



ANNUAL REPORT 2014



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| Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh 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 Wednesday, 3 June 2015 at 10.00 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 2014 together with the Reports of the Directors and Auditors thereon.

(See Note 2)
2. To re-elect the following Director who retires in accordance with Article 97 of the Company's Articles of Association, and being eligible has offered himself for re-election:
 - i) Datuk Abdul Aziz Ishak

(Ordinary Resolution 1)
3. To re-elect the following Directors who retire in accordance with Article 102 of the Company's Articles of Association, and being eligible have offered themselves for re-election:
 - i) Datuk Mohd Noordin Abbas

(Ordinary Resolution 2)
 - ii) Datuk Md Afendi Hamdan

(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) Datuk Seri Ismail Yusof

(Special Resolution 1)
5. To approve the payment of Directors' fees for the financial year ended 31 December 2014

(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 Resolution:

ORDINARY RESOLUTION

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 authorized 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)
8. To transact any other ordinary business of which due notice shall have been given.



| Notice Of Annual General Meeting

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 47th 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 27 May 2015. Only a depositor whose name appears on the Record of Depositors as at 27 May 2015 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
13 May 2015



| 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 2014

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-Sixth Annual General Meeting held on 5 June 2014 and which will lapse at the conclusion of the Forty-Seventh Annual General Meeting.



| Statement Accompanying Notice Of Annual General Meeting Of The Company

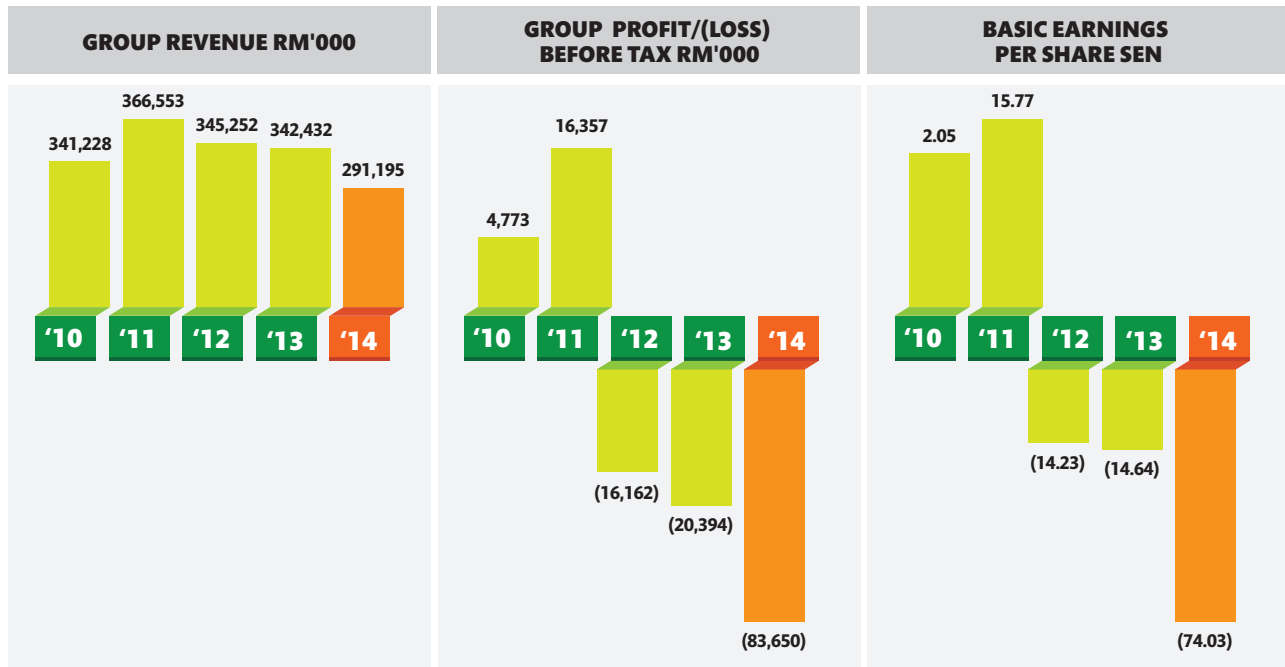
DIRECTORS who are standing for re-election at the Forty-Seventh Annual General Meeting of the Company are:

- i) Datuk Abdul Aziz Ishak
- ii) Datuk Mohd Noordin Abbas
- iii) Datuk Md Afendi Hamdan
- iv) Datuk Seri Ismail Yusof

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 10 to 12 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 160 of this Annual Report.



Five-Year Group Financial Highlight

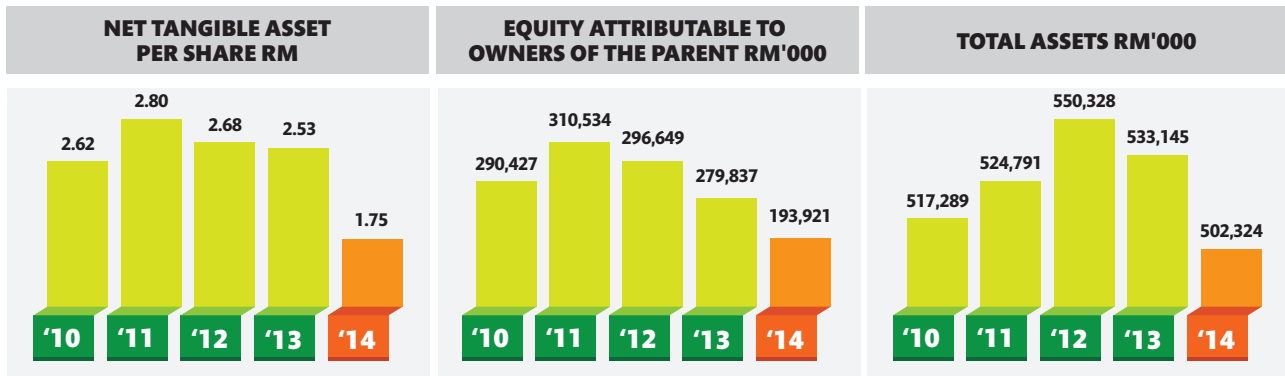


CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RM'000	YEAR ENDED 31 DECEMBER				
	2014	2013	2012	2011	2010
Group Revenue	291,195	342,432	345,252	366,553	341,228
Group (Loss)/Profit Before Tax	(83,650)	(20,394)	(16,162)	16,357	4,773
Income Tax	1,798	4,231	444	1,366	(2,506)
Zakat	(127)	(50)	(36)	(261)	-
Group (Loss)/Profit For The Year	(81,979)	(16,213)	(15,754)	17,462	2,267
Attributable to:					
Owners Of The Parent	(81,979)	(16,213)	(15,754)	17,462	2,267
Earnings Per Share Attributable To					
Owners Of The Parent (sen):					
Basic And Diluted, For (Loss)/Profit For The Year	(74.03)	(14.64)	(14.23)	15.77	2.05
Gross Dividend Per Share (sen)	-	-	-	-	-



Five-Year Group Financial Highlight



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RM'000	AS AT 31 DECEMBER				
	2014	2013	2012	2011	2010
Share Capital	110,734	110,734	110,734	110,734	110,734
Reserves	83,187	169,103	185,915	199,800	179,693
Equity Attributable To Owners Of The Parent	193,921	279,837	296,649	310,534	290,427
Total Equity	193,921	279,837	296,649	310,534	290,427
Non-Current Liabilities	90,715	101,349	104,886	99,149	101,430
Current Liabilities	217,688	151,959	148,793	115,108	125,432
Total Liabilities	308,403	253,308	253,679	214,257	226,862
TOTAL EQUITY AND LIABILITIES	502,324	533,145	550,328	524,791	517,289
Non-Current Assets	340,428	358,724	350,825	325,246	300,230
Current Assets	161,896	174,421	199,503	199,545	217,059
TOTAL ASSETS	502,324	533,145	550,328	524,791	517,289
Net Tangible Asset Per Share (RM)	1.75	2.53	2.68	2.80	2.62



اوتوسن ملايو مليسيا برحد

UTUSAN MELAYU (MALAYSIA) BERHAD (7170-V)





| Board Of Directors





Profile Of The Board Of Directors



DATUK MOHD NOORDIN ABBAS
*(Group Managing Director,
55 years of age – Malaysian)*

NON-INDEPENDENT Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 5 June 2014. He joined Utusan Melayu (Malaysia) Berhad on 20 May 2014 as the Group Executive Director before the position is re-designated to Group Managing Director on 1 January 2015. Prior to joining Utusan, he has an extensive background in development banking particularly with regard to international project finance and management. He has served as Chief Executive Officer in Malaysia Export Credit Insurance Berhad (MECIB) and Export-Import Bank of Malaysia Berhad (EXIM Bank). Holds a Bachelor of Accounting and Finance from Southern Illinois University, United States of America and Masters Degree in Management Science (Operations Research) from St. Louis University, United States of America. Holds directorship in subsidiary companies within Utusan Group namely Utusan Karya Sdn Bhd, Utusan Media Sales Sdn Bhd, Utusan Publications & Distributors Sdn Bhd, Utusan Land Sdn Bhd, Juasa Holdings Sdn Bhd and Jobhouse Sdn Bhd. Does not have any other directorships of public companies.



