit written off	358,964	-
Dividend income	(3,871,343)	(11,837,923)
Waiver of amount due from a subsidiary	3,173,776	-
Operating profit before working capital changes	3,907,617	873,040
Decrease/(Increase) in receivables	4,736,832	(8,129,843)
Decrease/(Increase) in inventories	14,374,083	(5,487,977)
Increase in payables	3,241,703	1,544,546
Cash generated from/(used in) from operations	26,260,235	(11,200,234)
Interest paid	(7,167,977)	(6,132,895)
Taxes paid	(485,704)	(540,964)
Taxes refund	469,638	-
Net cash generated from/(used in) from operating activities	19,076,192	(17,874,093)



Statement Of Cash Flows

For The Financial Year Ended 31 December 2013 (Contd.)

	2013 RM	2012 RM Restated
Cash flows from investing activities		
Proceeds from disposal of available-for-sale investment	51,333	-
Redemption of preference shares	-	1,300,000
Proceed arising from capital reduction of investment in associate	-	1,600,000
Additional investment in associates	(10,000)	(1,180,000)
Proceeds from disposal of a subsidiary	1	-
Interest received	1,072,940	1,073,364
Purchase of property, plant and equipment	(10,465,567)	(44,036,758)
Purchase of intangible assets	(509,499)	(230,403)
Proceeds from disposal of property, plant and equipment	158,052	147,221
Dividend received	3,257,058	10,337,818
Net cash used in investing activities	(6,445,682)	(30,988,758)
Cash flows from financing activities		
Drawdown in short term borrowings	7,761,014	29,657,531
Drawdown of term loan	-	25,461,189
Payment of hire purchase payables	(1,272,526)	(635,356)
Repayment of long term borrowings	(16,163,102)	(14,163,100)
Payment of retirement benefits	(1,518,268)	(999,864)
Net cash (used in)/generated from financing activities	(11,192,882)	39,320,400
Net increase/(decrease) in cash and cash equivalents	1,437,628	(9,542,451)
Cash and cash equivalents at 1 January	6,226,397	15,768,848
Cash and cash equivalents at 31 December (Note 21)	7,664,025	6,226,397

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

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. The registered office and the principal place of business of the Company is located at No. 44, Jalan Utusan Off Jalan Chan Sow Lin, 55200 Kuala Lumpur.

The principal activities of the Company are the publication, printing and distribution of newspapers. The principal activities of the subsidiaries are described in Note 14 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of directors in accordance with a resolution of the Directors on 30 April 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies in the next page.

The financial statements are presented in Ringgit Malaysia (RM).

At the beginning of the current financial year, the Group and the Company adopted new and revised MFRSs which are mandatory for the financial periods beginning on or after 1 January 2013 and changed its accounting policy on fines. The financial impacts are disclosed in Note 2.2.

The financial statements, other than for financial instruments and retirement benefit obligations, have been prepared on the historical cost basis. Certain financial instruments are carried at fair value in accordance with MFRS 139 Financial Instruments: Recognition and Measurement, and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 Employee Benefits (revised).

2.2 Adoption of new and revised MFRSs and changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2013, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (contd.)

	Effective for annual periods beginning on or after
Amendments to MFRS 101: Presentation of items of Other Comprehensive Income	1 January 2013
MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
MFRS 127 Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
MFRS 128 Investment in Associate and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Annual Improvements 2009-2011 Cycle	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

(a) Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company except for those discussed below:

(i) MFRS 119 Employee Benefits (revised)

The Group and the Company have adopted MFRS 119 Employee Benefits (revised) and applied this standard retrospectively during the financial year.

The amendments to MFRS 119 Employee Benefits (revised) changed the accounting for defined benefit plans and termination benefits. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor method' permitted under the previous version of MFRS 119 Employee Benefits and accelerate the recognition of past service costs.

As a result of MFRS 119 Employee Benefits (Revised) adoption, actuarial gains and losses are recognised immediately through other comprehensive income in order for the net retirement benefit asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. The expected returns on plan assets of defined retirement benefit scheme are recognised in profit or loss. Meanwhile, the interest on net defined benefit obligation (net of the plan assets) is recognised in profit or loss, calculated using the discount rate used to measure the net retirement benefit obligations or assets.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (contd.)

(a) Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company except for those discussed below: (contd.)

- (i) MFRS 119 Employee Benefits (revised) (contd.)
The financial effects arising from the adoption of MFRS 119 Employee Benefits (revised) are disclosed in Note 2.2 b.
- (ii) MFRS 12 Disclosures of Interests in Other Entities
MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.
- (iii) Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income
The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.
- (iv) MFRS 13 Fair Value Measurement
MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.
- (v) MFRS 127 Separate Financial Statements
As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.
- (vi) MFRS 128 Investments in Associates and Joint Ventures
As a consequence of the new MFRS 11 and MFRS 12, MFRS 128 is renamed as MFRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (contd.)

(b) Financial effects arising from the adoption of MFRS 119 Employee Benefits (revised)

- (i) The following are reconciliations of statements of financial position of the Group and of the Company as at 1 January 2012 and 31 December 2012:

	As previously reported RM'000	Effect of adoption of MFRS 119 RM'000	Restated RM'000
Group			
As at 1 January 2012			
Equity attributable to owners of the Company			
Retained earnings	138,308,106	489,690	138,797,796
Non-current liabilities			
Retirement benefit obligations	4,480,560	(652,920)	3,827,640
Deferred tax liabilities	12,528,753	163,230	12,691,983
As at 31 December 2012			
Equity attributable to owners of the Company			
Retained earnings	122,512,104	604,072	123,116,176
Non-current liabilities			
Retirement benefit obligations	4,052,122	(805,429)	3,246,693
Deferred tax liabilities	8,111,476	201,357	8,312,833



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (contd.)

(b) Financial effects arising from the adoption of MFRS 119 Employee Benefits (revised) (contd.)

- (i) The following are reconciliations of statements of financial position of the Group and of the Company as at 1 January 2012 and 31 December 2012: (contd.)

	As previously reported RM'000	Effect of adoption of MFRS 119 RM'000	Restated RM'000
Company			
As at 1 January 2012			
Equity attributable to owners of the Company			
Retained earnings	37,415,314	489,690	37,905,004
Non-current liabilities			
Retirement benefit obligations	3,851,015	(652,920)	3,198,095
Deferred tax liabilities	11,983,681	163,230	12,146,911
As at 31 December 2012			
Equity attributable to owners of the Company			
Retained earnings	20,812,590	604,072	21,416,662
Non-current liabilities			
Retirement benefit obligations	3,457,246	(805,429)	2,651,817
Deferred tax liabilities	7,661,856	201,357	7,863,213



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (contd.)

(b) Financial effects arising from the adoption of MFRS 119 Employee Benefits (revised) (contd.)

- (ii) The following are reconciliations of income statements of the Group and of the Company for the financial year ended 31 December 2012:

	As previously reported RM'000	Effect of adoption of MFRS 119 RM'000	Restated RM'000
Group			
Employee benefits expense	(123,266,951)	60,922	(123,206,029)
Loss before tax	(16,222,826)	60,922	(16,161,904)
Income tax expenses	459,329	(15,230)	444,099
Loss for the year	(15,799,497)	45,692	(15,753,805)
Company			
Employee benefits expense	(95,511,360)	60,922	(95,450,438)
Loss before tax	(20,720,847)	60,922	(20,659,925)
Income tax expenses	4,114,628	(15,230)	4,099,398
Loss for the year	(16,606,219)	45,692	(16,560,527)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (contd.)

(b) Financial effects arising from the adoption of MFRS 119 Employee Benefits (revised) (contd.)

(iii) The following are reconciliations of statements of the comprehensive income of the Group and of the Company for the financial year ended 31 December 2012:

	As previously reported RM'000	Effect of adoption of MFRS 119 RM'000	Restated RM'000
Group			
Loss for the year	(15,799,497)	45,692	(15,753,805)
Actuarial gains on defined benefit obligations	-	91,587	91,587
Income tax relating to actuarial gains on defined benefit obligations	-	(22,897)	(22,897)
Total comprehensive loss for the year	(13,998,584)	114,382	(13,884,202)
Company			
Loss for the year	(16,606,219)	45,692	(16,560,527)
Actuarial gains on defined benefit obligations	-	91,587	91,587
Income tax relating to actuarial gains on defined benefit obligations	-	(22,897)	(22,897)
Total comprehensive loss for the year	(16,746,698)	114,382	(16,632,316)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 MFRS and Amendments to MFRS issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective:

MFRS and Amendments to MFRSs	Effective for annual periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plan: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
MFRS 9 Financial Instruments (FRS 9 Issued by IASB in November 2009)	to be announced
MFRS 9 Financial Instruments (FRS 9 Issued by IASB in October 2010)	to be announced
MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	to be announced

The adoption of the above will have no material impact on the financial statements of the Group and of the Company in the period of initial application, except as discussed below:

MFRS 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015.

Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 31 December of each year. Interests in associates are equity accounted.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment charges. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate financial statements.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. The accounting policy for goodwill is set out in Note 2.4(c)(i). Discount on acquisition which represents negative goodwill is recognised immediately as income in profit or loss.

In business combinations achieved in stages, previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the owners of the Company, and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from shareholders' equity. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in shareholders' equity.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(a) Basis of consolidation (contd.)

If the Group loses control over a subsidiary, at the date the Group lose control, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their respective carrying amounts;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration or distribution received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(c) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

● Computer software and licenses

Computer software and licenses that do not form an integral part of the related hardware are classified as intangible assets. Software and licenses, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products of 3 to 5 years. Impairment is assessed whenever there is an indication of impairment and amortisation period and method are also reviewed at least at each balance sheet date.

● Multimedia service ("MMS") reproduction fees

Multimedia service ("MMS") reproduction fees relate to songs copyright for ringtones and are amortised using a straight-line basis over 2 years.

● Research and development

Research and development costs relate to development costs of content and application for e-Learning platform called Intelligent Learning Management System ("iLMS").



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to acquisition of the asset and any other costs directly attributable to bringing the assets to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Costs also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(d) Property, plant and equipment (contd.)

(iii) Depreciation (contd.)

The estimated useful lives for the current and comparative periods are as follows:

Buildings	2%
Plant and machinery	7.5%
Waste water treatment	6.7%
Lift	6.7%
Motor vehicles	20%
Furniture, fixtures, fittings and office equipment	20%
Computer equipment	33%
Renovations	10%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

(e) Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed based on straight-line basis over the leasehold period.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.4(d) up to the date of change in use.

(f) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(f) Impairment of non-financial assets (contd.)

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(g) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables and available-for-sale financial assets.

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the preceding categories.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(g) Financial assets (contd.)

(ii) Available-for-sale financial assets (contd.)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(h) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(h) Impairment of financial assets (contd.)

(i) Trade and other receivables and other financial assets carried at amortised cost (contd.)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the first-in, first-out method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings. Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(m) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(n) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when the services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Defined benefit plans

The Company operates a funded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees, while certain subsidiary companies operate an unfunded Scheme for their employees. The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised, reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan:

- Net actuarial losses of the current period and past service cost of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognised immediately.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(n) Employee benefits (contd.)

(iii) Defined benefit plans (contd.)

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

- Net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognised immediately.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

(iv) Share-based compensation

The Company's Executives' Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company's executives to acquire ordinary shares of the Company. The total fair value of share options granted to executives is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(n) Employee benefits (contd.)

(iv) Share-based compensation (contd.)

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after balance sheet date are discounted to present value.

(o) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.4(q)(iii).



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(p) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(q) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue arising from publication, printing and distribution of newspapers and magazines is recognised net of returns and service tax. Revenue relating to other sale of goods is recognised net of service taxes and discounts upon transfer of risks and rewards of ownership to the buyer.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Advertising revenue

Revenue from services rendered is recognised net of service taxes and discounts as and when the advertisements are published or displayed.

(iii) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(iv) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(v) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(r) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(r) Income taxes (contd.)

(ii) Deferred tax (contd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(s) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

(t) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.5 Significant accounting estimates and judgments

(a) Critical judgments made in applying accounting policies

There were no significant judgments made by the management in the process of applying the Group's accounting policies which may have significant effects on the amounts recognised in the financial statements except for payment of premium for leasehold land extension, which is allocated to land cost and depreciated over the lease term as disclosed in Note 2.4(o)(i).

(b) Key sources of estimation uncertainties

In the process of preparing these financial statements, there were no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year, except for:

(i) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Information on income taxes is disclosed in Note 9.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group and of the Company respectively and the unrecognised tax losses and capital allowances of the Group are as disclosed in Note 16.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Significant accounting estimates and judgments (contd.)

(b) Key sources of estimation uncertainties (contd.)

(iii) Impairment review of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2013 was RMNil (2012: RM50,000). Further details are disclosed in Note 13.

(iv) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 19.

3. REVENUE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Publishing, distribution and advertisements	328,978,024	334,419,597	274,404,988	274,138,613
Information technology and multimedia	1,281,942	8,617,350	-	-
Investment holding, management services and others	12,171,828	2,215,501	-	-
	342,431,794	345,252,448	274,404,988	274,138,613

Included in investment holding revenue of the Group are:

	2013 RM	2012 RM
Dividend income from:		
Available-for-sale financial assets:		
- Equity instruments (quoted)	545,640	576,272
- Equity instruments (unquoted)	1,410,752	433,651
Held-for-trading financial assets	40,140	-
Net fair value loss on held for trading investment	(242,812)	-
Interest income on deposits	68,211	247,357
Interest income on others	136,072	42,747
Gain on disposal of available-for-sale investments	1,308,242	110,928
Gain on disposal of held for trading investments	598,486	-



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

4. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Dividend income:				
- Available-for-sale investment (quoted in Malaysia)	207,143	1,830,723	207,143	1,830,723
- Subsidiaries	-	-	2,457,000	6,000,000
- Associates	-	-	1,207,200	4,007,200
Gain on disposal of property, plant and equipment	158,906	173,661	158,052	147,221
Gain/(loss) on disposal of available-for-sale investment	(1,083)	3,021	(1,083)	-
Gain/(loss) on disposal of a subsidiary (Note 14(i))	993,485	-	(359,999)	-
Building rental income	2,045,760	1,911,250	2,100,085	1,858,450
Interest income charged to subsidiaries	-	-	119,851	146,670
Interest income on deposits	268,552	551,031	35,764	35,087
Interest income - others	919,672	896,937	917,325	891,607

5. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Wages and salaries	91,483,712	86,560,508	74,304,555	69,628,931
Social security costs	1,044,815	1,062,540	811,629	780,866
Short term accumulating compensated absences	146,367	94,147	-	-
Contribution to defined contribution plans	14,038,736	13,282,697	10,973,313	10,462,044
Increase in liability for defined benefit plans (Note 22)	550,943	574,034	508,943	545,173
Other staff related expenses	21,824,987	21,632,103	13,006,524	14,033,424
	129,089,560	123,206,029	99,604,964	95,450,438

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM3,146,178 (2012: RM3,520,536) and RM1,712,417 (2012: RM1,743,303) respectively as further disclosed in Note 6.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

6. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Executive directors' remuneration (Note 5):				
- Salaries and other emoluments	2,615,044	2,941,241	1,381,965	1,381,965
- Fees	120,000	120,000	120,000	120,000
- Defined contribution plan	411,134	459,295	210,452	241,338
	3,146,178	3,520,536	1,712,417	1,743,303
Non-executive directors' remuneration (Note 8):				
- Fees	220,664	230,500	220,664	230,500
Total directors' remuneration (Note 30(b))	3,366,842	3,751,036	1,933,081	1,973,803
Estimated money value of benefits-in-kind	176,808	161,681	172,808	161,181
Total directors' remuneration including benefits-in-kind	3,543,650	3,912,717	2,105,889	2,134,984

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of directors	
	2013	2012
Executive directors		
RM350,001 – RM400,000	-	1
RM400,001 – RM450,000	1	-
RM700,001 – RM750,000	2	1
RM750,001 – RM800,000	-	1
Non-executive directors		
Below RM50,000	6	6



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

7. FINANCE COSTS

Included in finance costs are the following:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Interest expense on:				
- Bank borrowings and overdrafts	7,165,014	6,161,146	6,948,338	6,056,675
- Inter company borrowings	-	-	309,748	157,940
- Leasing/hire purchase payables	94,677	45,250	108,504	48,244

8. LOSS BEFORE TAX

The following amounts have been included in arriving at loss before taxation:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-executive directors' remuneration (Note 6)	220,664	230,500	220,664	230,500
Auditors' remuneration:				
- Statutory audit	204,100	210,000	80,500	79,500
- Other services	7,500	8,000	7,500	4,000
Office/warehouse rental expenses	918,996	1,384,310	1,068,197	1,944,964
Equipment rental expenses	116,391	112,287	28,950	14,898
Impairment loss on trade and other receivables	10,803,047	5,268,056	11,268,566	6,938,631
Reversal of impairment loss on trade and other receivables	(2,952,582)	(1,508,736)	(5,167,338)	(822,703)
Waiver of amount owing by a subsidiary	-	-	3,173,776	-
Bad debts recovered	(54,160)	(41,294)	(253,632)	(2,608)
Inventories written off	354,139	562,548	-	27,510
Inventories written down	2,810,403	160,427	-	-
Impairment of goodwill	50,000	-	-	-
Present value adjustment on preference shares	-	1,693,614	-	1,693,614



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

8. LOSS BEFORE TAX (CONTD.)

The following amounts have been included in arriving at loss before taxation (contd.):

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Deposit written off	360,509	-	358,964	-
Property, plant and equipment written off	5,785	3,761	4,060	-
Impairment loss on intangible assets	-	981,645	-	-
Impairment loss on investment in a subsidiary	-	-	3,099,999	2,363,956

9. INCOME TAXATION

The major components of income taxation for years ended 31 December 2013 and 2012 are:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current income tax:				
Malaysian income tax	2,640,094	2,845,043	-	191,189
(Over)/underprovision in prior years	(23,026)	(4,537)	-	16,008
	2,617,068	2,840,506	-	207,197
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	(4,207,887)	(3,398,935)	(5,994,214)	(4,418,053)
Relating to reduction in Malaysian income tax rate	(229,248)	-	(290,200)	-
(Over)/underprovision in prior years	(2,411,419)	114,330	(608,222)	111,458
	(6,848,554)	(3,284,605)	(6,892,636)	(4,306,595)
Income taxation recognised in profit or loss	(4,231,486)	(444,099)	(6,892,636)	(4,099,398)

The current income tax is calculated at the statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year. The statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective year of assessment 2016. The computation of deferred tax as at 31 December 2013 has reflected these changes.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

9. INCOME TAXATION (CONTD.)

A reconciliation of income taxation applicable to loss before taxation at the statutory income tax rate to income taxation at the effective income tax rate of the Group and of the Company for the years ended 31 December 2013 and 2012 are as follows:

	2013 RM	2012 RM
Group		
Loss before taxation	(20,394,776)	(16,161,904)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	(5,098,694)	(4,040,476)
Income not subject to tax	(2,199,171)	(426,901)
Effect of changes in tax rate	(229,245)	-
Expenses not deductible for tax purposes	2,210,555	701,991
Effect of deferred tax recognised at different rates	178,085	-
Utilisation of previously unrecognised deductible temporary differences	-	(1,714,135)
Deferred tax assets recognised on unutilised tax losses and unabsorbed capital allowances	103,330	-
Utilisation of previously unrecognised capital allowances	(1,312)	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	4,141,787	4,413,375
Effect of share of result of associates	(902,376)	512,254
(Over)/under provision of deferred tax in prior years	(2,411,419)	114,330
Overprovision of tax expense in prior years	(23,026)	(4,537)
Income taxation	(4,231,486)	(444,099)
Tax savings recognised during the year arising from:		
Utilisation of current year tax losses	766,730	1,941,876
Utilisation of tax losses brought forward from previous years	-	20,747
Unutilised tax losses carried forward	62,898,631	39,172,938
Company		
Loss before taxation	(30,026,469)	(20,659,925)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	(7,506,618)	(5,164,981)
Income not subject to tax	(991,317)	(1,460,303)
Effect of changes in tax rate	(290,200)	-
Expenses not deductible for tax purposes	2,253,963	2,398,421
Effect of deferred tax recognised at different rates	249,758	-
(Over)/under provision of deferred tax in prior years	(608,222)	111,458
Under provision of tax expense in prior years	-	16,008
Income taxation	(6,892,636)	(4,099,397)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

10. LOSS PER SHARE

(a) Basic

Basic loss per share amounts are calculated by dividing the loss for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2013	2012 Restated
Loss attributable to owners of the parent (RM)	(16,213,366)	(15,753,805)
Weighted average number of ordinary shares in issue	110,733,837	110,733,837
Basic loss per share (sen)	(14.64)	(14.23)

(b) Diluted

For the purpose of calculating diluted loss per share, the loss for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, arising from the share options granted to executives.

During the year ESOS has expired on 6 July 2013 and the Company has no intention to make further extension as disclosed on Note 25.

	Group	
	2013	2012 Restated
Loss attributable to owners of the parent (RM)	(16,213,366)	(15,753,805)
Adjusted weighted average number of ordinary shares in issue and issuable	110,733,837	110,733,837
Diluted loss per share (sen)	(14.64)	(14.23)

In prior year, there was no dilution of earnings per share for the financial year since the effect of ESOS was anti-dilutive.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT

	* Land and buildings RM	Capital work-in-progress RM	Motor vehicles, plant and machinery RM	** Other assets RM	Total RM
Group					
At 31 December 2013					
Cost					
At 1 January 2013	151,399,577	57,339,194	224,910,484	59,625,108	493,274,363
Additions	-	24,229,897	223,099	7,637,291	32,090,287
Disposals	-	-	(810,759)	(573,427)	(1,384,186)
Written off	-	-	(2,310,630)	(3,246,018)	(5,556,648)
Disposal of a subsidiary	-	-	-	(912,708)	(912,708)
Reclassification	78,150,253	(79,338,800)	-	214,500	(974,047)
Exchange differences	-	-	(45,376)	(3,005)	(48,381)
At 31 December 2013	229,549,830	2,230,291	221,966,818	62,741,741	516,488,680
Accumulated depreciation and impairment					
At 1 January 2013	39,181,170	-	144,199,311	51,904,267	235,284,748
Depreciation charge for the year	3,742,099	-	11,125,817	3,809,944	18,677,860
Disposals	-	-	(810,759)	(573,122)	(1,383,881)
Written off	-	-	(2,310,630)	(3,240,233)	(5,550,863)
Disposal of a subsidiary	-	-	-	(790,849)	(790,849)
Exchange differences	-	-	(45,376)	(3,005)	(48,381)
At 31 December 2013	42,923,269	-	152,158,363	51,107,002	246,188,634
Net carrying amount					
At 31 December 2013	186,626,561	2,230,291	69,808,455	11,634,739	270,300,046



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	* Land and buildings RM	Capital work-in-progress RM	Motor vehicles, plant and machinery RM	** Other assets RM	Total RM
Group (contd.)					
At 31 December 2012					
Cost					
At 1 January 2012	148,460,826	17,629,332	225,115,259	55,350,019	446,555,436
Additions	2,912,913	39,735,700	501,770	4,585,632	47,736,015
Disposals	-	-	(690,029)	(303,249)	(993,278)
Written off	-	-	-	(6,200)	(6,200)
Reclassification	25,838	(25,838)	-	-	-
Exchange differences	-	-	(16,516)	(1,094)	(17,610)
At 31 December 2012	151,399,577	57,339,194	224,910,484	59,625,108	493,274,363
Accumulated depreciation and impairment					
At 1 January 2012	36,236,369	-	132,713,565	48,760,738	217,710,672
Depreciation charge for the year	2,944,801	-	12,192,291	3,450,311	18,587,403
Disposals	-	-	(690,029)	(303,249)	(993,278)
Written off	-	-	-	(2,439)	(2,439)
Exchange differences	-	-	(16,516)	(1,094)	(17,610)
At 31 December 2012	39,181,170	-	144,199,311	51,904,267	235,284,748
Net carrying amount					
At 31 December 2012	112,218,407	57,339,194	80,711,173	7,720,841	257,989,615

** Other assets consist of furniture, fixtures and fittings, office equipment, waste water treatment equipment, lift, computer equipment and renovations.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

* Land and buildings of the Group:

	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
At 31 December 2013			
Cost			
At 1 January 2013	10,973,741	140,425,836	151,399,577
Reclassification	-	78,150,253	78,150,253
At 31 December 2013	10,973,741	218,576,089	229,549,830
Accumulated depreciation and impairment			
At 1 January 2013	2,449,351	36,731,819	39,181,170
Depreciation charge for the year	226,176	3,515,923	3,742,099
At 31 December 2013	2,675,527	40,247,742	42,923,269
Net carrying amount			
At 31 December 2013	8,298,214	178,328,347	186,626,561
At 31 December 2012			
Cost			
At 1 January 2012	10,973,741	137,487,085	148,460,826
Additions	-	2,912,913	2,912,913
Reclassification	-	25,838	25,838
At 31 December 2012	10,973,741	140,425,836	151,399,577
Accumulated depreciation and impairment			
At 1 January 2012	2,223,175	34,013,194	36,236,369
Depreciation charge for the year	226,176	2,718,625	2,944,801
At 31 December 2012	2,449,351	36,731,819	39,181,170
Net carrying amount			
At 31 December 2012	8,524,390	103,694,017	112,218,407



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	* Land and buildings RM	Capital work-in- progress RM	Motor vehicles, plant and machinery RM	** Other assets RM	Total RM
Company					
At 31 December 2013					
Cost					
At 1 January 2013	140,032,736	56,451,856	221,731,710	38,992,979	457,209,281
Additions	-	23,980,418	223,099	6,193,383	30,396,900
Disposals	-	-	(810,759)	(520,401)	(1,331,160)
Written off	-	-	(2,310,630)	(3,241,207)	(5,551,837)
Transfer to subsidiaries	-	(549,127)	-	-	(549,127)
Reclassifications	78,150,253	(79,338,800)	-	214,500	(974,047)
At 31 December 2013	218,182,989	544,347	218,833,420	41,639,254	479,200,010
Accumulated depreciation and impairment					
At 1 January 2013	34,471,436	-	141,381,743	32,681,531	208,534,710
Depreciation charge for the year	3,442,602	-	11,092,843	2,844,974	17,380,419
Disposals	-	-	(810,759)	(520,401)	(1,331,160)
Written off	-	-	(2,310,630)	(3,237,147)	(5,547,777)
At 31 December 2013	37,914,038	-	149,353,197	31,768,957	219,036,192
Net carrying amount					
At 31 December 2013	180,268,951	544,347	69,480,223	9,870,297	260,163,818



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	* Land and buildings RM	Capital work-in- progress RM	Motor vehicles, plant and machinery RM	** Other assets RM	Total RM
Company (contd.)					
At 31 December 2012					
Cost					
At 1 January 2012	137,093,985	17,629,334	222,019,351	35,022,398	411,765,068
Additions	2,912,913	38,848,360	339,857	3,970,581	46,071,711
Disposals	-	-	(627,498)	-	(627,498)
Reclassifications	25,838	(25,838)	-	-	-
At 31 December 2012	140,032,736	56,451,856	221,731,710	38,992,979	457,209,281
Accumulated depreciation and impairment					
At 1 January 2012	31,826,134	-	129,851,848	30,282,071	191,960,053
Depreciation charge for the year	2,645,302	-	12,157,393	2,399,460	17,202,155
Disposals	-	-	(627,498)	-	(627,498)
At 31 December 2012	34,471,436	-	141,381,743	32,681,531	208,534,710
Net carrying amount					
At 31 December 2012	105,561,300	56,451,856	80,349,967	6,311,448	248,674,571

** Other assets consist of furniture, fixtures and fittings, office equipment, waste water treatment equipment, lift, computer equipment and renovations.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

* Land and buildings of the Company:

	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
At 31 December 2013			
Cost			
At 1 January 2013	10,973,743	129,058,993	140,032,736
Reclassifications	-	78,150,253	78,150,253
At 31 December 2013	10,973,743	207,209,246	218,182,989
Accumulated depreciation and impairment			
At 1 January 2013	2,449,336	32,022,100	34,471,436
Depreciation charge for the year	226,176	3,216,426	3,442,602
At 31 December 2013	2,675,512	35,238,526	37,914,038
Net carrying amount			
At 31 December 2013	8,298,231	171,970,720	180,268,951
At 31 December 2012			
Cost			
At 1 January 2012	10,973,743	126,120,242	137,093,985
Additions	-	2,912,913	2,912,913
Reclassifications	-	25,838	25,838
At 31 December 2012	10,973,743	129,058,993	140,032,736
Accumulated depreciation and impairment			
At 1 January 2012	2,223,160	29,602,974	31,826,134
Depreciation charge for the year	226,176	2,419,126	2,645,302
At 31 December 2012	2,449,336	32,022,100	34,471,436
Net carrying amount			
At 31 December 2012	8,524,407	97,036,893	105,561,300



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (a) During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM32,090,287 (2012: RM47,736,015) and RM30,396,900 (2012: RM46,071,711) respectively of which RM19,200,483 (2012: RM2,174,954) and RM19,382,206 (2012: RM2,034,953) respectively were acquired by means of and leasing borrowings arrangements.

The net carrying amounts of property, plant and equipment held under hire purchase and leasing payable agreements are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Motor vehicles	103,868	137,301	289,823	139,125
Computer equipment	480,410	783,827	480,410	783,827
Capital work-in-progress	-	974,046	-	974,046

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 28(b).