DATUK ABDUL AZIZ ISHAK
*(Group Editor-In-Chief,
51 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 Utusan Group namely Utusan Media Sales Sdn Bhd and Utusan Karya Sdn Bhd. Does not have any other directorships of public companies.



DATUK SERI ISMAIL YUSOF
(71 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 Committee and Remuneration Committee 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 Board Of Directors



**DATUK TENGKU SARIFFUDDIN
TENGKU AHMAD**
(52 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 Committee and Nomination Committee of the Board. Holds a Diploma in Mass Communications from MARA University of Technology and attended the Fellowship Programme at the University of Seoul, Korea. He was a journalist at the New Straits Times Press (M) Berhad from 1987 till 1997. Serves 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
(67 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 and a member of the Nomination Committee of the Board. Graduated with a Bachelor of Arts (Honours) in Economics from University of Malaya in 1972. Obtained Masters Degree 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 and subsequently earned PhD (Economic Science) in International Economics and International Finance from University of Paris I, Pantheon-Sorbonne in 1986. She held several posts in the government sector from 1972 to September 1988 and joined Esso Productions Malaysia Inc. from October 1988 to 1990. She then assumed the position of Managing Director with a consulting firm that provides financial and advisory services before her appointment as Chief Representative of Credit Lyonnais Bank, Malaysia from 1991 to 1998. Norraesah was also Chairman of Bank Kerjasama Rakyat Malaysia from 2000 to 2003. She is currently the Executive Chairman of My E.G. Services Berhad, Executive Director of Malaysian Genomics Resource Centre Berhad and also holds directorship in Adventa Berhad. She is also 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 Board Of Directors



MOHD YUSOF ABU OTHMAN
(63 years of age – Malaysian)

INDEPENDENT Non-Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 16 January 2014. He is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. A member of the Audit Committee, Remuneration Committee and Investment Committee of the Board. He began his career in 1981 as a Project Accountant with Pernas-Sime Darby Holdings Sdn Bhd. Held several very senior posts in numerous companies, including Selangor State-owned and Malaysian Federal Government-owned 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, SB Development Sdn Bhd, Tabung Amanah Saham Selangor Bhd and as Vice President - Revenue Development in MIDF Sisma Securities Sdn Bhd; as well as in several privately owned companies. He became the first Chief Executive Officer of Badan Pengawas Pemegang Saham Minoriti Berhad (MSWG) from 2001 to 2004 and served as a Chief Operating Officer in MK Land Holdings Bhd from 2008 to 2010. He is currently the Chairman of Medical Flexible Packaging Sdn Bhd, a privately owned company in which he is also a minority shareholder. He is also an independent consultant offering professional services in Corporate Startups and Corporate Change Management. Does not have any other directorships of public companies.



DATUK MD AFENDI HAMDAN
(53 years of age – Malaysian)

INDEPENDENT Non-Executive Director. Joined the Board of Utusan Melayu (Malaysia) Berhad on 25 March 2015. Graduated with a Bachelor of Science in Business Administration and minoring in Management Information System (Computer Science) from University of Wisconsin – Steven Point, United States of America in 1989. He was the Chairman of the National Film Development Corporation Malaysia (FINAS) in 2011 and was a commission member of the Malaysian Communications and Multimedia Commission in 2009. He is currently the Managing Director of Rafflesia Corporate Holdings Sdn Bhd, which has a chain of restaurant in Malaysia and RaffComm Sdn Bhd, an information technology company and online service provider. Does not have any other directorships of public companies.



SHIRAD ANUAR
*(Company Secretary,
50 years of age – Malaysian)*

APPOINTED as the Company Secretary of Utusan Melayu (Malaysia) Berhad on 9 December 2013. He is also the Senior Manager for the Company's Legal department. He is a Licensed Company Secretary and an Affiliate of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). He graduated with a LLB. (Hons) from Wolverhampton Polytechnic in 1989 and was called to the Malaysian Bar in January 1992. He has also an MBA in Islamic Banking and Finance from International Islamic University Malaysia. He began his career in the Judicial and Legal Service as a Magistrate on 2 January 1992. He was a legal advisor and also involved in corporate finance and secretarial in several public listed companies such as Faber Group Berhad, DRB Hicom Berhad and Landmarks Berhad. In total he has over 20 years of experience in the corporate sector.



| 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 seven (7) Board Meetings held during the financial year ended 31 December 2014. Details of the attendance of the Directors at the Board Meetings are as follows:

DIRECTOR	ATTENDANCE
Tan Sri Mohamed Hashim Ahmad Makaruddin <i>(Resigned w.e.f 1 January 2015)</i>	7/7
Datuk Mohd Nasir Ali <i>(Resigned w.e.f 5 June 2014)</i>	3/3
Datuk Abdul Aziz Ishak	7/7
Tan Sri Haji Husein Ahmad <i>(Resigned w.e.f 11 March 2015)</i>	7/7
YB Senator Dato' Dr. Firdaus Haji Abdullah <i>(Retired w.e.f 5 June 2014)</i>	2/3
Datuk Seri Ismail Yusof	7/7
Datuk Tengku Sariffuddin Tengku Ahmad	6/7
Dato' Dr. Norraesah Mohamad	5/7
Mohd Yusof Abu Othman <i>(Appointed w.e.f 16 January 2014)</i>	7/7
Datuk Mohd Noordin Abbas <i>(Appointed w.e.f 5 June 2014)</i>	4/4

v) Securities Holdings in the Company and its Subsidiaries

The Directors' shareholdings, etc are disclosed on page 160 of this Annual Report.



Corporate Information

BOARD OF DIRECTORS

DATUK MOHD NOORDIN ABBAS

Group Managing Director
(Appointed w.e.f 5 June 2014)

DATUK ABDUL AZIZ ISHAK

Group Editor-In-Chief

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

MOHD YUSOF ABU OTHMAN

Independent Non-Executive Director

DATUK MD AFENDI HAMDAN

Independent Non-Executive Director
(Appointed w.e.f 25 March 2015)

TAN SRI HAJI HUSEIN AHMAD

Senior Independent Non-Executive Director
(Resigned w.e.f 11 March 2015)

TAN SRI MOHAMED HASHIM AHMAD MAKARUDDIN

Executive Chairman
(Resigned w.e.f 1 January 2015)

DATUK MOHD NASIR ALI

Group Executive Director
(Resigned w.e.f 5 June 2014)

YB SENATOR DATO' DR. FIRDAUS HAJI ABDULLAH

Independent Non-Executive Director
(Retired w.e.f 5 June 2014)

AUDIT COMMITTEE

DATO' DR. NORRAESAH MOHAMAD

Chairman

DATUK SERI ISMAIL YUSOF

DATUK TENGKU SARIFFUDDIN TENGKU AHMAD

MOHD YUSOF ABU OTHMAN

REMUNERATION COMMITTEE

DATUK SERI ISMAIL YUSOF

MOHD YUSOF ABU OTHMAN

(Appointed w.e.f 13 November 2014)

TAN SRI HAJI HUSEIN AHMAD

Chairman (Resigned w.e.f 11 March 2015)

NOMINATION COMMITTEE

DATUK TENGKU SARIFFUDDIN TENGKU AHMAD

DATO' DR. NORRAESAH MOHAMAD

(Appointed w.e.f 13 November 2014)

TAN SRI HAJI HUSEIN AHMAD

Chairman (Resigned w.e.f 11 March 2015)

YB SENATOR DATO' DR. FIRDAUS HAJI ABDULLAH

(Retired w.e.f 5 June 2014)

INVESTMENT COMMITTEE

DATO' DR. NORRAESAH MOHAMAD

Chairman

DATUK MOHD NOORDIN ABBAS

(Appointed w.e.f 5 June 2014)

MOHD YUSOF ABU OTHMAN

(Appointed w.e.f 30 April 2014)

W. NOR ASMAM W. ISMAIL

AHMAD RAZIF MOHAMED

DATUK MOHD NASIR ALI

(Resigned w.e.f 5 June 2014)

COMPANY SECRETARY

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

Lingkaran 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

Stock Name : UTUSAN

Stock Code : 5754

Date of Listing : 16 August 1994



| Management And Heads Of Department

DATUK MOHD NOORDIN ABBAS

Group Managing Director

DATUK ABDUL AZIZ ISHAK

Group Editor-In-Chief

DATUK OTHMAN MOHAMAD

Deputy Group Editor-In-Chief

W. NOR ASMAH W. ISMAIL

Chief Financial Officer

SHIRAD ANUAR

Senior Manager, Legal/Company Secretary

MOHD NAZLAN OSMAN

General Manager, Human Resource

AHMAD KHAIRUMUZAMIL ABD RAHMAN

General Manager, Production

ROSMAN ZULKIFLI

General Manager, Marketing/Circulation

JAMAL AHMED ALI AHMAD

Chief Executive Officer, UMES

ABDUL KADIR MANSURI

*General Manager, Property, Procurement
And Administration*

AHMAD RAZIF MOHAMED

*Senior Manager, Corporate Services
And Risk Management*

ABDUL HALIM JOHAR @ MAZHAR

Senior Manager, Information Technology

FARIDAH HASHIM

Senior Manager, Internal Audit & Group Compliance

SYED AGIL SYED JAAFAR

Manager, Editorial Department

ZURZALIZA BAJURI

Acting Head, Corporate Communications

NORIDZAN KAMAL

Senior Manager, Information Centre

ABDUL KADIR BACHOK

Photo Editor

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

MOHD YUSOF ABU OTHMAN

Independent Non-Executive Director

2. MEETINGS AND ATTENDANCE

A total of five (5) meetings were held during the financial year ended 31 December 2014. The details of the attendance of each Committee member are as follows:

MEMBERS	ATTENDANCE
Dato' Dr. Norraesah Mohamad	3/5
Datuk Seri Ismail Yusof	5/5
Datuk Tengku Sariffuddin Tengku Ahmad	4/5
Mohd Yusof Abu Othman <i>(Appointed w.e.f 14 February 2014)</i>	5/5

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:

- a. 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.
- b. At least one (1) member of the Committee:
 - i. must be a member of the Malaysian Institute of Accountants ('MIA'); or
 - ii. 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.
 - iii. fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- c. 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 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 2014:

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 2014 are as follows:

	RM
Salaries & staff welfare costs	939,608
Other expenses	12,361
Total	951,969



| 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 Managing 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.
- The Investment Committee comprising two (2) Non-Executive Directors, the Group Managing Director, Chief Financial Officer and Senior Manager, Corporate Services & Risk Management, is primarily responsible for assessing the viability of any investment proposal for the Group before recommending the same for the Board's approval.
- 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.

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 Managing 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, Datuk Mohd Noordin Abbas and Datuk Abdul Aziz Ishak 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 27 April 2015.



| 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 seven (7) members comprising:

- Two (2) Executive Directors
- Four (4) Independent Non-Executive Directors
- One (1) Non-Independent Non-Executive Director

The Board has a balanced composition of Executive and Non-Executive Directors (including Non-Independent Directors). The Executive Directors are overall responsible for implementing the strategies and decisions of the Board, overseeing the Group's day-to-day operations and businesses. The Independent Directors, with their different backgrounds, professions and experiences effectively contribute to independent view and judgement to facilitate the decision making process of the Group with regards to the various business strategies and performance. No individual or group of individuals dominates the Board's decision making process. The Board adopts the concept of independence in tandem with the definition of 'Independent Director' under Paragraph 1.01 of the Listing Requirements. The current composition of four (4) Independent Non-Executive Directors meets the current 1/3 requirement for Independent Non-Executive Directors under Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

Since the previous Annual Report, the Company has taken necessary step to improve its board composition to be in line with the recommendation of MCCG 2012 whereby the position of Executive Chairman has been re-structured as Non-Executive Chairman whilst the Group Executive Director has been re-designated as the Group Managing Director.

Following the resignation of Tan Sri Mohamed Hashim Ahmad Makaruddin as Chairman of the Company on 1 January 2015, no Chairman has been appointed to replace him and at each Board meeting, a Chairman is appointed from amongst the Directors to chair the meeting.

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 is also assisted by the Board Committees in carrying out its duties and responsibilities.



| Statement On Corporate Governance

1.3. Board Charter

During the financial year under review, the Board has taken 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 to ensure that all Board members are aware of their duties and responsibilities, the various legislations and regulations affecting their conduct, principles and practices of good Corporate Governance.

1.4. Directors' Code of Ethics

Utusan has established a Directors' Code of Ethics to guide the Board in discharging its oversight role effectively. The Code of Ethics requires all directors to observe high ethical business standards of honesty and integrity and to apply these values to all aspects of our business and professional practices and act in good faith in the best interests of Utusan Group and its shareholders.

1.5. Board Meeting

During the financial year ended 31 December 2014, seven (7) Board meetings were held. The Board members will receive in advance documents on matters requiring its 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.

As at 31 December 2014, the details of Directors on the Board and their attendance at meetings held during the year are as follows :-

NAME OF DIRECTOR	ATTENDANCE
Tan Sri Mohamed Hashim Ahmad Makaruddin <i>(Resigned w.e.f 1 January 2015)</i>	7/7
Datuk Mohd Nasir Ali <i>(Resigned w.e.f 5 June 2014)</i>	3/3
Datuk Abdul Aziz Ishak	7/7
Tan Sri Haji Husein Ahmad <i>(Resigned w.e.f 11 March 2015)</i>	7/7
YB Senator Dato' Dr. Firdaus Haji Abdullah <i>(Retired w.e.f 5 June 2014)</i>	2/3
Datuk Seri Ismail Yusof	7/7
Datuk Tengku Sariffuddin Tengku Ahmad	6/7
Dato' Dr. Norraesah Mohamad	5/7
Mohd Yusof Abu Othman <i>(Appointed w.e.f 16 January 2014)</i>	7/7
Datuk Mohd Noordin Abbas <i>(Appointed w.e.f 5 June 2014)</i>	4/4

1.6. 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 appraised 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.



| Statement On Corporate Governance

The Board is notified of any corporate announcements releases to Bursa Malaysia Securities Berhad. 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.

1.7. 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 Annual General Meeting ('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, the Director so appointed shall hold office until the next AGM and shall then be eligible for re-election. Directors who are 70 years of age and above are required to submit themselves for re-appointment annually pursuant to Section 129(2) and Section 129(6) of the Companies Act 1965.

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.

1.8. 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 appointed during the financial year under review have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. 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:

- Managing In Uncertainty: Surviving The Turbulence;
- Appreciation & Application of Asean Corporate Governance Scorecard;
- Mandatory Accreditation Programme (MAP) For Directors of Public Listed Companies;
- Related Party Transactions; and
- Audit Committee Conference 2014.



| Statement On Corporate Governance

1.9. 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 17 to 20 of this Annual Report.

(b) Nomination Committee

The members of the Nomination Committee ('NC') comprise Independent Non-Executive Directors as follows:

- Datuk Tengku Sariffuddin Tengku Ahmad
- Dato' Dr. Norraesah Mohamad (*Appointed w.e.f 13 November 2014*)
- Tan Sri Haji Husein Ahmad (Chairman) (*Resigned w.e.f 11 March 2015*)
- YB Senator Dato' Dr. Firdaus Haji Abdullah (*Retired w.e.f 5 June 2014*)

The primary responsibilities of the NC are as follows:

- To make proposals to the Board on suitable candidates for appointment as Directors;
- To ensure that the Board has an appropriate balance of skills, expertise, attributes and competencies from its members;
- To regularly review profiles of the required skills, expertise, attributes and core competencies for membership of the Board;
- To review succession plans for members of the Board;
- To recommend to the Board the name of Directors to fill the seats on Board committees; and
- To assess annually the effectiveness of the Board, the committees of the Board and the contribution of each individual Director.