- (b) The net carrying amounts of property, plant and equipment pledged to financial institutions for bank borrowings as referred to in Note 23 are as follows:

	Group and Company	
	2013 RM	2012 RM
Land and buildings on leasehold land	167,797,415	86,059,601
Capital work-in-progress	-	56,287,895
Plant and machinery	41,963,518	48,222,013
	209,760,933	190,569,509

- (c) Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use, costing RM113,380,669 (2012: RM120,618,694) and RM99,800,219 (2012: RM100,970,526) respectively.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

12. INVESTMENT PROPERTIES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cost				
At 1 January	16,438,206	16,438,206	1,631,668	1,631,668
Additions	719,451	-	-	-
At 31 December	17,157,657	16,438,206	1,631,668	1,631,668
Accumulated depreciation				
At 1 January	2,578,586	2,355,682	1,411,175	1,406,311
Depreciation charge for the year	231,469	222,904	4,864	4,864
At 31 December	2,810,055	2,578,586	1,416,039	1,411,175
Net carrying amount	14,347,602	13,859,620	215,629	220,493
Fair value	40,700,000	23,726,000	21,300,000	8,000,000

Included in investment properties of the Group and of the Company are fully depreciated assets which are still in use, costing RM1,388,477 (2012: RM1,388,477) and RM1,388,477 (2012: RM1,388,477) respectively.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

13. INTANGIBLE ASSETS

	Software RM	MMS reproduction RM	Goodwill RM	* Research and development RM	Total RM
Group					
At 31 December 2013					
Cost					
At 1 January 2013	26,076,651	127,456	785,613	1,203,400	28,193,120
Additions	731,724	-	-	-	731,724
Written off	-	-	(785,613)	-	(785,613)
Disposal of a subsidiary	(595,718)	(127,456)	-	(1,203,400)	(1,926,574)
Reclassification	974,047	-	-	-	974,047
At 31 December 2013	27,186,704	-	-	-	27,186,704
Accumulated amortisation and impairment					
At 1 January 2013	24,030,725	127,456	735,613	1,203,400	26,097,194
Amortisation for the year	773,229	-	-	-	773,229
Written off	-	-	(735,613)	-	(735,613)
Disposal of a subsidiary	(502,658)	(127,456)	-	(1,203,400)	(1,833,514)
At 31 December 2013	24,301,296	-	-	-	24,301,296
Net carrying amount					
At 31 December 2013	2,885,408	-	-	-	2,885,408



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

13. INTANGIBLE ASSETS (CONTD.)

	Software RM	MMS reproduction RM	Goodwill RM	* Research and development RM	Total RM
Group (contd.)					
At 31 December 2012					
Cost					
At 1 January 2012	24,153,128	127,456	785,613	1,077,400	26,143,597
Additions	1,923,523	-	-	126,000	2,049,523
At 31 December 2012	26,076,651	127,456	785,613	1,203,400	28,193,120
Accumulated amortisation and impairment					
At 1 January 2012	23,538,237	127,456	735,613	-	24,401,306
Amortisation for the year	492,488	-	-	221,755	714,243
Impairment loss for the year	-	-	-	981,645	981,645
At 31 December 2012	24,030,725	127,456	735,613	1,203,400	26,097,194
Net carrying amount					
At 31 December 2012	2,045,926	-	50,000	-	2,095,926

* Research and development costs relate to development costs of content and application for e-Learning platform called Intelligent Learning Management System ("iLMS").



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

13. INTANGIBLE ASSETS (CONTD.)

	Software	
	2013 RM	2012 RM
Company		
Cost		
At 1 January	25,464,412	23,540,889
Additions	509,500	1,923,523
Reclassification	974,046	-
At 31 December	26,947,958	25,464,412
Accumulated amortisation		
At 1 January	23,591,252	23,215,838
Amortisation for the year	676,496	375,414
At 31 December	24,267,748	23,591,252
Net carrying amount		
At 31 December	2,680,210	1,873,160

During the year, the Group and the Company acquired intangible assets with an aggregate cost of RM731,724 (2012: RM2,049,523) and RM509,500 (2012: RM1,923,523) respectively of which RMNil (2012: RM1,693,120) and RMNil (2012: RM1,693,120) respectively were acquired by means of hire purchase and leasing payable arrangements.

Included in intangible assets of the Group and of the Company are fully amortised assets which are still in use, costing RM24,287,772 (2012: RM23,450,787) and RM23,274,872 (2012: RM23,274,872) respectively.

The net carrying amounts of intangible assets of the Group and of the Company held under hire purchase and leasing payable agreements are RM876,642 (2012: RM1,552,027) and RM876,642 (2012: RM1,552,027) respectively.

Impairment testing of goodwill

Goodwill arising from acquisition of a subsidiary has been allocated to the cash-generating units ("CGU") of the Publishing, Distributions and Advertisement segments for impairment testing. The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a three year period.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 RM	2012 RM
Unquoted shares, at cost	8,866,001	11,589,957
Less: Accumulated impairment losses	(4,135,999)	(3,399,956)
	4,730,002	8,190,001

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest held (%)		Principal activities
		2013	2012	
Held by the Company:				
Utusan Publications and Distributors Sdn Bhd	Malaysia	100	100	Publications and distribution of books
Utusan Karya Sdn Bhd	Malaysia	100	100	Publication of magazines
Juasa Holdings Sdn Bhd	Malaysia	100	100	Investment holding
Utusan Airtime Sdn Bhd	Malaysia	100	100	Radio and TV advertising
Utusan Sight & Sound Sdn Bhd	Malaysia	100	100	Video post-production editing
Perfasio Solutions Sdn Bhd (Note 14(i))	Malaysia	-	100	Information technology and multimedia
Utusan Land Sdn Bhd	Malaysia	100	100	Property development
U-Print Sdn Bhd	Malaysia	100	100	Dormant
PT. Sinar Media Advertising*	Indonesia	95	95	Dormant
Utusan Teknologi Maklumat Sdn Bhd	Malaysia	70	70	Dormant
Held through subsidiaries:				
Held via Juasa Holdings Sdn Bhd				
Utusan Media Sales Sdn Bhd	Malaysia	100	100	Advertising agent
Arah Pendidikan Sdn Bhd	Malaysia	100	100	Distribution of books
Jobhouse Sdn Bhd	Malaysia	100	100	Management services
Utusan Binders Sdn Bhd	Malaysia	100	100	Dormant
PT. Sinar Media Advertising*	Indonesia	5	5	Dormant
Held via Utusan Media Sales Sdn Bhd				
Karya Outdoor Sdn Bhd (formerly known as KL Recorder Sdn Bhd)	Malaysia	100	100	Outdoor advertising
Held via Karya Outdoor Sdn Bhd				
Tintaron Publications Sdn Bhd	Malaysia	100	100	Publications and distribution of books

* Audited by firms of auditors other than Ernst & Young.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

14. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(i) Gain on disposal of a subsidiary

On 1 October 2013 the Board of Directors of Utusan Melayu (Malaysia) Berhad ("UMMB") had announced to Bursa Malaysia that UMMB had entered into a Share Sale Agreement with Cendana Senada Sdn Bhd for the disposal of 360,000 ordinary shares of RM1.00 each which represent 100% of the total issued and paid up capital in its subsidiary, Perfisio Solution Sdn Bhd. The purchase consideration was RM1.00 only, upon such terms and subject to the conditions contained in the Share Sale Agreement.

The subsidiary was previously reported as part of the information technology and multimedia segment.

The disposal had the following effects on the financial position of the Group as at the end of the year.

	2013 RM	2012 RM
Property, plant & equipment	214,919	284,780
Trade and other receivables	2,735,582	2,879,743
Cash and bank balances	432,957	338,992
Trade and other payables	(4,376,942)	(6,967,800)
Total net liabilities	(993,484)	(3,464,285)
Net liabilities disposed	(993,484)	
Total disposal proceed	1	
Gain on disposal to the Group	993,485	
Cash inflow arising on disposal:		
Cash consideration	1	
Cash and cash equivalent of subsidiary disposed	(432,957)	
Net cash outflow on disposal	(432,956)	



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

15. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unquoted shares, at cost	3,812,306	3,802,306	3,679,000	3,669,000
Share of post-acquisition reserves	23,712,103	21,309,798	-	-
	27,524,409	25,112,104	3,679,000	3,669,000
Less: Accumulated impairment losses	(133,306)	(133,306)	-	-
	27,391,103	24,978,798	3,679,000	3,669,000
Represented by:				
Share of net assets of the associates	27,391,103	24,978,798	-	-

Details of the associates are as follows:

Name of associates	Country of incorporation	Equity interest held (%)		Principal activities
		2013	2012	
Held by the Company:				
Swan Malaysia Sdn Bhd and its subsidiaries *	Malaysia	40	40	Manufacturing of stationeries
Utusan Printcorp Sdn Bhd	Malaysia	40	40	Commercial printing
Utusan Transport Sdn Bhd and its subsidiaries *	Malaysia	30	30	Transportation
PT. Sinar Mitra Utama *	Indonesia	40	40	Dormant

* Audited by firms of auditors other than Ernst & Young.

The financial statements of the above associates are coterminous with those of the Group, except for Swan Malaysia Sdn Bhd which has a financial year end of 30 June to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the unaudited financial statements of Swan Malaysia Sdn Bhd for the period ended 31 December 2013 have been used.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

15. INVESTMENTS IN ASSOCIATES (CONTD.)

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2013 RM	2012 RM
Assets and liabilities		
Current assets	159,451,901	108,083,508
Non-current assets	156,669,458	33,540,254
Total assets	316,121,359	141,623,762
Current liabilities	172,591,523	68,798,548
Non-current liabilities	120,592,603	2,954,845
Total liabilities	293,184,126	71,753,393
Results		
Revenue	222,636,893	143,295,103
Profit for the year	(3,201,098)	9,583,453

Acquisition of additional shareholding in associate

On 1 October 2012, the Company acquired an additional 500,000 ordinary shares in Utusan Printcorp Sdn. Bhd. ("UPSB"), representing 10% equity interest in UPSB for a total cash consideration of RM1,180,000. This acquisition resulted in an increase of the Company's equity interest in UPSB to 40%.

16. DEFERRED TAX

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
At 1 January	(8,128,543)	(11,390,251)	(7,863,213)	(12,146,911)
Recognised in profit or loss (Note 9)	6,848,554	3,284,605	6,892,636	4,306,595
Recognised in other comprehensive income	(37,337)	(22,897)	(37,337)	(22,897)
At 31 December	(1,317,326)	(8,128,543)	(1,007,914)	(7,863,213)
Presented after appropriate offsetting as follows:				
Deferred tax assets	109,896	184,290	-	-
Deferred tax liabilities	(1,427,222)	(8,312,833)	(1,007,914)	(7,863,213)
	(1,317,326)	(8,128,543)	(1,007,914)	(7,863,213)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

16. DEFERRED TAX (CONTD.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM
At 1 January 2013	(23,759,854)
Recognised in profit or loss	(1,158,043)
	(24,917,897)
Less: Set-off deferred tax assets	23,490,675
At 31 December 2013	(1,427,222)
At 1 January 2012	(24,126,148)
Recognised in profit or loss	366,294
	(23,759,854)
Less: Set-off deferred tax assets	15,447,021
At 31 December 2012	(8,312,833)

Deferred tax assets of the Group:

	Retirement benefit obligations RM	Unutilised tax losses and unabsorbed capital allowances RM	Provisions and accruals RM	Total RM
At 1 January 2013	2,090,760	12,072,322	1,468,229	15,631,311
Recognised in profit or loss	(267,797)	7,793,844	480,550	8,006,597
Recognised in other comprehensive income	(37,337)	-	-	(37,337)
	1,785,626	19,866,166	1,948,779	23,600,571
Less: Set-off deferred tax liabilities				(23,490,675)
At 31 December 2013				109,896
At 1 January 2012	2,474,049	8,073,554	2,188,294	12,735,897
Recognised in profit or loss	(360,392)	3,998,768	(720,065)	2,918,311
Recognised in other comprehensive income	(22,897)	-	-	(22,897)
	2,090,760	12,072,322	1,468,229	15,631,311
Less: Set-off deferred tax liabilities				(15,447,021)
At 31 December 2012				184,290



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

16. DEFERRED TAX (CONTD.)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM
At 1 January 2013	(22,952,614)
Recognised in profit or loss	(1,160,982)
	(24,113,596)
Less: Set-off deferred tax assets	23,105,682
At 31 December 2013	(1,007,914)
At 1 January 2012	(23,208,747)
Recognised in profit or loss	256,133
	(22,952,614)
Less: Set-off deferred tax assets	15,089,401
At 31 December 2012	(7,863,213)

Deferred tax assets of the Company:

	Retirement benefit obligations RM	Unabsorbed capital allowances RM	Provisions and accruals RM	Total RM
At 1 January 2013	2,090,763	11,916,028	1,082,610	15,089,401
Recognised in profit or loss	(406,214)	8,689,975	(230,143)	8,053,618
Recognised in other comprehensive income	(37,337)	-	-	(37,337)
	1,647,212	20,606,003	852,467	23,105,682
Less: Set-off deferred tax liabilities				(23,105,682)
At 31 December 2013				-
At 1 January 2012	2,305,461	8,005,992	750,383	11,061,836
Recognised in profit or loss	(191,801)	3,910,036	332,227	4,050,462
Recognised in other comprehensive income	(22,897)	-	-	(22,897)
	2,090,763	11,916,028	1,082,610	15,089,401
Less: Set-off deferred tax liabilities				(15,089,401)
At 31 December 2012				-



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

16. DEFERRED TAX (CONTD.)

Deferred tax assets have not been recognised in respect of the following items:

	2013 RM	Group 2012 RM
Unutilised tax losses	53,211,818	37,777,140
Unabsorbed capital allowances	13,185,366	11,912,140
Others	436,519	169,210
	66,833,703	49,858,490

The unutilised tax losses and unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

17. LONG-TERM RECEIVABLES

	2013 RM	Group 2012 RM
Advances to employees		
Minimum receivables:		
Within and up to one year	1,083,483	418,563
After one and up to two years	773,183	732,779
After two and up to five years	767,422	289,806
	2,624,088	1,441,148
Less: Future finance income	(369,483)	(189,277)
Present value of assets	2,254,605	1,251,871
Present value of assets:		
Within and up to one year	901,417	340,318
After one and up to two years	675,667	652,958
After two and up to five years	677,521	258,595
	2,254,605	1,251,871
Analysed as:		
Receivables within twelve months (Note 19)	901,417	340,318
Receivables after twelve months (Note 19)	1,353,188	911,553
Total	2,254,605	1,251,871



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

17. LONG-TERM RECEIVABLES (CONTD.)

The advances to employees relate to advances given to employees of the Group to purchase motorcycles and computers under the Staff Motorcycle Loan Scheme, Staff Computer and Electrical & Appliances Loan Scheme ("Loan Schemes"). The Loan Schemes bear interest at rates 6.0% (2012: 6.0%) per annum and are recovered through salary deductions.

18. INVENTORIES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cost				
Raw materials	8,866,179	23,568,030	8,866,759	23,568,030
Spare parts and consumables	5,647,647	5,320,998	5,625,844	5,298,656
Work-in-progress	277,930	437,149	-	-
Finished goods	8,711,721	11,474,745	-	-
	23,503,477	40,800,922	14,492,603	28,866,686

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Trade receivables				
Third parties	100,963,264	95,914,073	20,243,903	19,032,242
Less: Allowance for impairment	(18,020,833)	(15,960,982)	(1,172,713)	(1,078,491)
Trade receivables, net	82,942,431	79,953,091	19,071,190	17,953,751
Other receivables				
Due from related parties:				
- Subsidiaries	-	-	58,624,663	72,402,921
- Associates	13,385,889	16,312,729	12,766,211	15,599,230
Deposits	7,536,718	3,221,836	7,174,173	2,859,510
Prepayments	9,582,646	4,305,995	463,987	424,723
Advances to employees (Note 17)	901,417	340,318	-	-
Sundry receivables	3,358,541	4,110,278	2,552,531	1,262,256
	34,765,211	28,291,156	81,581,565	92,548,640



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

19. TRADE AND OTHER RECEIVABLES (CONTD.)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current (contd.)				
Other receivables (contd.)				
Less: Allowance for impairment:				
- Subsidiaries	-	-	(20,015,214)	(20,258,700)
- Associates	(2,546,834)	-	(2,546,834)	-
- Other receivables	(1,148,885)	(148,895)	(1,053,120)	(45,368)
	(3,695,719)	(148,895)	(23,615,168)	(20,304,068)
Other receivables, net	31,069,492	28,142,261	57,966,397	72,244,572
Trade and other receivables (current)	114,011,923	108,095,352	77,037,587	90,198,323
Non-current				
Other receivables				
Other receivables	2,049,300	-	2,049,300	-
Loan to associate	13,445,127	14,145,127	13,445,127	14,145,127
Loans to subsidiaries	-	-	1,686,146	2,196,210
Advances to employees (Note 17)	1,353,188	911,553	-	-
	16,847,615	15,056,680	17,180,573	16,341,337
Less: Allowance for impairment:				
- Other receivables	(2,049,300)	-	(2,049,300)	-
Trade and other receivables (non-current)	14,798,315	15,056,680	15,131,273	16,341,337
Total trade and other receivables (current and non-current)	128,810,238	123,152,032	92,168,860	106,539,660
Add: Cash and cash equivalents (Note 21)	32,882,057	49,979,725	7,664,025	7,678,684
Total loans and receivables	161,692,295	173,131,757	99,832,885	114,218,344

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 day (2012: 30 to 120 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

19. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables (contd.)

The ageing analysis of the Group's and of the Company's trade receivables is as follows::

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Neither past due nor impaired	24,945,987	22,589,346	8,477,530	9,771,392
1 to 30 days past due not impaired	12,727,955	13,984,486	3,633,020	3,137,160
31 to 60 days past due not impaired	8,399,069	9,360,084	2,103,935	2,027,633
61 to 90 days past due not impaired	5,495,284	4,215,062	792,000	836,222
91 to 120 days past due not impaired	5,405,188	3,617,776	846,132	903,342
More than 120 days past due not impaired	25,968,948	26,186,337	3,218,573	1,278,002
	57,996,444	57,363,745	10,593,660	8,182,359
Impaired	18,020,833	15,960,982	1,172,713	1,078,491
	100,963,264	95,914,073	20,243,903	19,032,242

The Group and the Company have trade receivables amounting to RM57,996,444 (2012: RM57,363,745) and RM10,593,660 (2012: RM8,182,359) respectively that are past due at the reporting date but not impaired. The total amount that are past due but not impaired are unsecured in nature.

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

19. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables (contd.)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the end of the financial year and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade receivables - nominal value	18,020,833	15,960,982	1,172,713	1,078,491
Less: Allowance for impairment	(18,020,833)	(15,960,982)	(1,172,713)	(1,078,491)
Nominal value	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
At 1 January	15,960,982	12,507,390	1,078,491	557,401
Charge for the year	5,084,967	5,160,009	398,837	601,539
Reversal of impairment loss	(2,952,581)	(1,506,216)	(304,615)	(80,449)
Disposal of a subsidiary	(47,561)	-	-	-
Written off	(24,974)	(200,201)	-	-
At 31 December	18,020,833	15,960,982	1,172,713	1,078,491

Trade receivables that are individually determined to be impaired at end of the financial year relate to debtors that are in significant difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts due from related parties

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand. Part of related parties receivables are to be settled in cash after offsetting arrangements.

Amounts due from associates are unsecured, non-interest bearing and are repayable upon demand.

Loans to subsidiaries and associate are unsecured, bear an interest at 5% per annum (2012: 5% per annum), and have an average maturity of 5 years (2012: 5 years).



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

19. TRADE AND OTHER RECEIVABLES (CONTD.)

(c) Other receivables

Other receivables that are impaired

At the reporting date, the Company has provided an allowance of RM4,119,002 (2012: RM4,239,293) for impairment of the amount due from subsidiaries as those companies have been suffering significant financial losses for the current and past two financial years.

20. INVESTMENT SECURITIES

	2013		2012	
	RM		RM	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
Group				
Non-current				
<i>Available-for-sale financial assets</i>				
Equity instruments				
- Quoted in Malaysia	17,496,435	17,496,435	25,264,800	25,264,800
- Unquoted in Malaysia, at cost	1,282,502	-	1,282,502	-
	<u>18,778,937</u>		<u>26,547,302</u>	
<i>Other investments</i>				
Preference shares, unquoted in Malaysia *	10,017,036	-	10,017,036	-
Club membership, unquoted, at cost	96,000	-	96,000	-
	<u>10,113,036</u>		<u>10,113,036</u>	
Current				
<i>Held-for-trading</i>				
- Quoted in Malaysia	2,861,350	2,861,350	-	-
Total investment securities	<u>31,753,323</u>		<u>36,660,338</u>	



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

20. INVESTMENT SECURITIES (CONTD.)

	2013		2012	
	RM		RM	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
Company				
Non-current				
<i>Available-for-sale financial assets</i>				
Equity instruments, quoted in Malaysia	3,976,543	3,976,543	4,596,797	4,596,797
<i>Other investments</i>				
Preference shares, unquoted in Malaysia *	10,017,036	-	10,017,036	-
Total investment securities	<u>13,993,579</u>		<u>14,613,833</u>	

* On 12 August 2011, an associate, UPSB issued one hundred thousand (100,000) preference shares ("PS") at the issue price of RM130.00 each, comprising a nominal value of RM0.01 per subscription share and a premium of RM129.99 per subscription share in contra with the amount due from them. The PS is redeemable at the option of the issuer. In 2012, UPSB had redeemed 10,000 PS of RM1,300,000.

The PS is unlisted.

The salient terms of the PS are as follows:

- (i) any capital paid-up on the preference shares shall not be liable for cancellation or reduction;
- (ii) the preference shares shall be issued free from all charges, liens or other encumbrances whatsoever; and
- (iii) the Company, as holder of the preference shares, shall be restricted to transfer the preference shares, unless the majority shareholder shall have been first offered to purchase the preference shares.



Notes To The Financial Statements

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21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash on hand and at banks	26,288,089	34,380,092	7,664,025	6,431,317
Deposits with:				
- Licensed banks	1,765,949	4,321,911	-	-
- Licensed financial institutions	4,257,692	8,366,108	-	1,247,367
- Money market institutions	570,327	2,911,614	-	-
Cash and bank balances (Note 19)	32,882,057	49,979,725	7,664,025	7,678,684
Less:				
Bank overdraft (Note 23)	-	(1,452,287)	-	(1,452,287)
Pledged deposits	(1,624,224)	(977,312)	-	-
Cash and cash equivalents	31,257,833	47,550,126	7,664,025	6,226,397

Included in the deposits of the Group and of the Company are amounts of RM1,624,224 (2012: RM977,312) and RM Nil (2012: RM Nil) respectively which are pledged to banks for facilities granted as referred to in Note 23.

The weighted average effective interest rates of deposits at the balance sheet date were as follows:

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Licensed banks	3.2	3.2	-	-
Licensed financial institutions	3.8	3.6	-	3.1
Money market institutions	2.7	2.8	-	-

The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2013 Days	2012 Days	2013 Days	2012 Days
Licensed banks	204	274	-	-
Licensed financial institutions	289	367	-	53
Money market institutions	1	1	-	-



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

22. RETIREMENT BENEFIT OBLIGATIONS

The Company operates a funded, defined Retirement Benefit Scheme ("the Scheme") for its eligible employees, while a subsidiary operates an unfunded Scheme for their employees. Contributions to the Scheme are to be made to a separately administered fund. Under the Scheme, eligible employees are entitled to retirement benefits based on final salary on attainment of the retirement age of 60.

The amounts recognised in the statement of financial position are determined as follows:

Group

	31.12.2013	31.12.2012	1.1.2012
	RM	RM	RM
		(Restated)	(Restated)
Present value of funded defined benefit obligations	13,743,528	14,730,924	15,165,387
Present value of unfunded defined benefit obligations	727,809	743,976	674,361
Fair value of plan assets	(6,880,146)	(6,367,967)	(5,943,542)
Net liability arising from defined benefit obligations	7,591,191	9,106,933	9,896,206

	Note	Present value of defined benefit obligations RM	Fair value of plan assets RM	Total RM
At 1 January 2013		15,474,897	(6,367,967)	9,106,930
Interest expense/(income)	5	907,549	(356,606)	550,943
		16,382,446	(6,724,573)	9,657,873
Remeasurements:				
Experience gains		-	(155,572)	(155,572)
Contributions by employer		(1,911,111)	-	(1,911,111)
At 31 December 2013		14,471,335	(6,880,145)	7,591,190
Less: Advance contributions paid		(5,525,560)	-	(5,525,560)
Net		8,945,775	(6,880,145)	2,065,630



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

22. RETIREMENT BENEFIT OBLIGATIONS (CONTD.) Group (contd.)

	Note	Present value of defined benefit obligations RM	Fair value of plan assets RM	Total RM
At 1 January 2012		15,839,748	(5,943,542)	9,896,206
Interest expense/(income)	5	906,872	(332,838)	574,034
Reclassification		82,575	-	82,575
		16,829,195	(6,276,380)	10,552,815
Remeasurements:				
Experience gains		-	(91,587)	(91,587)
Contributions by employer		(1,354,298)	-	(1,354,298)
At 31 December 2012		15,474,897	(6,367,967)	9,106,930
Less: Advance contributions paid		(5,860,237)	-	(5,860,237)
Net		9,614,660	(6,367,967)	3,246,693

Company

	31.12.2013 RM	31.12.2012 RM (Restated)	1.1.2012 RM (Restated)
Present value of funded defined benefit obligations	13,743,525	14,731,011	15,165,387
Fair value of plan assets	(6,880,146)	(6,367,967)	(5,943,542)
Net liability arising from defined benefit obligations	6,863,379	8,363,044	9,221,845



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

22. RETIREMENT BENEFIT OBLIGATIONS (CONTD.) Company (contd.)

	Note	Present value of funded defined benefit obligations RM	Fair value of plan assets RM	Total RM
At 1 January 2013		14,731,011	(6,367,967)	8,363,044
Interest expense/(income)	5	865,549	(356,606)	508,943
		15,596,560	(6,724,573)	8,871,987
Remeasurements:				
Experience gains		-	(155,572)	(155,572)
Contributions by employer		(1,853,035)	-	(1,853,035)
At 31 December 2013		13,743,525	(6,880,145)	6,863,380
Less: Advance contributions paid		(5,376,460)	-	(5,376,460)
Net		8,367,065	(6,880,145)	1,486,920
At 1 January 2012		15,165,387	(5,943,542)	9,221,845
Interest expense/(income)	5	878,011	(332,838)	545,173
		16,043,398	(6,276,380)	9,767,018
Remeasurements:				
Experience gains		-	(91,587)	(91,587)
Contributions by employer		(1,312,387)	-	(1,312,387)
At 31 December 2012		14,731,011	(6,367,967)	8,363,044
Less: Advance contributions paid		(5,711,227)	-	(5,711,227)
Net		9,019,784	(6,367,967)	2,651,817

Analysed as follows:

	Group		Company	
	2013	2012	2013	2012
Current	689,747	1,155,666	205,316	1,115,569
Non-current	1,375,883	2,091,027	1,281,604	1,536,248

The actual return on the plan assets of the Group and of the Company was a surplus of RM512,178 (2012: RM424,426).



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

22. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

Company (contd.)

Principal actuarial assumptions used:

	2013 %	2012 % Restated	2011 % Restated
Discount rate	5.6	5.8	5.4
Expected rate of salary increases	n.a	n.a	n.a

As at this date, the valuations indicate that the provisions for retirement benefits are sufficient to achieve the value of the benefits determined by the actuaries.

Significant actuarial assumptions for determination of the defined benefit obligations is discount rate. The sensitivity analysis below has been determined based on the changes to individual assumptions, with all other assumptions held constant:

	Group 31.12.2013 RM	Company 31.12.2013 RM
A 1 per cent increase/decrease in discount rate will increase/decrease the defined benefit obligations by	177,368	155,966

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

23. LOANS AND BORROWINGS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Secured:				
Islamic Term Loan	2,000,000	4,000,000	2,000,000	4,000,000
Bai Bithaman Ajil MBB	6,000,000	6,000,000	6,000,000	6,000,000
Commodity Murabahah Term Financing (CMTF MBB 1)	1,763,100	1,763,100	1,763,100	1,763,100
Commodity Murabahah Term Financing (CMTF MBB 2)	4,400,000	4,400,000	4,400,000	4,400,000
Bai Bithaman Ajil Affin	1,750,000	2,000,000	1,750,000	2,000,000
Obligation under hire purchase and leasing payables (Note 28(b))	1,224,012	1,222,519	1,258,362	1,218,875
	17,137,112	19,385,619	17,171,462	19,381,975
Unsecured:				
Bank overdraft (Note 21)	-	1,452,287	-	1,452,287
Bankers acceptance	33,092,431	29,931,417	30,642,431	27,881,417
Revolving credits	45,800,000	42,000,000	45,000,000	40,000,000
	78,892,431	73,383,704	75,642,431	69,333,704
	96,029,543	92,769,323	92,813,893	88,715,679
Non-current				
Secured:				
Islamic Term Loan	2,000,000	4,000,000	2,000,000	4,000,000
Bai Bithaman Ajil MBB	13,265,829	19,265,829	13,265,829	19,265,829
Commodity Murabahah Term Financing (CMTF MBB 1)	7,661,370	9,424,470	7,661,370	9,424,470
Commodity Murabahah Term Financing (CMTF MBB 2)	26,909,392	31,309,392	26,909,392	31,309,392
Bai Bithaman Ajil Affin	47,948,626	28,498,144	47,948,626	28,498,144
Obligation under hire purchase and leasing payables (Note 28(b))	760,565	1,984,575	880,592	2,010,883
	98,545,782	94,482,410	98,665,809	94,508,718



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

23. LOANS AND BORROWINGS (CONTD.)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total loans and borrowings				
Bank overdraft (Note 21)	-	1,452,287	-	1,452,287
Bankers acceptance	33,092,431	29,931,417	30,642,431	27,881,417
Revolving credits	45,800,000	42,000,000	45,000,000	40,000,000
Islamic Term Loan (a)	4,000,000	8,000,000	4,000,000	8,000,000
Bai Bithaman Ajil MBB (b)	19,265,829	25,265,829	19,265,829	25,265,829
Commodity Murabahah Term Financing (CMTF MBB 1) (c)	9,424,470	11,187,570	9,424,470	11,187,570
Commodity Murabahah Term Financing (CMTF MBB 2) (d)	31,309,392	35,709,392	31,309,392	35,709,392
Bai Bithaman Ajil Affin (e)	49,698,626	30,498,144	49,698,626	30,498,144
Obligation under hire purchase and leasing payables (Note 28(b))	1,984,577	3,207,094	2,138,954	3,229,758
	194,575,325	187,251,733	191,479,702	183,224,397

The remaining maturities of the loans and borrowings, excluding obligation under hire purchase and leasing payables, as at 31 December 2013 and 2012 are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Within and up to one year	94,805,531	91,546,804	91,555,531	87,496,804
After one and up to two years	18,663,100	17,163,100	18,663,100	17,163,100
After two and up to five years	39,505,129	58,755,129	39,505,129	58,755,129
Above five years	39,616,988	16,579,606	39,616,988	16,579,606
	192,590,748	184,044,639	189,340,748	179,994,639



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

23. LOANS AND BORROWINGS (CONTD.)

(a) Islamic Term Loan

The Group entered into an arrangement on 3 June 2005 to refinance the outstanding of the Revolving Underwriting Facility ("RUF") amounting to RM52,000,000. The Islamic Term Loan was structured under the Islamic Banking Facilities that are to be utilised for activities that are in line with Syariah principles only.