When sourcing for suitable candidates, the NC would accept recommendations made by other Board members or shareholders.

Both the NC and Board views diversity in the Boardroom as an essential factor in ensuring an effective and well-functioning Board and that its composition :

- is currently comprised of Directors from a diverse background;
- age ranges from 50 years to 70 years;
- one board member is of the female gender; and
- drawn from different socio-economic background and is sufficiently diverse to ensure that different viewpoints are considered in the decision making process.

However, the NC will continue to improve the Board's approach towards Boardroom diversity from time to time.

During the financial year 2014 and as at the date of this Annual Report, the NC has undertaken the following activities:

- reviewed and recommended the appointment of additional Directors to the Board of Directors of the Company;
- reviewed and recommended the extension of employment contract of a key management personnel;
- reviewed and recommended the appointment of members of the Board Committees of the Company;
- reviewed the retirement by rotation and recommended the re-election of the Directors pursuant to the Articles of Association of the Company;
- reviewed and recommended the re-appointment of Director pursuant to Section 129 of the Companies Act, 1965; and
- reviewed and recommended the retention of the Independent Non-Executive Directors pursuant to the recommendation of MCCG 2012



Statement On Corporate Governance

(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 are as follows:

- Datuk Seri Ismail Yusof
- Mohd Yusof Abu Othman (*Appointed w.e.f 13 November 2014*)
- Tan Sri Haji Husein Ahmad (Chairman) (*Resigned w.e.f 11 March 2015*)

No meeting was held during the financial year ended 31 December 2014.

(d) Investment Committee

The Investment Committee was established on 24 December 2012 to evaluate all investment proposals prior to approval by the Board for the Group's implementation. The Committee is to consider all investment proposals 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 (Chairman, Independent Non-Executive Director)
- Datuk Mohd Noordin Abbas (Group Managing Director) (*Appointed w.e.f 5 June 2014*).
- Mohd Yusof Abu Othman (Independent Non-Executive Director) (*Appointed w.e.f 30 April 2014*)
- W. Nor Asmah W. Ismail (Chief Financial Officer);
- Ahmad Razif Mohamed (Senior Manager, Corporate Services and Risk Management)
- Datuk Mohd Nasir Ali (Group Executive Director) (*Resigned w.e.f 5 June 2014*).

1.10. Directors Remuneration

The remuneration of the Directors for the financial year ended 31 December 2014 are as follows:

	Salaries (RM)	Fees (RM)	Benefits - in kind (RM)	Total (RM)
Executive Directors	1,715,428	120,082	44,788	1,880,298
Non-Executive Directors	-	228,089	-	228,089

The number of Directors of the Company whose total remuneration fall within the following bands for the financial year ended 31 December 2014 are as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	6
RM350,001 – RM400,000	3	-
RM700,001 – RM750,000	1	-

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 fee 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.



| Statement On Corporate Governance

1.11. Company Secretary

The Company Secretary provides a central source of guidance and advice to the Board, on matters of ethics and good corporate governance. The Company Secretary is required to provide the Directors, collectively and individually, with detailed guidance on their duties and responsibilities. The Company Secretary assists in determining the annual Board plan and Board agenda and in formulating governance and Board-related matters. The Board has unrestricted access to the advice and services of the Company Secretary who is responsible for providing Directors with the Board's papers and related matters. The Company Secretary also facilitates the communication of key decisions and policies between the Board, Board Committees and Senior Management.

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 16 of this Annual Report.

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 21 to 22 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. SHAREHOLDERS

3.1. Investor Relations And Shareholders Communications

The Company endeavors 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 Group Managing Director ('GMD') is 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 Secutirites Berhad at www.bursamalaysia.com.

In addition, the shareholders and investors can also convey their concerns and queries to Encik Mohd Yusof Abu Othman, the 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.

3.2. Websites

The Group strives to ensure that shareholders and the general public would have an easy and convenient access to the Group's corporate information via its website www.utusangroup.com.my.

Statement made in accordance with the resolution of the Board passed on 27 April 2015.



| 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 RM8,500.

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)





| Group Managing Director's Statement

Dear Shareholders,

On behalf of the Board of Directors, as the office of Utusan's Chairman is still vacant as at the date of this report, I wish to announce the financial results of the Group and of the Company for the financial year ended 31 December 2014. Both recorded net losses on the back of declining revenue, an issue faced by all companies in the print media industry. This is a structural issue which requires long term solutions. Nevertheless, the Management has taken steps to minimize the negative result for the coming years.



DATUK MOHD NOORDIN ABBAS
(Group Managing Director)

FINANCIAL PERFORMANCE

Group

For the financial year under review, the Group registered a higher after-tax loss of RM82 million compared with a loss of RM16.2 million in the preceding year. The higher loss is due to the decline in total revenue by RM51 million attributable to the publishing, distribution and advertisement segment. On the other hand, operational costs increased by 2.7% mainly due to higher impairment losses on other receivables.

Company

During the same period under review, the Company posted lower revenue of RM234.7 million, representing a reduction of 14.5% from that of the same period last year. Meanwhile, total costs only increased slightly by 1.5% on the back of impairment losses on other receivables and investments amounting to RM36 million. The Company posted a loss after tax of RM63.9 million in 2014 compared with a loss of RM23.1 million previously.

SUBSIDIARY PERFORMANCE

In the advertising sector, Utusan Airtime Sdn Bhd posted a lower after-tax profit of RM2.9 million compared with after-tax profit of RM6.3 million in 2013 mainly due to impairment losses on other receivables. Utusan Airtime is the marketing agent for the commercial airtime of RTM's radio and television.

Utusan Media Sales Sdn Bhd, the Group's advertising arm for newspapers and magazines recorded a small after-tax profit of RM44 thousand, lower than after-tax profit of RM217 thousand in 2013.

Karya Outdoor Sdn Bhd, our newly established subsidiary in outdoor advertising business incurred an after-tax loss of RM0.6 million compared with a loss of RM360 thousand previously.

In the publishing sector, the Group's magazine publishing subsidiary, Utusan Karya Sdn Bhd posted an after-tax loss of RM3.6 million compared with a small after-tax loss of RM58 thousand in 2013 due to lower circulation revenue brought about by stiff competition amongst magazines.



| Group Managing Director's Statement

Meanwhile, our subsidiary in book publishing and distribution business, Utusan Publications & Distributors Sdn Bhd, recorded an after-tax loss of RM6.0 million against a loss of RM5.5 million in the preceding year after taking into account the cost of RM5.7 million arising from a voluntary separation scheme implemented during the year under review.

Juasa Holdings Sdn Bhd, an investment holding subsidiary, recorded a lower after-tax profit of RM0.7 million compared with RM3.4 million in 2013 due to impairment losses on investments and other receivables.

JobHouse Sdn Bhd, which is involved in job recruitment management services, posted an after-tax loss of RM2.3 million compared with after-tax loss of RM1.3 million in 2013 due to lower revenue.

LOOKING AHEAD

The Malaysian economy is expected to continue on a moderate growth path in 2015. Based on a report from Bank Negara, the Malaysia's gross domestic product (GDP) is projected to expand 4.5% to 5.5% against the backdrop of fluctuating crude oil prices, weakening performance of Ringgit against other major currencies and implementation of Goods and Services Tax (GST), all of which are expected to contribute to a possible decline in consumer sentiment.

Given this economic outlook, the Board of Directors remains cautious about the Group's performance in 2015 as we expect to face another challenging year ahead.

Nevertheless, we will continue to strengthen our core businesses amidst strategies to seek new revenue streams to grow our business portfolios. Newspapers' content improvements are undertaken and creative packages for advertisements are offered in our effort to increase readership and revenue. Promotional activities to enable the Company to increase its direct engagement with readers and advertisers will continue to be organised.

In addition, the Group will continue to evolve and adapt to the ever-transforming media landscape. We will continue to engage and attract readers using both print and digital medium. Our Utusan Online has been given a new look offering more videos and interesting features in order to attract more readers.

The Group will continue to implement stringent cost control measures and to improve operational efficiency in order to sustain our immediate survival. We will constantly focus on strengthening our internal structure so as to ensure a solid foundation for the Group to embark on our future plans.