Details of Islamic Term Loan are as follows:

Amount:	RM52,000,000
Tenure:	10 years
Profit rate:	Weighted average of 6.34%
Start date:	31 August 2005
Maturity date:	31 August 2015

The Islamic Term Loan profit payments shall be made on a monthly basis until full settlement whilst principal repayment on an annual basis as prescribed in repayment schedule.

The security of the above facility is a first legal charge over the land of Bangi plant.

(b) Bai Bithaman Ajil ("BBA") MBB

The Group entered into an arrangement on 18 September 2006 to finance an additional printing machine, mailroom system and renovation of building at Kompleks Sri Utusan, Bangi under BBA Term Financing amounting up to RM38,000,000. The BBA Term Financing was structured under the Islamic Banking Facilities that are to be utilised for activities that are in line with Syariah principles.

The Group only made a drawdown of RM37,265,854, with a similar maturity date.

Details of BBA Term Financing are as follows:

Amount:	RM37,265,854
Tenure:	10 years
Profit rate:	Cost of Fund + 0.5% per annum
Start date:	4 January 2007
Maturity date:	4 January 2017

The BBA Term Financing profit payments are made on a monthly basis until full settlement whilst principal repayment on an annual basis as prescribed in repayment schedule.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

23. LOANS AND BORROWINGS (CONTD.)

(b) Bai Bithaman Ajil ("BBA") MBB (contd.)

The securities of the above facility are as follows:

- (i) 2nd legal charge over the land and building(s) erected and/or to be erected thereon at Bangi plant (Underlying Asset); and
- (ii) Debenture incorporating a specific charge over the machinery and related equipment financed under the BBA Term Financing.

(c) Commodity Murabahah Term Financing (CMTF MBB 1)

The Group entered into an arrangement on 22 October 2010 to part-finance the purchase of pre-press equipment, additional printing machines, as well as the infrastructure, mechanical and electrical, and utilities work costs for both the Company's printing plants in Tebrau, Johor and Gong Badak, Terengganu under Commodity Murabahah Term Financing amounting up to RM17,631,000.

The Group only made a drawdown of RM13,391,445, with a maturity date of 9 May 2019.

Details of Commodity Murabahah Term Financing are as follows:

Amount:	RM13,391,445
Tenure:	8 years
Profit rate:	Cost of Fund + 1.25% per annum
Start date:	9 August 2012
Maturity date:	9 May 2019

The Commodity Murabahah Term Financing profit payments shall be made on a monthly basis until full settlement whilst principal repayment on a quarterly basis as prescribed in repayment schedule.

The securities of the above facility are as follows:

- (i) 1st legal charge over the freehold land and building(s) erected and/or to be erected thereon at Tebrau plant;
- (ii) 1st legal charge over the leasehold land and building(s) erected and/or to be erected thereon at Gong Badak plant; and
- (iii) A fresh fixed and floating debenture of UMMB's existing and future assets at Tebrau and Gong Badak plants.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

24. LOANS AND BORROWINGS (CONTD.)

(d) Commodity Murabahah Term Financing (CMTF MBB 2)

The Group entered into an arrangement on 22 October 2010 to refinance Al-Ijarah financing from Bank Kerjasama Rakyat Malaysia Bhd. for the financing taken for Seberang Jaya plant under Commodity Murabahah Term Financing amounting up to RM44,000,000.

The Group only made a drawdown of RM40,109,392, with a maturity date of 13 January 2021.

Details of Commodity Murabahah Term Financing are as follows:

Amount:	RM40,109,392
Tenure:	10 years
Profit rate:	Cost of Fund + 1.25% per annum
Start date:	13 October 2012
Maturity date:	13 January 2021

The Commodity Murabahah Term Financing profit payments shall be made on a monthly basis until full settlement whilst principal repayment on a quarterly basis as prescribed in repayment schedule.

The securities of the above facility are as follows:

- (i) 1st legal charge over the leasehold land and building(s) erected and/or to be erected thereon at Seberang Jaya plant; and
- (ii) A fresh fixed and floating debenture of UMMB's existing and future assets at Seberang Jaya plant.

(e) Bai Bithaman Ajil ("BBA") Affin

The Group entered into an arrangement on 31 March 2009 to finance 70% of the construction cost of UMMB's new corporate office at Jalan Chan Sow Lin, Kuala Lumpur under Bai Bithaman Ajil Financing amounting up to RM66,760,000.

The Group only made a drawdown of RM49,698,626 at reporting date. Nonetheless, first (1st) principal repayment will commence on 1 July 2014 as prescribed in a schedule.

Details of BBA Term Financing are as follows:

Amount:	RM49,698,626
Tenure:	10 years, inclusive of 2 years grace period after first drawdown
Profit rate:	Cost of Fund + 0.75% per annum
Start date:	01 July 2014
Maturity date:	01 January 2021



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

23. LOANS AND BORROWINGS (CONTD.)

(e) Bai Bithaman Ajil ("BBA") Affin (contd.)

The BBA Term Financing profit payments shall be made on a monthly basis until full settlement whilst principal repayment on a quarterly basis as prescribed in repayment schedule.

The securities of the above facility are as follows:

- (i) 1st party 1st legal charge over a parcel of land which is held under lot no: PT667 Section 92 at Jalan Chan Sow Lin, Kuala Lumpur; and
- (ii) Specific debenture over the above-stated parcel of land and building erected thereon at Jalan Chan Sow Lin, Kuala Lumpur.

The weighted average effective interest rates and profit rates as at reporting date for borrowings, excluding hire purchase and finance lease payables, were as follows:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Bank overdrafts	-	7.7	-	7.7
Bankers acceptance	3.3	3.5	3.2	3.4
Revolving credits	4.4	4.3	4.4	4.3
Islamic Term Loan	6.9	6.7	6.9	6.7
Bai Bithaman Ajil MBB	4.1	4.1	4.1	4.1
CMTF MBB 1	4.6	4.6	4.6	4.6
CMTF MBB 2	4.6	4.6	4.6	4.6
Bai Bithaman Ajil Affin	4.2	4.2	4.2	4.2

The remaining loans and borrowings are secured by the following:

- (a) negative charges on the Company's assets; and/or
- (b) first and second fixed charges on certain land and buildings, plant and machinery of the Company and of respective subsidiaries; and/or
- (c) corporate guarantees of the Company and of respective subsidiaries; and/or
- (d) certain fixed deposits of the Group.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Trade payables				
Third parties	10,755,135	10,576,564	2,867,311	2,695,904
Other payables				
Accrued operating expenses	16,976,447	17,493,085	11,562,110	11,235,774
Other payables	17,327,085	16,952,231	12,263,331	12,116,823
Deposits	6,376,746	6,854,121	5,642,167	6,640,210
Due to related parties:				
- Associates	3,139,642	2,312,817	668,684	323,373
- Subsidiaries	-	-	13,152,271	9,703,474
	43,819,920	43,612,254	43,288,563	40,019,654
Total trade and other payables	54,575,055	54,188,818	46,155,874	42,715,558
Add: Loans and borrowings (Note 23)	194,575,325	187,251,733	191,479,702	183,224,397
Total financial liabilities carried at amortised cost	249,150,380	241,440,551	237,635,576	225,939,955

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 to 90 days (2012: 30 to 90 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of six months (2012: average term of six months).

(c) Amounts due to related parties

These amounts are unsecured, non-interest bearing and are repayable on demand.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

25. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2013	2012	2013 RM	2012 RM
Authorised:				
At 1 January/31 December	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
At 1 January/31 December	110,733,837	110,733,837	110,733,837	110,733,837

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The Company implemented an Executives' Share Options Scheme ("ESOS") which is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 31 May 2006.

The Company had, on 5 July 2013 announced to Bursa Malaysia Securities Berhad that the ESOS were to expire on 6 July 2013 and the Company has no intention to make further extension to the said ESOS. The number of Options outstanding was 10,740,384.

The salient features of the ESOS were as follows:

- (i) The ESOS shall be in force for a period of ten (10) years (previously eight (8) years) from the date of the receipt of the first approval. The initial expiry date of the ESOS was on 7 July 2012 but the ESOS was extended by a further two (2) years and will expire on 6 July 2013.
- (ii) Eligible executives are employees of the Company who have been confirmed in the employment of the Company and have served for at least one year as at the date of the offer. They shall not be participants of or have not been offered option(s) under any other employee's share option scheme implemented by any other company within the Group, which is in force for the time being. In terms of eligible directors, the directors must be involved in the daily operations and have been confirmed in the employment of the Company. The eligibility of participation in the ESOS shall be at the discretion of the Options Committee appointed by the Board of Directors.
- (iii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% (previously 10%) of the total issued share capital of the Company at any one time at the point of granting of the option during the tenure of the ESOS.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

25. SHARE CAPITAL (CONTD.)

The salient features of the ESOS are as follows (contd.):

- (iv) The option price for each share shall be the average of the mean market quotation of the shares of the Company in the daily official list issued by Bursa Malaysia for the five trading days preceding the date of offer, at a discount of not more than 10%, or the par value of the shares of the Company of RM1, whichever is higher.
- (v) Not more than 50% of the new shares available under the ESOS should be allocated, in aggregate to eligible directors and senior management, and not more than 10% of the new shares available under the ESOS should be allocated to any individual eligible director or eligible executive who, either singly or collectively through his/her associates, holds 20% or more of the issued and paid-up share capital of the Company.
- (vi) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry of ten years (previously eight years) from the date of the receipt of the last of the requisite approvals.
- (vii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

26. SHARE CAPITAL (CONTD.)

The following table illustrates the movements in share options during the year:

Grant date	←----- Number of share options -----→			
	At 1 January	Granted	Forfeited	At 31 December
2013				
7 July 2003	908,900	-	(908,900)	-
21 October 2003	419,100	-	(419,100)	-
9 September 2005	6,679,700	-	(6,679,700)	-
1 June 2006	1,943,200	-	(1,943,200)	-
10 April 2012	864,071	-	(864,071)	-
	10,814,971	-	(10,814,971)	-
2012				
7 July 2003	908,900	-	-	908,900
21 October 2003	419,100	-	-	419,100
9 September 2005	6,722,900	-	(43,200)	6,679,700
1 June 2006	1,960,800	-	(17,600)	1,943,200
10 April 2012	-	1,980,900	(1,116,829)	864,071
	10,011,700	1,980,900	(1,177,629)	10,814,971

Details of share options:

Grant date	Exercise price RM	Exercise period
7 July 2003	2.13	7 July 2003 - 6 July 2013
21 October 2003	1.69	21 October 2003 - 6 July 2013
9 September 2005	1.00	9 September 2005 - 6 July 2013
1 June 2006	1.00	1 June 2006 - 6 July 2013
10 April 2012	1.00	10 April 2012 - 6 July 2013



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

26. OTHER RESERVES

	Fair value adjustment reserve RM	Foreign currency translation reserve RM	Share option reserve RM	Capital reserve RM	Total RM
Group					
At 1 January 2012	4,844,143	(14,624)	389,336	5,080,000	10,298,855
Net gain on available-for-sale financial assets					
- Gain on fair value changes	1,609,847	-	-	-	1,609,847
- Transfer to profit or loss upon disposal	(121,950)	-	-	-	(121,950)
Forfeiture of share options granted under ESOS recognised directly in equity	-	-	(3,495)	-	(3,495)
Foreign currency translation	-	313,016	-	-	313,016
At 31 December 2012	6,332,040	298,392	385,841	5,080,000	12,096,273
At 1 January 2013	6,332,040	298,392	385,841	5,080,000	12,096,273
Net gain on available-for-sale financial assets					
- Gain on fair value changes	254,651	-	-	-	254,651
- Transfer to profit or loss upon disposal	(982,999)	-	-	-	(982,999)
Forfeiture of share options granted under ESOS recognised directly in equity	-	-	(385,841)	-	(385,841)
Foreign currency translation	-	10,770	-	-	10,770
At 31 December 2013	5,603,692	309,162	-	5,080,000	10,992,854



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

26. OTHER RESERVES (CONTD.)

	Fair value adjustment reserve RM	Share option reserve RM	Total RM
Company			
At 1 January 2012	2,475,890	389,336	2,865,226
Net gain on available-for-sale financial assets			
- Loss on fair value changes	(140,479)	-	(140,479)
Forfeiture of share options granted under ESOS recognised directly in equity	-	(3,495)	(3,495)
At 31 December 2012	2,335,411	385,841	2,721,252
At 1 January 2013			
Net gain on available-for-sale financial assets	2,335,411	385,841	2,721,252
- Loss on fair value changes	(581,038)	-	(581,038)
- Transfer to profit or loss upon disposal	13,200	-	13,200
Forfeiture of share options granted under ESOS recognised directly in equity	-	(385,841)	(385,841)
At 31 December 2013	1,767,573	-	1,767,573



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

26. OTHER RESERVES (CONTD.)

The nature and purpose of each category of reserve are as follows:

a) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed off or impaired.

(b) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of freehold land and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

(c) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(d) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(e) Capital reserve

The capital reserve arose from the capitalisation of bonus issues by an associate. The bonus issue created from utilisation of the post-acquisition retained earnings has no impact on the net assets of the associate. Accordingly, the portion of reserve utilised is reflected at the Group level by a transfer from distributable consolidated retained earnings to the non-distributable consolidated capital reserve because it is a capital transaction.

27. RETAINED EARNINGS

Under the single tier system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Under this system, all the Company's retained earnings are distributable by way of dividend and tax of the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

28. COMMITMENTS

(a) Capital commitments

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Approved and contracted for:				
Property, plant and equipment	28,024,533	54,167,088	8,402,349	35,646,425

(b) Obligation under hire purchase and leasing payables

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Future minimum hire purchase and leasing payables:				
Within and up to one year	1,317,195	1,317,195	1,363,538	1,318,107
After one and up to two years	789,299	1,317,195	945,833	1,318,107
After two and up to five years	23,113	812,558	-	847,400
	2,129,607	3,446,948	2,309,371	3,483,614
Less: Future finance charges	(145,030)	(239,854)	(170,417)	(253,856)
Present value of finance liabilities	1,984,577	3,207,094	2,138,954	3,229,758
Present value of hire purchase and leasing payables:				
Within and up to one year	1,224,012	1,222,519	1,258,362	1,218,875
After one and up to two years	737,740	1,224,147	880,592	1,221,242
After two and up to five years	22,825	760,428	-	789,641
	1,984,577	3,207,094	2,138,954	3,229,758
Analysed as:				
Due within twelve months (Note 23)	1,224,012	1,222,519	1,258,362	1,218,875
Due after twelve months (Note 23)	760,565	1,984,575	880,592	2,010,883
Total	1,984,577	3,207,094	2,138,954	3,229,758

The hire purchase and leasing payables bear interests at the balance sheet date at rates of between 1.5% to 4.0% (2012: 1.5% to 4.0%) per annum.

Included in the hire purchase payables of the Company is an amount due to a subsidiary of RM241,939 (2012: RM140,219).



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

29. CONTINGENT LIABILITIES

Material litigation

The Utusan Group and the Company do not recognise contingent liabilities but disclose their existence in a financial statement. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non-occurrence of one or more uncertain future events beyond the control of the Group and Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be measured reliably.

The Group and the Company have several material pending legal suits whereby the Group and the Company are defendants in 33 ongoing alleged defamation legal suits amounting to approximately RM 8.05 million. The Company is also a Plaintiff in one (1) alleged trademark infringement.

Several suits for defamation were brought by various politicians against the Company for newspaper reports published in the Group's newspapers. The Directors have been advised by and are of the considered view that the Group have an even chance of succeeding in defending the claims.

As the purveyor of news and information, the Group faces with threats of legal suits which are inevitable and occurs on a daily and ongoing basis. Despite practicing the required standard of reporting and journalism, the law does not prohibit anyone from initiating legal suit against another regardless of motive, objective and amount. As a result, the Group is unable to avoid the risk of legal suits as individuals will sue if they perceive that they have been wronged. For this reason, having considered the various legal defences available to a media company, filing of a legal suit against it does not necessarily nor automatically translate into a liability for the Group, whether contingent or otherwise. Furthermore, it is noted that irrespective of amount claimed, the current trend of award for defamation suits once establishment of liability is made by the Courts is between the range of RM50,000.00 to RM300,000.00. The Directors are of the opinion, after considering appropriate legal advice, that the outcome of such actions will not give rise to any significant loss.

The Group has in place insurance coverage against damages for defamation legal suits, if any, awarded against it.

In so far as the suit for the alleged trademark infringement is concerned, the Directors have been advised and is of the considered view that it has unsustainable merit against the Group.

Based on the above and after taking appropriate legal advice, the Directors are of the considered view that most of the claims have no sustainable merit. The Directors do not therefore expect the outcome of the legal suits against the Group to have a material impact on the financial position of the Group.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2013 RM	2012 RM
Group		
Services rendered by Utusan Transport Sdn Bhd and Group, an associate	9,726,173	9,764,109
Services rendered by Utusan Printcorp Sdn Bhd and Group, an associate	4,658,278	9,038,977
Company		
Services rendered by subsidiaries	11,623,840	11,910,583
Rental income from subsidiaries	180,000	180,000
Interest income from subsidiaries	119,852	146,670
Commission income from subsidiaries	2,968,125	3,228,999
Transfer of property, plant and equipment to subsidiaries (Note 12)	549,127	-

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Short-term employee benefits	3,272,232	3,599,815	2,039,153	2,040,539
Post-employment benefits:				
- Defined contribution plan	466,652	513,331	265,970	295,374
	3,738,884	4,113,146	2,305,123	2,335,913



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(b) Compensation of key management personnel (contd.)

Included in the total key management personnel remuneration are:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Directors' remuneration (Note 6)	3,366,842	3,751,036	1,933,081	1,973,803

Executive directors of the Group and the Company and other members of key management have been granted the following number of options under the ESOS:

	Group and Company	
	2013 '000	2012 '000
At 1 January/31 December	-	1,678

The share options were granted on the same terms and conditions as those offered to other executives of the Group (Note 26).

(c) Government-related entities

The Group is a government-related entity by virtue of the Company's major shareholder, United Malays National Organisation ("UMNO"), which is holding 49.77% of the Company's equity. UMNO is one of the member parties under Barisan Nasional, Malaysia's federal ruling political force.

The Group has transactions with government-related entities including, but not limited to, printing and publishing of newspapers and books as well as advertising. The transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not government-related.

(i) Individually significant transactions because of size of transactions

The Company, through Utusan Airtime Sdn Bhd, a subsidiary of the Group, was granted a contract from the Ministry of Information to service as a marketing agent for Radio Televisyen Malaysia ("RTM") television and radio airtime. On 8 February 2014, the Company has secured an extension of the contract for another 2 years. The aggregate revenue recognised in the form of commission received for the year ended 31 December 2013 amounted to RM19.94 million (2012: RM18.54 million).



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(c) Government-related entities (contd.)

(ii) Collective, but not individually significant transactions

For the financial year ended 31 December 2013, the Group estimates that the total amount of significant transactions with other government related entities are at least 19% (2012: 16%) of total revenue out of which 90% (2012: 88%) are generated by the Publishing, Distribution and Advertisement segment.

(iii) Government-related financial institution

For the financial year ended 31 December 2013, the Group estimates that the total amount of transactions with government related financial institutions are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Interest income	336,763	798,388	35,764	35,087
Interest expenses	7,170,229	6,166,536	6,948,338	6,056,675
Balance as at 31 December:				
Cash and cash equivalents	32,882,057	49,979,725	7,664,025	7,678,684
Loans and borrowings	194,575,325	187,251,733	189,340,748	179,994,639

31. SIGNIFICANT EVENTS

- (i) The Company had, on 5 July 2013 announced to Bursa Malaysia Securities Berhad the expiry date of ESOS which was on 6 July 2013 and the Company had no intention to make further extension to the said ESOS. The number of Options outstanding was 10,740,384.
- (ii) On 1 October 2013 the Company had announced to Bursa Malaysia Securities Berhad that it had entered into a Share Sale Agreement with Cendana Senada Sdn Bhd for the disposal of 360,000 ordinary shares of RM1.00 each which represent 100% of the total issued and paid up capital in its subsidiary, Perfisio Solutions Sdn Bhd. The purchase consideration was RM1.00 only, upon such terms and subject to the conditions contained in the Share Sale Agreement. The agreement was fully completed with immediate effect.
- (iii) On 1 October 2013 the Company had announced to Bursa Malaysia Securities Berhad that it is undertaking the following proposals:
 - a. proposed renounceable Two-Call Rights Issue of up to 110,733,837 new ordinary shares of RM1.00 each in UMMB on the basis of one (1) rights share for every one (1) existing ordinary share of RM1.00 each held in UMMB at an entitlement date to be determined later; and
 - b. proposed exemption to United Malays National Organisation ("UMNO") from the obligation to undertake a mandatory take-over offer for all the remaining voting shares in UMMB not already owned by UMNO after the proposed two-call rights issue under paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010.

On 12 November 2013, the Board of Directors of UMMB had announced to Bursa Malaysia Securities Berhad that the Board has decided to defer the above proposals as the Board is re-evaluating them. Further development on the proposals will be announced in due course.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

32. SUBSEQUENT EVENT

On 28 February 2014 the Company announced to Bursa Malaysia Securities Berhad that Juasa Holdings Sdn Bhd ('JHSB'), a wholly-owned subsidiary of the Company had entered into a Share Sale Agreement with Baiduri Stationery Sdn Bhd for the disposal of 9,000,000 ordinary shares of RM1.00 each which represent 100% of the total issued and paid-up capital in Arah Pendidikan Sdn Bhd for the purchase consideration of RM50,000 (Ringgit Malaysia: Fifty Thousand) only, upon such terms and subject to the conditions contained in the Share Sale Agreement.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest/profit rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(a) Interest/profit rate risk

Interest/profit rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest/profit rate arises primarily from their loans and borrowings and loans at floating rates given to related parties.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. The Group finances its operations through operating cash flows and borrowings. The Group's policy is to derive the desired interest rate profile through a mix of fixed and floating rate banking facilities.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(a) Interest/profit rate risk (contd.)

The following tables set out the carrying amounts, the weighted average effective interest/profit rates ("WAEIR") and the remaining maturities of the Group's financial asset/(liabilities) as at reporting date:

	Note	WAEIR %	Within 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000	Total RM'000
Group							
At 31 December 2013							
Fixed rate							
Islamic Term Loan	23	6.9%	(2,000)	(2,000)	-	-	(4,000)
Hire purchase and finance lease payables	28	2.5%	(1,224)	(738)	(23)	-	(1,985)
Deposits with:							
- Licensed banks	21	3.2%	1,754	-	-	-	1,754
- Licensed financial institutions	21	3.8%	4,258	-	-	-	4,258
- Money market institutions	21	2.7%	570	-	-	-	570
Floating rate							
Bai Bithaman Ajil MBB	23	4.1%	(6,000)	(7,000)	(6,266)	-	(19,266)
Commodity Murabahah Term Financing (CMTF MBB 1)	23	4.6%	(1,763)	(1,763)	(3,526)	(2,372)	(9,424)
Commodity Murabahah Term Financing (CMTF MBB 2)	23	4.6%	(4,400)	(4,400)	(8,800)	(13,709)	(31,309)
Bai Bithaman Ajil Affin	23	4.2%	(1,750)	(3,500)	(14,750)	(29,699)	(49,699)
Bankers acceptance	23	3.3%	(33,092)	-	-	-	(33,092)
Revolving credits	23	4.4%	(45,800)	-	-	-	(45,800)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(a) Interest/profit rate risk (contd.)

The following tables set out the carrying amounts, the weighted average effective interest/profit rates ("WAEIR") and the remaining maturities of the Group's financial asset/(liabilities) as at reporting date (contd.):

	Note	WAEIR %	Within 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000	Total RM'000
Group (contd.)							
At 31 December 2012							
Fixed rate							
Islamic Term Loan	23	6.7%	(4,000)	(2,000)	(2,000)	-	(8,000)
Hire purchase and finance lease payables	28	2.5%	(1,223)	(1,224)	(760)	-	(3,207)
Deposits with:							
- Licensed banks	21	3.3%	4,322	-	-	-	4,322
- Licensed financial institutions	21	3.7%	8,366	-	-	-	8,366
- Money market institutions	21	2.9%	2,912	-	-	-	2,912
Floating rate							
Bai Bithaman Ajil MBB	23	4.1%	(6,000)	(6,000)	(13,266)	-	(25,266)
Commodity Murabahah Term Financing (CMTF MBB 1)	23	4.6%	(1,763)	(1,763)	(5,289)	(2,372)	(11,187)
Commodity Murabahah Term Financing (CMTF MBB 2)	23	4.6%	(4,400)	(4,400)	(13,200)	(13,709)	(35,709)
Bai Bithaman Ajil Affin	23	4.2%	(2,000)	(3,000)	(25,000)	(498)	(30,498)
Bank overdraft	23	7.7%	(1,452)	-	-	-	(1,452)
Bankers acceptance	23	3.6%	(29,931)	-	-	-	(29,931)
Revolving credits	23	4.3%	(42,000)	-	-	-	(42,000)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(a) Interest/profit rate risk (contd.)

The following tables set out the carrying amounts, the weighted average effective interest/profit rates ("WAEIR") and the remaining maturities of the Group's financial asset/(liabilities) as at reporting date (contd.):

	Note	WAEIR %	Within 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000	Total RM'000
Company							
At 31 December 2013							
Fixed rate							
Islamic Term Loan	23	6.9%	(2,000)	(2,000)	-	-	(4,000)
Hire purchase and finance lease payables	28	2.6%	(1,258)	(776)	(105)	-	(2,139)
Floating rate							
Bai Bithaman Ajil MBB	23	4.1%	(6,000)	(7,000)	(6,266)	-	(19,266)
Commodity Murabahah Term Financing (CMTF MBB 1)	23	4.6%	(1,763)	(1,763)	(3,526)	(2,372)	(9,424)
Commodity Murabahah Term Financing (CMTF MBB 2)	23	4.6%	(4,400)	(4,400)	(8,800)	(13,709)	(31,309)
Bai Bithaman Ajil Affin	23	4.2%	(1,750)	(3,500)	(14,750)	(29,699)	(49,699)
Bankers acceptance	23	3.2%	(30,642)	-	-	-	(30,642)
Revolving credits	23	4.4%	(45,000)	-	-	-	(45,000)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(a) Interest/profit rate risk (contd.)

The following tables set out the carrying amounts, the weighted average effective interest/profit rates ("WAEIR") and the remaining maturities of the Group's financial asset/(liabilities) as at reporting date (contd.):

	Note	WAEIR %	Within 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000	Total RM'000
Company (contd.)							
At 31 December 2012							
Fixed rate							
Islamic Term Loan	23	6.7%	(4,000)	(2,000)	(2,000)	-	(8,000)
Hire purchase and finance lease payables	28	2.5%	(1,219)	(1,221)	(790)	-	(3,230)
Deposits with:							
- Licensed financial institutions	21	3.1%	1,247	-	-	-	1,247
Floating rate							
Bai Bithaman Ajil MBB	23	4.1%	(6,000)	(6,000)	(13,266)	-	(25,266)
Commodity Murabahah Term Financing (CMTF MBB 1)	23	4.6%	(1,763)	(1,763)	(5,289)	(2,372)	(11,187)
Commodity Murabahah Term Financing (CMTF MBB 2)	23	4.6%	(4,400)	(4,400)	(13,200)	(13,709)	(35,709)
Bai Bithaman Ajil Affin	23	4.2%	(2,000)	(3,000)	(25,000)	(498)	(30,498)
Bank overdraft	23	7.7%	(1,452)	-	-	-	(1,452)
Bankers acceptance	23	3.4%	(27,881)	-	-	-	(27,881)
Revolving credits	23	4.3%	(40,000)	-	-	-	(40,000)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(a) Interest/profit rate risk (contd.)