Moving forward, we strive to diversify the Group's businesses given the challenges faced by the print-based media industry. Last year, we mentioned that we have embarked in a property development initiative by developing a parcel of our land in Jalan Chan Sow Lin area. The project is progressing well and is expected to complete by the end of 2016.

This year we are pleased to announce that the Group will be venturing into the education business as we have been granted licenses by the Malaysian government to operate a vocational training institute that can offer education from upper secondary (Form 4 and Form 5) up to the level of diploma. Currently, preparations

Moving forward, we strive to diversify the Group's businesses given the challenges faced by the print-based media industry. Last year, we mentioned that we have embarked in a property development initiative by developing a parcel of our land in Jalan Chan Sow Lin area. The project is progressing well and is expected to complete by the end of 2016.



| Group Managing Director's Statement

are underway to set-up the institute which will offer skill courses relating to print media. This newly launched education business will open up new opportunities and further expand the Group's presence in the education sector.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express our utmost and sincere appreciation and gratitude to the Management and staff for their conscientious efforts, continuing commitment and dedication in seeing the Group through these trying times.

I would also like to thank our faithful and valued advertisers, readers, vendors, business associates and Government authorities, financiers and all other stakeholders for their continuous support, loyalty and confidence in the Group and its brands.

Since the last annual report, there had been significant changes in the composition of the Board with the resignations of three (3) Directors including the Executive Chairman, the retirement of one (1) Non-Executive Director and the appointment of two (2) new Directors including the Group Managing Director.

On behalf of the Board, I would like to put on record my sincere appreciation and thanks to Tan Sri Mohamed Hashim Ahmad Makaruddin who served the Group as an Executive Chairman for 11 years and to Datuk Mohd Nasir Ali who served the Group for 14 years as the Group Executive Director. During their tenure, Utusan has seen a new printing plant being built in Seberang Jaya, Penang and a new corporate office building in Kuala Lumpur. Under their stewardship, the Group has procured a contract to be the marketing agent for the commercial airtime of RTM's radio and television. This business which is carried out by Utusan Airtime Sdn Bhd has contributed significantly to the Group's performance. I wish to express my gratitude to both Tan Sri and Datuk for their services and invaluable contributions during their tenure in office. Datuk Mohd Nasir resigned on 5 June 2014 while Tan Sri Mohamed Hashim stepped down on 1 January 2015.

I would also like to thank YB Senator Dato' Dr. Firdaus Haji Abdullah who retired on 5 June 2014 after serving the Board since August 2001 and Tan Sri Haji Husein Ahmad our Senior Independent Non-Executive Director who resigned on 11 March 2015. Their guidance and support were indeed highly valued by the Board.

Lastly, I would like to welcome Datuk Md Afendi Hamdan as a new member of the Board and I am confident that the Group will benefit from his experience and wisdom.

This year we are pleased to announce that the Group will be venturing into the education business as we have been granted licenses by the Malaysian government to operate a vocational training institute that can offer education from upper secondary (Form 4 and Form 5) up to the level of diploma. Currently, preparations are underway to set-up the institute which will offer skill courses relating to print media. This newly launched education business will open up new opportunities and further expand the Group's presence in the education sector.



Corporate Responsibility Statement

THE Utusan Group has remained a staunch supporter in upholding the Federal Constitution of Malaysia in tandem with its efforts toward the advancement of national culture and socio-economic development.

The Group is committed to the nation's 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 areas involving the community, education and environment, gearing towards the creation of human capital with vision and possessing the competitiveness in a challenging globalised era.

THE COMMUNITY

The newspapers of the Utusan Group publish human interest news and events in the community such as natural disasters, local socio-cultural events, education, sports and other areas to ensure that all levels of the society receive the benefits due to them as a result of the various agendas and activities organised by the Group.

The recently set up Solidarity Secretariat of the Utusan Group organised a compassionate Flood Relief Mission to the affected states in the East Coast region.

The Group's collaboration with the Malaysia Relief Agency (MRA) through the creation of the Tabung Bencana Banjir MRA-Utusan (MRA-Utusan Flood Relief Fund) was maintained to extend relief to those affected by the major floods in the affected areas by channelling aid funds collected from the public and corporate bodies to all flood victims.

The Group and the MRA also launched the Tabung Kemanusiaan Palestin MRA-Utusan to collect funds for the supply of medical relief, basic household items, food items, ambulance and clean water for the displaced Palestinians.

As a leading guardian on the sanctity of the Malay language, it is the Group's responsibility to ensure the development of Malay literature that is not only mind-stimulating but also enduring for the future generation of readers.

We take pride in assuming a meaningful role in society through our Corporate Social Responsibility activities in areas involving the community, education and environment, gearing towards the creation of human capital with vision and possessing the competitiveness in a challenging globalised era.





Corporate Responsibility Statement

This is achieved through the organisation of the 29th Hadiah Sastera Kumpulan Utusan ExxonMobil and the Sayembara Fiksyen Sains dan Teknologi UTM-Kumpulan Utusan; both serving as a platform for local writers to hone their writing skills and to achieve literary recognition.

The Festival Hari Guru (FHG) organised in collaboration with the Ministry of Education Malaysia for the sixth year in running achieved its objective of fostering closer relations among members of the community through its various integrated activities with almost 100 exhibitors at all previous organised locations. This has further strengthened the branding of the Group as a compassionate Corporate entity in national education development.

The Kejohanan Sepak Takraw KFC-Utusan was held for its fifth year after it received encouraging response in its four previous championships which was further boosted by the continuing support of our main sponsor partner, KFC Holdings (M) Berhad. The Group is confident of the continued popularity of this traditional sport and is dedicated towards the betterment of this sport through the improvement in the organisation of future championships.

A curriculum-based camp program called the Kem Remaja Tutor was organised as part of the Group's social responsibility towards character-building among teenagers for the purpose of developing future national leaders.

On the continued initiative through social responsibility in the community, Utusan Group has been named for the first time as the recipient of the Corporate Social Responsibility (CSR) in conjunction with the Global Leadership Award 2015 on 6 March 2015. This prestigious award is recognition for their contribution to the community development and the country in general.

EDUCATION

We are cognizant of the importance of excellence in education, which forms the core towards achieving a developed nation status. Since 2001, an educational community website, tutor.com.my was conceived to provide free online learning materials for students. For those without access to the internet, weekly printed supplements are distributed exclusively to schools from Monday to Wednesday, namely *Tutor SPM*, *Tutor PT3*, *Tutor UPSR*, *Tutor English* and *Tutor Fokus A*.

A curriculum-based camp program called the Kem Remaja Tutor was organised as part of the Group's social responsibility towards character-building among teenagers for the purpose of developing future national leaders.



GLOBAL Leadership Award 2015.





Corporate Responsibility Statement

The distribution of *Tutor* supplements to be used as teaching aids for the benefit of students have received support from the State Government of Perak, tuition centres and corporate bodies such as Petronas, UEM Group Berhad, DRB Hicom and others.

We have also provided learning fee scholarships for the financially disadvantaged students through 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 Pertandingan Seni Jawi Nusantara and Pertandingan Selfie Ramadan & Syawal @ Nusantara which was divided into several categories to ensure participation from all age levels of the community.

It is also meaningful that this noble effort has led to the continued collaboration with ANGKASA, an apex organisation of the cooperative movement. It has extended its full support to the Group's activities specifically to those related to the art of Jawi script-writing.

With the cessation of the print edition of the *Utusan Melayu Mingguan* (Jawi) supplement, readers can still access the digital version through www.utusan.com.my (Utusan Online).

However, the sponsorship of the *Utusan Melayu Mingguan* is still received from corporate bodies such as Johor Corporation has enabled the print edition to be distributed to chosen schools in Johor which forms a continuation of our social contribution to the society.

However, the sponsorship of the *Utusan Melayu Mingguan* is still received from corporate bodies such as Johor Corporation to be distributed to chosen schools in Johore which forms a continuation of our social contribution to the society.

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

THE ENVIRONMENT

Support towards the protection of the environment is published through our editorials and news stories in our newspapers and other publications as part of our continuous efforts towards preserving the prosperity of the environment.

The Employment Safety and Health Unit within the Group continues to strive towards improving, preserving and protecting the environment in order 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.