Interests/profit rate on borrowings that are subject to floating rate are contractually repriced within a year. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risks.

Sensitivity analysis for interest/profit rate risk

At the reporting date, if interest/profit rates had been 10 basis points lower/higher, with all other variables held constant, the Group and the Company's profit net of tax would have been RM141,443 (2012: RM130,944) and RM139,006 (2012: RM127,907) higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group mainly operates within Malaysia, thus exposure to foreign exchange risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposures to liquidity arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(c) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	←----- 2013 -----→		
	On demand or within one year RM	More than one year RM	Total RM
Group			
Trade and other payables (Note 24)	54,575,055	-	54,575,055
Loans and borrowings	101,388,234	111,461,572	212,849,806
Total undiscounted financial liabilities	155,963,289	111,461,572	267,424,861

Company			
Trade and other payables (Note 24)	46,155,874	-	46,155,874
Loans and borrowings	98,139,932	111,594,846	209,734,778
Total undiscounted financial liabilities	144,295,806	111,594,846	255,890,652

	←----- 2012 -----→		
	On demand or within one year RM	More than one year RM	Total RM
Group			
Trade and other payables (Note 24)	54,188,818	-	54,188,818
Loans and borrowings	98,019,172	105,670,228	203,689,400
Total undiscounted financial liabilities	152,207,990	105,670,228	257,878,218

Company			
Trade and other payables (Note 24)	42,715,558	-	42,715,558
Loans and borrowings	93,906,367	105,712,095	199,618,462
Total undiscounted financial liabilities	136,621,925	105,712,095	242,334,020



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(d) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis via Group management reporting and credit control procedures. Since the Group trades only with recognised creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it has any major concentration of credit risk related to any financial assets.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19 and Note 20.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

34. FAIR VALUES OF FINANCIAL INSTRUMENT

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximate their fair values except for the following:

	Note	Group		Company	
		Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
At 31 December 2013					
Financial assets					
Non-current					
<i>Available-for-sale financial assets</i>					
Equity instruments, unquoted in Malaysia, at cost	20	1,282,502	*	-	-
<i>Other investments</i>					
Preference shares, unquoted in Malaysia	20	10,017,036	*	10,017,036	*
Financial liabilities					
Non-current					
<i>Fixed rate loans and borrowings</i>					
Islamic Term Loan	23	2,000,000	1,829,526	2,000,000	1,829,526
Hire purchase and finance lease payables	28	760,565	690,567	880,592	809,798



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

34. FAIR VALUES OF FINANCIAL INSTRUMENT (CONTD.)

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (contd.)

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximate their fair values except for the following (contd.):

	Note	Group		Company	
		Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
At 31 December 2012					
Financial assets					
Non-current					
<i>Available-for-sale financial assets</i>					
Equity instruments, unquoted in Malaysia, at cost	20	1,282,502	*	-	-
<i>Other investments</i>					
Preference shares, unquoted in Malaysia	20	10,017,036	*	10,017,036	*
Financial liabilities					
Non-current					
<i>Fixed rate loans and borrowings</i>					
Islamic Term Loan	23	4,000,000	3,665,414	4,000,000	3,665,414
Hire purchase and finance lease payables	28	2,022,349	1,976,076	2,138,955	2,002,159

* It is not practicable to estimate the fair value of the Group's non-current unquoted investments because of the lack of quoted market prices and the inability to estimate the fair value without incurring excessive costs. However, the Group believes that the carrying amounts represent the recoverable values.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

34. FAIR VALUES OF FINANCIAL INSTRUMENT (CONTD.)

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (contd.)

Determination of fair value of fixed rate loans and borrowings

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of lending, borrowing and leasing arrangements.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of their fair value:

	Note
Trade and other receivables (current and non-current)	19
Floating rate loan and borrowings (current and non-current)	23
Trade and other payables (current)	24

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

(c) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Note	Quoted prices in active markets for identical instruments (Level 1)	
		2013 RM	2012 RM
Group			
<i>Available-for-sale financial assets</i>			
Equity instruments, quoted in Malaysia	20	17,496,435	25,264,800
Company			
<i>Available-for-sale financial assets</i>			
Equity instruments, quoted in Malaysia	20	3,976,543	4,596,797



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

34. FAIR VALUES OF FINANCIAL INSTRUMENT (CONTD.)

(c) Fair value of financial instruments that are carried at fair value (contd.)

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 prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy during the financial years ended 2013 and 2012.

Determination of fair value of quoted equity instrument

Fair value is determined by direct reference to their bid price quotations in an active market at the end of the reporting period.

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and would issue new shares to maintain desired capital ratios. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 2012.

The Group monitors capital using a gearing ratio, which is based on loans and borrowings. The Group's policy is to keep the gearing ratio below 100%, that is loans and borrowings should not exceed total capital.

	Note	Group		Company	
		2013 RM'000	2012 RM'000 Restated	2013 RM'000	2012 RM'000 Restated
Loans and borrowings	23	194,575	187,252	191,480	183,224
Equity attributable to the owners of the parent		279,837	296,649	161,991	185,575
Gearing ratio		70%	63%	118%	99%



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

36. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Information based on geographical segments was not prepared as the Group's activities are focused primarily in Malaysia. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The Group comprises the following main business segments:

- (i) Publishing, distribution and advertisements - Publishing and distribution of newspapers, magazines and books and also indoor and outdoor advertising;
- (ii) Printing - Printing of magazines and books;
- (iii) Information technology and multimedia; and
- (iv) Investment holding, management services and others.

(c) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

36. SEGMENT INFORMATION (CONTD.)

	Publishing, distribution and advertisements RM	Printing RM	Information technology and multimedia RM	Investment holding, management services and others RM	Adjustments and eliminations RM	Note	Per consolidated financial statements RM
At 31 December 2013							
Revenue							
External customers	328,978,024	-	1,281,942	12,171,828	-		342,431,794
Inter-segment	11,431,208		72,300	498,796	(12,002,304)	A	-
Total revenue	340,409,232	-	1,354,242	12,670,624	(12,002,304)		342,431,794
Results							
Interest income	1,491,140	-	20	500,813	(601,136)		1,390,837
Dividend income	3,871,343	-	-	1,996,531	(3,664,200)		2,203,674
Depreciation and amortisation	19,087,760	146,996	164,394	283,408	-		19,682,558
Share of results of associates	-	-	-	-	3,609,505		3,609,505
Impairment of non-financial assets	-	-	-	-	-		-
Other non-cash expenses	15,466,143	201,882	662,278	1,800,557	(6,561,307)	B	11,569,553
Segment (loss)/profit	(27,894,519)	(80,985)	(1,473,863)	2,172,636	6,881,955	C	(20,394,776)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

36. SEGMENT INFORMATION (CONTD.)

	Publishing, distribution and advertisements RM	Printing RM	Information technology and multimedia RM	Investment holding, management services and others RM	Adjustments and eliminations RM	Note	Per consolidated financial statements RM
At 31 December 2013 (contd.)							
Assets							
Investment in associates	3,679,000	-	-	-	23,712,103		27,391,103
Segment assets	525,679,109	1,464,137	178,843	59,588,501	(53,765,833)	D	533,144,757
Liabilities							
Segment liabilities	324,708,179	98,291	9,149,194	11,425,629	(92,073,275)	E	253,308,018



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

36. SEGMENT INFORMATION (CONTD.)

	Publishing, distribution and advertisements RM	Printing RM	Information technology and multimedia RM	Investment holding, management services and others RM	Adjustments and eliminations RM	Note	Per consolidated financial statements RM
At 31 December 2012							
Revenue							
External customers	334,419,597	-	8,617,350	2,215,501	-		345,252,448
Inter-segment	10,858,198	-	86,670	413,309	(11,358,177)	A	-
Total revenue	345,277,795	-	8,704,020	2,628,810	(11,358,177)		345,252,448
Results							
Interest income	1,594,637	-	-	483,385	(339,950)		1,738,072
Dividend income	11,837,923	-	-	1,009,923	(10,007,200)		2,840,646
Depreciation and amortisation	18,721,930	146,996	482,754	172,870	-		19,524,550
Share of results of associates	-	-	-	-	1,958,185		1,958,185
Impairment of non-financial assets	-	-	981,646	-	-		981,646
Other non-cash expenses	13,339,020	-	27,247	935	(6,436,694)	B	6,930,508
Segment (loss)/ profit	(14,687,991)	(52,625)	(2,677,032)	1,881,437	(686,615)	C	(16,222,826)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

36. SEGMENT INFORMATION (CONTD.)

	Publishing, distribution and advertisements RM	Printing RM	Information technology and multimedia RM	Investment holding, management services and others RM	Adjustments and eliminations RM	Note	Per consolidated financial statements RM
At 31 December 2012 (contd.)							
Assets							
Investment in associates	3,669,000	-	-	-	21,309,798		24,978,798
Segment assets	560,962,289	1,617,112	8,484,774	48,086,639	(68,822,624)	D	550,328,190
Liabilities							
Segment liabilities	335,153,546	81,913	19,074,195	118,488	(100,749,400)	E	253,678,742



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

36. SEGMENT INFORMATION (CONTD.)

- A Inter-segment revenues are eliminated on consolidation.
- B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2013 RM'000	2012 RM'000
Inventories written down/off/written back	8	3,165	723
Provisions	8	565	755
Impairment of financial assets	8	7,840	5,453
		11,570	6,931

- C The following items are added to/(deducted from) segment profit to arrive at "Loss before tax" presented in the consolidated statement of comprehensive income:

	2013 RM'000	2012 RM'000
Share of results of associates	3,610	1,958
Elimination of dividend	(3,364)	(10,007)
Unallocated corporate expenses	6,636	7,362
	6,882	(687)

- D The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Investment in associates	23,712	21,310
Inter-segment assets	(77,478)	(90,133)
	(53,766)	(68,823)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

36. SEGMENT INFORMATION (CONTD.)

- E The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Loans and borrowings	(242)	(140)
Inter-segment liabilities	(91,831)	(100,609)
	(92,073)	(100,749)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Property, plant and equipment	270,300	257,990
Investment properties	14,348	13,860
Intangible assets	2,885	2,096
	287,533	273,945



Notes To The Financial Statements

For The Financial Year Ended 31 December 2013

37. SUPPLEMENTARY INFORMATION

Breakdown of retained profits into realised and unrealised

	2013 RM'000	2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	50,633	75,647
- Unrealised loss	(1,555)	(7,927)
	49,078	67,720
Total share of retained profits from associated companies		
- Realised	23,650	21,211
- Unrealised loss	62	61
	23,712	21,272
	72,790	88,992
Add: Consolidation adjustments	34,617	34,124
Total Group retained profits as per consolidated financial statements	107,407	123,116

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.



List Of Properties

As at 31 December 2013

Location	Description	Existing Use	Land Area (sq. ft)	Built-Up Area (sq. ft)	Tenure	Net Book Value (RM) 31.12.2013
Lot PT 667, Section 92 No. 44, Jalan Utusan Off Jalan Chan Sow Lin Kuala Lumpur (D/P : 05.12.2011)	8 Storey Building	Corporate Office	94,874	383,000	Lot 234 & 236 Lot 238 & 240 Lot 433 & 545 Leasehold (06.01.2109)	80,478,065
Lot 285, Section 92 Off Jalan Chan Sow Lin Kuala Lumpur (D/P: 13.01.2011)	3 Storey Building	Rented Out	20,398	11,830	Leasehold (12.01.2071)	1,279,747
Lot 6, Industrial Estate Section 10, Bandar Baru Bangi Selangor (D/P : 20.12.1995)	Factory Building	Utusan's Printing Complex	683,260	273,601	Leasehold (19.08.2098)	65,736,209
Lot 3055, Lorong Jelawat 1 Seberang Jaya Industrial Estate Prai, Penang (D/P: 10.10.1977)	Factory Building	Utusan's Printing Plant	174,240	-	Leasehold (12.12.2035)	16,060,477
Lot 184, Jalan Lima Off Jalan Chan Sow Lin Kuala Lumpur (D/P: 29.09.2011)	Building Under Construction	Development of Commercial Purpose	51,972	41,670	Leasehold (14.12.2063)	6,508,636
Lot PTD 53920 Jalan Firma 2/1 Tebrau Industrial Estate Johor Bahru, Johor (D/P : 03.04.1991)	Factory Building	Utusan's Printing Plant	170,311	21,410	Freehold	4,869,618
Lot 15367 Gong Badak Industrial Estate Kuala Terengganu, Terengganu (D/P : 28.03.1991)	Factory Building	Utusan's Printing Plant	130,684	22,000	Leasehold (27.03.2051)	4,079,079
Lot 59 & 60 Bukit Beruntung Industrial Estate Rawang, Selangor (D/P: 23.08.1996)	Industrial Land	Vacant Land	174,000	-	Freehold	3,604,740
11, Jalan 14/22 Petaling Jaya, Selangor (D/P : 10.03.1992)	5 Storey Shophouse	Utusan Airtime Sdn Bhd, Utusan Sight & Sound Sdn Bhd and Karya Outdoor Sdn Bhd	5,533	24,170	Leasehold (16.12.2086)	3,123,269

(Nota: D/P – Date of Purchase)



List Of Properties

As at 31 December 2013

Location	Description	Existing Use	Land Area (sq. ft)	Built-Up Area (sq. ft)	Tenure	Net Book Value (RM) 31.12.2013
25-VS-6 & 23-VS-1 The Bellezza Permata Hijau Jalan Arteri, Permata Hijau 12210, Jakarta Selatan Jakarta, Indonesia (D/P : 27.06.2007)	Apartments	Office/Residence	-	5,984	Freehold	2,684,577
1 & 3, Jalan 3/91A Taman Shamelin Perkasa Cheras, Kuala Lumpur (D/P : 13.01.1994)	3 1/2 Storey Terrace Factory	Utusan Publications & Distributors Sdn Bhd	13,552	12,015	-	2,475,276
No. 17A, B & C Jalan Diplomatik 2/2 Presint 15, Presint Diplomatik 62000 Putrajaya (D/P: 20.10.2010)	4 Storey Shophouse	Utusan's Office	-	5,025	Freehold	1,799,483
46M, Jalan Lima Off Jalan Chan Sow Lin Kuala Lumpur (D/P: 10.12.1959)	Office Building	Utusan's Office (Marketing Branch)	63,855	49,368	Lot 187 Leasehold (02.06.2057) Lot 268 Leasehold (30.01.2062)	1,714,324
Lot 438, Jalan Dua Off Jalan Chan Sow Lin Kuala Lumpur (D/P: 06.01.1992)	Factory Building	Rented Out	38,761	23,361	Leasehold (14.10.2016)	1,426,396
No. 34, Pusat Niaga Paya Keladi Kuala Terengganu, Terengganu (D/P : 05.05.2008)	2 Storey Shophouse	Utusan's Office	1,431	2,500	Leasehold (10.12.2104)	1,108,096
34, Jalan Argyll Georgetown, Pulau Pinang (D/P: 23.10.1989)	2 Storey Shophouse	Utusan's Office	1,280	1,995	Leasehold (27.09.2049)	482,185
11A, Jalan 14/22 Petaling Jaya, Selangor (D/P: 23.10.1989)	4 Storey Shophouse	Rented Out	1,539	5,830	Leasehold (16.12.2086)	467,863
32, Jalan Argyll Georgetown, Pulau Pinang (D/P: 28.08.1969)	2 Storey Shophouse	Rented Out	1,280	1,995	Leasehold (26.09.2049)	456,161
24, Jalan Serampang Taman Pelangi Johor Bahru, Johor (D/P: 27.10.1980)	3 Storey Shophouse	Utusan's Office	1,920	5,358	Freehold	408,976