Usaha SM La Salle untuk memastikan keputusan cemerlang dalam PT3, SPM

Tutor Utusan bantu latih tubi pelajar



KOTA KINABALU 13 April - Bagi memastikan pelajar mencapai keputusan cemerlang dalam peperiksaan Sijil Pelajaran Malaysia (SPM) dan Pentaksiran Tingkatan 3 (PT3) tahun ini, Sekolah Menengah (SM) La Salle, Kota Kinabalu bertindak proaktif dengan melancarkan akhbar pendidikan Utusan Malaysia atau Tutor SPM dan PT3.



Tutor terbukti bantu pelajar tingkatkan prestasi

LUMUT 8 April - Kandungan akhbar pendidikan Utusan Malaysia, Tutor yang padat dengan soalan latih tubi berkualiti dengan disertai pelbagai maklumat dan ilustrasi menarik, terbukti mampu meningkatkan prestasi pelajar dalam peperiksaan.



"Ketika itu, ayah melanggan Tutor untuk saya sebagai bantuan bagi menghadapi PMR. Ternyata soalan-soalannya sangat mencabar dan membantunya saya untuk berjaya. "Banyak soalan ramalannya menyamai soalan peperiksaan sebenar.

Tutor memang baik dan saya sangat bersyukur kerana akan menggunakannya sekali lagi dalam Sijil Pelajaran Malaysia (SPM)," katanya yang ditemui dalam sesi penerangan program amalan terbaik Tutor Utusan Malaysia kepada 188 calon SPM sekolah tersebut hari ini.

Tutor bakal diedar untuk dimanfaatkan oleh 24,765 calon SPM di negeri ini. Rakannya, Nur Alwani Zafrah Khairul berkata, kandungan Tutor mampu menjadikan pelajar lebih fokus terhadap sesuatu subjek kerana penerangan dan soalnya dirangka dibuat mengikut bab. "Inilah yang diperlukan pelajar seperti kami ini. Kandungannya berbeza daripada buku rujukan yang berada di pasaran yang kadang kala tidak dikemaskini dengan sukatan terbaharu. Sebaliknya Tutor mengandungi soalan yang mencabar selain artikelnya juga bertaraf tinggi dan seiring dengan perkembangan semasa," katanya. Seorang lagi pelajar, M. Juvan, 17, berkata, selain mengandungi soalan-soalan latih tubi, Tutor juga mendedahkan pelajar dengan strategi-strategi menjawab soalan secara berkesan. Naskahnya yang nipis, ringan serta boleh disimpan dalam poket juga membolehkan pelajar membuat rujukan pada bila-bila masa. Bahan ini amat baik dan berkesan dalam meningkatkan pembelajaran jika digunakan sebaiknya," katanya.



Corporate Responsibility Statement

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 executed work safety programs and health talks for the staff to increase their awareness of safety aspects at the workplace and to adopt a day to day healthier lifestyle.

Compliance to the ISO 9001:2008 Standards is also 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 Karnival Sukan Utusan/BKUM 2014, Majlis Korban dan Akikah, iftar with staff, Berkhatan Musim Cuti Sekolah, Majlis Meraikan Anak Yatim Kumpulan Utusan and Memperingati Nuzul Al-Quran specifically during the month of Ramadan were designed to enhance relations among staff.

In fact, charitable activities organised by the Badan Keluarga Utusan Melayu contribute 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), Pentaksiran Tingkatan 3 (PT3), 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 places due emphasis in all activities in relation to corporate responsibility. We practise corporate responsibility in all aspects of our business and are committed towards practising it for the benefit of the Company, the community and the country.

The Employment Safety and Health Unit within the Group continues to strive towards improving, preserving and protecting the environment in order to achieve sustainability in the environment in which we operate.

UTUSAN/BKUM Sports Carnival 2014.





6 MARCH 2014

THE Utusan Malaysia Johor Bureau received three awards under the Bahasa Melayu print media category in conjunction with the Anugerah Media Johor 2013. The prize-giving ceremony was officiated by the Menteri Besar of Johor, YAB Datuk Seri Mohamed Khaled Nordin. Congratulation!



18 MARCH 2014

AN agreement was signed between the State Government of Perak and Utusan Melayu for the sponsorship of the educational supplement, Tutor which will be used as a teaching aid for 164 selected secondary schools. The ceremony was attended by the Menteri Besar of Perak, YAB Datuk Seri Dr. Zambray Abd Kadir at the Hotel Kinta Riverfront, Ipoh, Perak.



22 - 23 MARCH 2014

THE Karnival Riah Sakan Utusan Malaysia/Mingguan Malaysia was held at for 2 days the I-City, Shah Alam in appreciation of the newspaper's loyal readers and to increase the sales of Utusan Group's publication. The Carnival was a resounding success and received overwhelming support from the local residents.



14 - 16 MAY 2014

THE Festival Hari Guru which is in its sixth year was held for the first time in Klang Valley. The event was launched by the Deputy Minister of Education II, YB Tuan P. Kamalanathan at the Pusat Dagangan Dunia Putra (PWTC), Kuala Lumpur.



22 JUNE 2014

THE Kejohanan Sepak Takraw KFC-Utusan was held for its fifth year due to the overwhelming support experienced during the last four championships and continued support from main sponsor, KFC Holding (M) Berhad. The Launching Ceremony was officiated by the Minister of Youth and Sports, YB Khairy Jamaluddin at the Alamanda Shopping Centre, Putrajaya.



17 JULY 2014

THE Utusan Group hosted 43 orphans as its guests during the Majlis Meraikan Anak Yatim Kumpulan Utusan dan Memperingati Nuzul Al Quran. Contributions in the form of money and hampers were presented by the Management of Utusan Group and ANGKASA, the sponsor of this event for the past three years.



Corporate Responsibility Statement



5 SEPTEMBER 2014

RUHAINI Matdarin won the first prize under the Novel Remaja category for the second year running and was presented with the prize at the Majlis Penyampaian Hadiah Sastera Kumpulan Utusan ExxonMobil 2013 ceremony. A total of 28 writers received their prizes under the six winning categories. The Minister of Youth and Sports, YB Khairy Jamaluddin officiated the prize-giving ceremony at the Renaissance Hotel, Kuala Lumpur.



1 OCTOBER 2014

A groundbreaking ceremony for the inaugural property development project by the Utusan Group, The Trax, was officiated by the Executive Chairman of the Utusan Group, Tan Sri Mohamed Hashim Ahmad Makaruddin at the building construction site located at Jalan Lima off Jalan Chan Sow Lin, Kuala Lumpur. The 14-storey commercial will consist of office space, multi-level warehouse and basement parking.



18 OCTOBER 2014

NEW look and improvement. An innovative design introduced in the newspaper industry which enable Utusan Malaysia & Mingguan Malaysia to be folded and transformed into three formats of broadsheet, tabloid or tablet. The launch of this innovation was officiated by the Executive Chairman of the Utusan Group, Tan Sri Mohamed Hashim Ahmad Makaruddin at the Headquarters of the Utusan Melayu (Malaysia) Berhad, Kuala Lumpur.



10 NOVEMBER 2014

UTUSAN Melayu established a partnership with Cisco Systems Malaysia Sdn Bhd to provide 'cloud services' as part of its business transformation. The agreement signing ceremony was held at the Utusan Melayu (Malaysia) Berhad headquarters, Kuala Lumpur.



22-25 NOVEMBER 2014

THE inaugural Kem Remaja Tutor programme received national recognition from the Ministry of Education with the participation of 250 secondary school students from all over the country. The three-day curriculum-based programme was officiated by the Deputy Minister of Education I, YB Datuk Mary Yap Kain Ching at the Pusat Kokurikulum Jabatan, Pendidikan Negeri Selangor, Kem Tekali, Hulu Langat, Selangor.



31 DECEMBER 2014

THE Solidarity Secretariat of Utusan Group initiated a flood relief mission to the areas of Temerloh and Jerantut, Pahang. The mission which involve the participation of staff is part of Group's Corporate Social Responsibility programme.



اوتوسن ملایو ملیسیا برحد

UTUSAN MELAYU (MALAYSIA) BERHAD (7170-V)





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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 2014.

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	(81,979,000)	(63,948,565)

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 other than disclosed in Note 20 to the account.

DIVIDENDS

The directors do not recommend any payment of dividend in respect of the financial year ended 31 December 2014.

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:

Datuk Mohd Noordin Bin Abbas	(appointed w.e.f 5 June 2014)
Datuk Abdul Aziz Bin Ishak	
Datuk Seri Ismail Bin Yusof	
Datuk Tengku Sariffuddin Bin Tengku Ahmad	
Dato' Dr Norraesah Binti Mohamad	
Encik Mohd Yusof Bin Abu Othman	
Datuk Md Afendi Bin Hamdan	(appointed w.e.f 25 March 2015)
YB Senator Dato' Dr. Firdaus Bin Haji Abdullah	(retired w.e.f 5 June 2014)
Datuk Mohd Nasir Bin Ali	(resigned w.e.f 5 June 2014)
Tan Sri Mohamed Hashim Bin Ahmad Makaruddin	(resigned w.e.f 1 January 2015)
Tan Sri Haji Husein Bin Ahmad	(resigned w.e.f 11 March 2015)

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.

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' INTERESTS

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.

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 all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (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) the amount written off for 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 28 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.



| Directors' Report

SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 30 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 31 to the financial statements.

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 27 April 2015.

DATUK MOHD NOORDIN BIN ABBAS

DATUK ABDUL AZIZ BIN ISHAK



| Statement By Directors

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

We, Datuk Mohd Noordin Bin Abbas and Datuk Abdul Aziz Bin Ishak, 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 50 to 155 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 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 36 on page 156 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 27 April 2015.

Datuk Mohd Noordin Bin Abbas

Datuk Abdul Aziz Bin Ishak



| 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 50 to 156 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
above named W. Nor Asmah Binti W. Ismail
at Kuala Lumpur in Wilayah Persekutuan
on

W. Nor Asmah Binti W. Ismail

Before me,
Commissioner for Oaths



I 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 2014 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 50 to 155.

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 2014 and of their financial performance and cash flows for the year then ended 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.



I Independent Auditors' Report

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

- (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.

OTHER MATTERS

The supplementary information set out in Note 36 to the financial statements on page 156 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

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

Kuala Lumpur, Malaysia
27 April 2015



Consolidated Statement Of Comprehensive Income

For The Financial Year Ended 31 December 2014

	Note	2014 RM	2013 RM
Revenue	3	291,195,221	342,431,794
Other income	4	15,130,162	16,013,554
Raw materials and consumables used		(94,240,369)	(108,866,477)
Vendors' commissions		(33,863,960)	(39,938,681)
Transportation costs		(13,860,813)	(16,254,750)
Employee benefits expense	5	(129,329,616)	(129,089,560)
Depreciation of property, plant and equipment		(19,749,794)	(18,677,860)
Depreciation of investment properties		(333,997)	(231,469)
Amortisation of intangible assets		(786,716)	(773,229)
Other expenses		(91,628,047)	(60,881,842)
Finance costs	7	(8,829,873)	(7,735,761)
Operating loss		(86,297,802)	(24,004,281)
Share of results of associates		2,647,887	3,609,505
Loss before tax	8	(83,649,915)	(20,394,776)
Income taxation	9	1,797,924	4,231,486
Zakat		(127,009)	(50,076)
Loss for the year, net of tax		(81,979,000)	(16,213,366)
Other comprehensive income			
Actuarial gains on defined benefit obligations	22	2,211,278	155,572
Income tax relating to actuarial gains and losses on defined benefit obligations		(530,707)	(37,337)
Net gain on available-for-sale financial assets:			
- (Loss)/gain on fair value changes		(965,224)	578,811
- Transfer to profit or loss upon disposal	3,4	(4,651,610)	(1,307,159)
Foreign currency translation		(963)	10,770
Other comprehensive loss for the year, net of tax		(3,937,226)	(599,343)
Total comprehensive loss for the year		(85,916,226)	(16,812,709)



Consolidated Statement Of Comprehensive Income

For The Financial Year Ended 31 December 2014 (Contd.)

	Note	2014 RM	2013 RM
Loss attributable to:			
Owners of the parent		(81,979,000)	(16,213,366)
Total comprehensive loss attributable to:			
Owners of the parent		(85,916,226)	(16,812,709)
Loss per share attributable to owners of the parent (sen):			
Basic and diluted, for loss for the year	10	(74.03)	(14.64)

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



Consolidated Statement Of Financial Position

As at 31 December 2014

	Note	2014 RM	2013 RM
Assets			
Non-current assets			
Property, plant and equipment	11	285,717,535	270,300,046
Investment properties	12	16,893,850	14,347,602
Intangible assets	13	2,183,692	2,885,408
Investments in associates	15	26,158,991	27,391,103
Investment securities	20	3,770,330	28,891,973
Deferred tax assets	16	186,903	109,896
Trade and other receivables	19	2,158,818	14,798,315
Retirement benefit assets	22	3,357,813	-
		340,427,932	358,724,343
Current assets			
Inventories	18	22,135,887	23,503,477
Trade and other receivables	19	70,255,137	114,011,923
Tax recoverable		2,466,562	1,161,607
Investment securities	20	2,585,650	2,861,350
Cash and cash equivalents	21	64,452,901	32,882,057
		161,896,137	174,420,414
TOTAL ASSETS		502,324,069	533,144,757
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	110,733,837	110,733,837
Share premium		50,703,162	50,703,162
Other reserves	26	5,375,057	10,992,854
Retained earnings		27,108,457	107,406,886
TOTAL EQUITY		193,920,513	279,836,739



Consolidated Statement Of Financial Position

As at 31 December 2014 (Contd.)

	Note	2014 RM	2013 RM
Non-current liabilities			
Retirement benefit obligations	22	-	1,375,883
Loans and borrowings	23	90,457,013	98,545,782
Deferred tax liabilities	16	258,396	1,427,222
		90,715,409	101,348,887
Current liabilities			
Retirement benefit obligations	22	-	689,747
Loans and borrowings	23	127,346,206	96,029,543
Trade and other payables	24	90,147,165	54,575,055
Tax payables		194,776	664,786
		217,688,147	151,959,131
TOTAL LIABILITIES		308,403,556	253,308,018
TOTAL EQUITY AND LIABILITIES		502,324,069	533,144,757

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 2014

	Note	Share capital		Share premium	Retained earnings	Other reserves	Fair value adjustment reserve			Share option reserve	Capital reserve	Total equity
		RM	RM				RM	RM	RM			
At 1 January 2013		110,733,837	50,703,162	123,116,176	12,096,273	298,392	385,841	5,080,000	385,841	5,080,000	296,649,448	
Loss for the year		-	-	(16,213,366)	-	-	-	-	-	-	(16,213,366)	
Other comprehensive income		-	-	118,235	(717,578)	10,770	-	-	-	-	(599,343)	
Total comprehensive income		-	-	(16,095,131)	(717,578)	10,770	-	-	-	-	(16,812,709)	
Transaction with owners												
Forfeiture of share options granted under ESOS recognised directly in equity	26	-	-	385,841	(385,841)	-	(385,841)	-	(385,841)	-	-	
At 31 December 2013		110,733,837	50,703,162	107,406,886	10,992,854	309,162	-	5,080,000	-	5,080,000	279,836,739	
At 1 January 2014		110,733,837	50,703,162	107,406,886	10,992,854	309,162	-	5,080,000	-	5,080,000	279,836,739	
Loss for the year		-	-	(81,979,000)	-	-	-	-	-	-	(81,979,000)	
Other comprehensive income		-	-	1,680,571	(5,617,797)	(963)	-	-	-	-	(3,937,226)	
Total comprehensive income		-	-	(80,298,429)	(5,617,797)	(963)	-	-	-	-	(85,916,226)	
At 31 December 2014		110,733,837	50,703,162	27,108,457	5,375,057	308,199	(13,142)	5,080,000	-	5,080,000	193,920,513	

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 2014

	2014 RM	2013 RM
Cash flows from operating activities		
Loss before taxation	(83,649,915)	(20,394,776)
Adjustments for:		
Impairment loss on trade and other receivables	33,837,973	10,803,047
Reversal of impairment loss on trade and other receivables	(893,840)	(2,952,582)
Bad debts written off	720,995	-
Impairment loss on investment in an associate	2,680,000	-
Net gain on disposal of a subsidiary	(442,453)	(993,485)
Gain on disposal of available-for-sale investment	(4,651,610)	(1,307,159)
Gain on disposal of held-for-trading investment	(243,433)	(598,486)
Net fair value loss on held-for-trading investment	994,802	242,812
(Reversal)/provision for retirement benefits	(1,981,880)	550,943
Share of results of associates	(2,647,887)	(3,609,505)
Interest income	(911,569)	(1,392,507)
Interest expenses	8,271,756	7,259,691
Depreciation of property, plant and equipment	19,749,794	18,677,860
Depreciation of investment properties	333,997	231,469
Amortisation of intangible assets	786,716	773,229
Inventories written off	34,940	354,139
Inventories written down	722,030	2,810,403
Gain on disposal of property, plant and equipment	(231,644)	(158,906)
Property, plant and equipment written off	-	5,785
Intangible assets written off	-	50,000
Deposit written off	-	360,509
Impairment loss on preference shares	10,017,036	-
Dividend income	(535,597)	(2,203,675)
Operating (loss)/profit before working capital changes	(18,039,789)	8,508,806



Consolidated Statement Of Cash Flows

For The Financial Year Ended 31 December 2014 (Contd.)