(Nota: D/P – Date of Purchase)



List Of Properties

As at 31 December 2013

Location	Description	Existing Use	Land Area (sq. ft)	Built-Up Area (sq. ft)	Tenure	Net Book Value (RM) 31.12.2013
D-05-2, Blok D, Plaza Glomac No. 6, Jalan SS7/19, Kelana Jaya Petaling Jaya, Selangor (D/P: 01.05.2011)	2 Storey Shophouse (Commercial Unit)	Rented Out	1,292	1,292	Leasehold (26.03.2109)	373,034
Lot 170, 170-A & Lot 170-B Alor Setar Complex, Jalan Kancut 05100 Alor Setar, Kedah (D/P : 12.03.2013)	Office shop	Utusan's Office	1,013	3,040	Leasehold (26.08.2083)	355,443
Lot 171, 171-A & Lot 171-B Alor Setar Complex, Jalan Kancut 05100 Alor Setar, Kedah (D/P : 12.03.2013)	Office shop	Utusan's Office	1,013	3,040	Leasehold (26.08.2083)	355,443
Lot 351, Jalan Tiga Off Jalan Chan Sow Lin Kuala Lumpur (D/P: 20.12.1979)	Factory & Office Building	Rented Out	54,917	28,601	Leasehold (11.05.2068)	215,629
208, Jalan Sultan Iskandar Ipoh, Perak (D/P : 08.09.1990)	2 Storey Shophouse	Utusan's Office	1,740	2,720	Freehold	206,728
18, Jalan Bukit Ubi Kuantan, Pahang (D/P : 28.07.1986)	3 Storey Shophouse	Ground Floor Utusan's Office	2,000	4,900	Leasehold (14.08.2068)	194,647
19, Jalan Mengkudu Taman Makmur Batu Pahat, Johor (D/P : 02.10.1984)	2 Storey Shophouse	Utusan's Office	1,680	3,192	Freehold	128,333
358, Taman Melaka Raya, Melaka (D/P : 26.02.1982)	3 Storey Shophouse	Utusan's Office	1,400	4,160	Leasehold (04.10.2082)	120,000
C-321, Jalan Tengku Ismail Temerloh, Pahang (D/P : 26.11.1984)	2 Storey Shophouse	Ground Floor Utusan's Office	1,600	2,480	Leasehold (29.03.2083)	109,200
Jalan Hj Abdul Aziz Kuantan, Pahang (D/P : 15.07.1981)	Vacant Land	Vacant	3,267	-	Leasehold (17.09.2077)	96,429
1, Jalan SM 1C/12 Bandar Baru Sri Manjung Sri Manjung, Sitiawan, Perak (D/P : 12.12.1980)	2 Storey Shophouse	Utusan's Office	2,288	3,980	Leasehold (01.08.2079)	56,100

(Nota: D/P – Date of Purchase)



Analysis Of Shareholdings

As At 3 April 2014

Authorised Share Capital	- RM500,000,000
Issued and Fully Paid-up Share Capital	- RM110,733,837
Class of Shares	- Ordinary Shares of RM1.00 each
No. of Shareholders	- 5,173
Voting Rights	- One voting right for one Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Issued Capital
000000001 - 000000099	470	9.09	17,076	0.02
000000100 - 000001000	2,219	42.90	1,799,947	1.63
000001001 - 000010000	2,027	39.18	7,790,930	7.04
000010001 - 000100000	408	7.89	12,054,065	10.88
000100001 - 005536690	47	0.91	17,614,863	15.90
005536691 & above	2	0.03	71,456,956	64.53
TOTAL	5,173	100.00	110,733,837	100.00

DIRECT AND INDIRECT INTERESTS OF DIRECTORS

As at 3 April 2014

Names	Direct Shareholdings	Indirect Shareholdings	% of Issued Capital
Tan Sri Mohamed Hashim Ahmad Makaruddin	-	-	-
Datuk Mohd Nasir Ali	10,000	-	0.009
Datuk Abdul Aziz Ishak	-	-	-
Tan Sri Haji Husein Ahmad	-	-	-
YB Senator Dato' Dr. Firdaus Haji Abdullah	-	-	-
Datuk Seri Ismail Yusof	-	-	-
Datuk Tengku Sariffuddin Tengku Ahmad	-	-	-
Dato' Dr. Norraesah Mohamad	-	-	-
Dato' Ab Halim Mohyiddin (Resigned w.e.f 28 May 2013)	-	-	-
Encik Mohd Yusof Abu Othman (Appointed w.e.f 16 January 2014)	-	-	-

SUBSTANTIAL SHAREHOLDERS

As at 3 April 2014

Names of Shareholders	Number of Shares Held	% of Issued Capital
1. RHB Nominees (Tempatan) Sdn Bhd (<i>Pertubuhan Kebangsaan Melayu Bersatu</i>) or UMNO (United Malays National Organisation)	55,113,956	49.77
2. Nilam Setar (M) Sdn Bhd	16,343,000	14.76

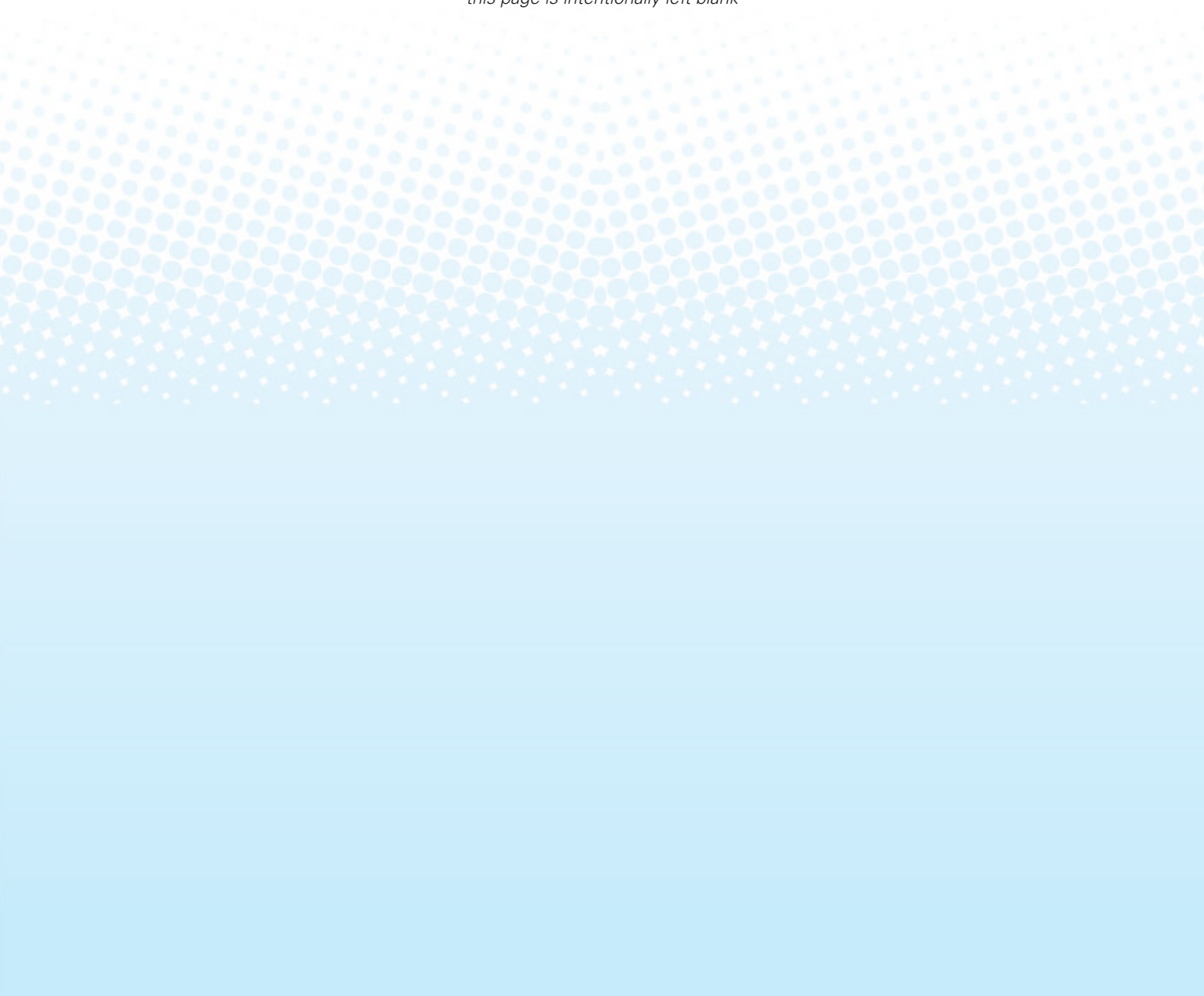


List Of Top Thirty Largest Shareholders

As at 3 April 2014

Names of Shareholders		Number of Shares Held	% of Issued Capital
1.	RHB Nominees (Tempatan) Sdn Bhd (<i>Pertubuhan Kebangsaan Melayu Bersatu</i>) or UMNO (United Malays National Organisation)	55,113,956	49.77
2.	Nilam Setar (M) Sdn Bhd	16,343,000	14.76
3.	Aspirasi Sigma Sdn Bhd	3,500,000	3.16
4.	Fasa Mahsuri Sdn Bhd	2,000,000	1.81
5.	Tan Jin Tuan	1,044,000	0.94
6.	TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chua Eng Ho Waa @ Chua Eng Wah)	879,900	0.79
7.	Chin Kian Fong	759,400	0.69
8.	Meng Hin Holdings Sdn Bhd	748,600	0.68
9.	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Gaik Suan)	499,200	0.45
10.	Hussein Noordin Sdn Berhad	381,000	0.34
11.	TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Teh Teaw Kee)	380,800	0.34
12.	Maybank Nominees (Tempatan) Sdn Bhd (Chua Eng Ho Waa @ Chua Eng Wah)	378,100	0.34
13.	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Teh Teaw Kee)	325,600	0.29
14.	Cheah Yee Lin	314,500	0.28
15.	Li Liong Bee	308,000	0.28
16.	Christina Ng Po Ni	301,300	0.27
17.	Rajalingam A/L RVR Singam	296,400	0.27
18.	Senawang Land Sdn Bhd	289,000	0.26
19.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Felix Miller)	278,300	0.25
20.	HDM Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tay Boon Seng)	272,000	0.25
21.	Chin Sin Lin	261,300	0.24
22.	AIBB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Yayasan Pok Dan Kassim)	261,100	0.24
23.	HLIB Nominees (Tempatan) Sdn Bhd (Hong Leong Bank Berhad for Goh Chai Hong)	252,600	0.23
24.	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chin Kiam Hsung)	252,300	0.23
25.	Maybank Nominees (Tempatan) Sdn Bhd (Koo Tai Ping @ Koh Kian Tee)	202,200	0.18
26.	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chua Eng Ho Waa @ Chua Eng Wah)	199,500	0.18
27.	Ambank (M) Berhad (Pledged Securities Account for Rajalingam A/L RVR Singam)	195,700	0.18
28.	Onn Kok Puay (Weng Guopei)	185,200	0.17
29.	Ching Siew Siang	178,000	0.16
30.	AIBB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd)	176,600	0.16
TOTAL		86,577,556	78.19

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Proxy Form



اوتوسن ملايو ماليسيا برحد

UTUSAN MELAYU (MALAYSIA) BERHAD (7170-V)

CDS Account No. of Authorised Nominee (i)

I/We, (full name in block capitals)
NRIC No./Company No.
of

being a member/s of Utusan Melayu (Malaysia) Berhad hereby appoint
NRIC No. of

..... and/or
NRIC No. of

or failing him/her, *The Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Forty-Sixth Annual General Meeting of the Company to be held at Dewan Besar, Level 1, Bangunan Korporat Utusan Melayu (Malaysia) Berhad, No. 44, Jalan Utusan Off Jalan Chan Sow Lin, 55200 Kuala Lumpur on Thursday, 5 June 2014 at 9.30 a.m and at any adjournment thereof.

*My/Our proxy is to vote as indicated below:

	RESOLUTIONS	FOR	AGAINST
	AS ORDINARY BUSINESS – ORDINARY RESOLUTIONS		
Resolution 1	Re-election of Datuk Seri Ismail Yusof		
Resolution 2	Re-election of Dato' Dr. Norraesah Mohamad		
Resolution 3	Re-election of Encik Mohd Yusof Abu Othman		
Special Resolution 1	Re-appointment of Tan Sri Haji Husein Ahmad		
Resolution 4	Approval of Directors' Fee		
Resolution 5	Re-appointment of Messrs Ernst & Young as Auditors		
	AS SPECIAL BUSINESS – ORDINARY RESOLUTIONS		
Resolution 6	Directors Authority Pursuant to Section 132D of the Companies Act, 1965		
Resolution 7	Retention of Tan Sri Haji Husein Ahmad as the Senior Independent Non-Executive Director		
Resolution 8	Retention of YB Senator Dato' Dr. Firdaus Haji Abdullah as an Independent Non-Executive Director		

Please indicate with a tick (✓) in the appropriate spaces how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fit at his discretion or abstain from voting.

(*strike out whichever is not desired)

Signature/Common Seal of Corporation _____

Number of Shares Held: _____

Date: _____

For appointment of two or more proxies, percentage of shareholdings to be represented by the proxies

	Number of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

NOTE: Appointment of Proxy

- i) A member of the Company entitled to attend and vote at this meeting may appoint a proxy (or in a case of a corporation to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- ii) A member of the Company shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney or, if the appointer is a corporation, either
- iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one omnibus account, the exempt authorised nominee may appoint multiple proxies for each omnibus account it holds.
- v) To be valid the proxy form duly completed must be deposited at the Registrar's Office, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

under the common seal or under the hand of an officer on behalf of the corporation or attorney.

Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one omnibus account, the exempt authorised nominee may appoint multiple proxies for each omnibus account it holds.

To be valid the proxy form duly completed must be deposited at the Registrar's Office, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.



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AFFIX STAMP
RM0.80 HERE

**THE SHARE REGISTRAR
TRICOR INVESTOR SERVICES SDN BHD
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur**

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