	2014 RM	2013 RM
Cash flows from operating activities (contd.)		
Operating (loss)/profit before working capital changes (contd.)	(18,039,789)	8,508,806
Decrease/(increase) in receivables	21,877,495	(16,607,103)
(Increase)/decrease in inventories	(2,180,363)	14,132,903
Increase in payables	40,418,188	4,817,758
Cash generated from operations	42,075,531	10,852,364
Interest paid	(8,356,460)	(7,314,270)
Taxes paid	(2,165,170)	(4,402,767)
Zakat paid	(127,009)	(50,076)
Tax refunds	410,960	1,239,513
Net cash generated from operating activities	31,837,852	324,764
Cash flows from investing activities		
Purchase of securities in held-for-trading investment	(6,321,725)	(8,926,013)
Additional investment in associates	-	(10,000)
Proceeds from disposal of held-for-trading investment	5,846,056	6,420,339
Proceeds from disposal of available-for-sale investment	14,139,384	8,347,174
Interest received	911,569	1,392,507
Purchase of property, plant and equipment	(25,501,901)	(12,889,804)
Purchase of investment properties	-	(719,451)
Purchase of intangible assets	(85,000)	(731,724)
Proceeds from disposal of property, plant and equipment	261,177	159,211
Net cash outflow on disposal of subsidiary	(649,742)	(432,956)
Dividends received	1,735,598	3,410,840
Net cash used in investing activities	(9,664,584)	(3,979,877)



Consolidated Statement Of Cash Flows

For The Financial Year Ended 31 December 2014 (Contd.)

	2014 RM	2013 RM
Cash flows from financing activities		
Drawdown of short term borrowings	27,845,071	6,961,014
Payment of hire purchase payables	(1,303,148)	(1,222,517)
Repayment of long term borrowings	(15,913,100)	(16,163,101)
Payment of retirement benefits	(1,230,284)	(1,576,434)
Withdrawal/(placement) of pledged fixed deposits	122,118	(646,912)
Net cash generated from/(used in) financing activities	9,520,657	(12,647,950)
Net increase/(decrease) in cash and cash equivalents	31,693,925	(16,303,063)
Effects of foreign exchange rate changes	(963)	10,770
Cash and cash equivalents at 1 January	31,257,833	47,550,126
Cash and cash equivalents at 31 December (Note 21)	62,950,795	31,257,833

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



Statement Of Comprehensive Income

The Financial Year Ended 31 December 2014

	Note	2014 RM	2013 RM
Revenue	3	234,686,099	274,404,988
Other income	4	28,646,485	19,677,201
Raw materials and consumables used		(75,550,430)	(82,565,582)
Vendors' commissions		(29,020,362)	(34,020,076)
Transportation costs		(13,750,595)	(15,958,751)
Employee benefits expense	5	(96,794,498)	(99,604,964)
Depreciation of property, plant and equipment		(18,766,709)	(17,380,419)
Depreciation of investment properties		(4,864)	(4,864)
Amortisation of intangible assets		(742,117)	(676,496)
Other expenses		(85,119,015)	(66,191,402)
Finance costs	7	(9,071,180)	(7,706,104)
Loss before tax	8	(65,487,186)	(30,026,469)
Income taxation	9	1,538,621	6,892,636
Loss for the year, net of tax		(63,948,565)	(23,133,833)
Other comprehensive income			
Actuarial gains on defined benefit obligations	22	2,211,278	155,572
Income tax relating to actuarial gains and losses on defined benefit obligations		(530,707)	(37,337)
Net loss on available-for-sale financial assets:			
- Loss on fair value changes		(313,632)	(568,921)
- Transfer to profit or loss upon disposal	4	(1,440,653)	1,083
Other comprehensive loss for the year, net of tax		(73,714)	(449,603)
Total comprehensive loss for the year		(64,022,279)	(23,583,436)

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



Statement Of Financial Position

As At 31 December 2014

	Note	2014 RM	2013 RM
Assets			
Non-current assets			
Property, plant and equipment	11	264,073,446	260,163,818
Investment properties	12	210,765	215,629
Intangible assets	13	2,023,093	2,680,210
Investments in subsidiaries	14	5,230,000	4,730,002
Investments in associates	15	999,000	3,679,000
Investment securities	20	62,258	13,993,579
Trade and other receivables	19	1,381,703	15,131,273
Retirement benefit assets	22	3,357,813	-
		277,338,078	300,593,511
Current assets			
Inventories	18	16,686,362	14,492,603
Trade and other receivables	19	70,352,255	77,037,587
Tax recoverable		1,923,201	2,334,161
Cash and cash equivalents	21	36,197,230	7,664,025
		125,159,048	101,528,376
TOTAL ASSETS		402,497,126	402,121,887
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	110,733,837	110,733,837
Share premium		50,703,162	50,703,162
Other reserves	26	13,288	1,767,573
Accumulated losses		(63,481,089)	(1,213,095)
TOTAL EQUITY		97,969,198	161,991,477



Statement Of Financial Position

As At 31 December 2014 (Contd.)

	Note	2014 RM	2013 RM
Non-current liabilities			
Retirement benefit obligations	22	-	1,281,604
Loans and borrowings	23	89,212,539	98,665,809
Deferred tax liabilities	16	-	1,007,914
		89,212,539	100,955,327
Current liabilities			
Retirement benefit obligations	22	-	205,316
Loans and borrowings	23	123,615,467	92,813,893
Trade and other payables	24	91,699,922	46,155,874
		215,315,389	139,175,083
TOTAL LIABILITIES		304,527,928	240,130,410
TOTAL EQUITY AND LIABILITIES		402,497,126	402,121,887

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 2014

	Note	←----- Non-distributable -----→		Distributable		←----- Non-distributable -----→			Total equity RM
		Share capital RM	Share premium RM	Share (accumulated losses) RM	Retained earnings/ losses) RM	Other reserves RM	Fair value adjustment reserve RM	Share option reserve RM	
At 1 January 2013		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	
At 1 January 2014		110,733,837	50,703,162	(1,213,095)	1,767,573	1,767,573	-	161,991,477	
Loss for the year		-	-	(63,948,565)	-	-	-	(63,948,565)	
Other comprehensive income/(loss)		-	-	1,680,571	(1,754,285)	(1,754,285)	-	(73,714)	
Total comprehensive loss		-	-	(62,267,994)	(1,754,285)	(1,754,285)	-	(64,022,279)	
At 31 December 2014		110,733,837	50,703,162	(63,481,089)	13,288	13,288	-	97,969,198	

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 2014

	2014 RM	2013 RM
Cash flows from operating activities		
Loss before taxation	(65,487,186)	(30,026,469)
Adjustments for:		
Impairment loss on trade and other receivables	25,948,954	11,268,566
Reversal of impairment loss on trade and other receivables	(716,162)	(5,167,338)
Impairment loss on investment in a subsidiary	-	3,099,999
Impairment loss on investment in an associate	2,680,000	-
Loss on disposal of a subsidiary	-	359,999
(Reversal)/provision for retirement benefits	(1,999,310)	508,943
Interest income	(589,601)	(1,072,940)
Interest expenses	8,639,620	7,366,590
Depreciation of property, plant and equipment	18,766,709	17,380,419
Depreciation of investment properties	4,864	4,864
Amortisation of intangible assets	742,117	676,496
Property, plant and equipment written off	-	4,060
Inventories written off	16,600	-
Gain on disposal of property, plant and equipment	(222,116)	(158,052)
(Gain)/loss on disposal of available-for-sale investment	(1,440,653)	1,083
Impairment loss on preference shares	10,017,036	-
Deposit written off	-	358,964
Dividend income	(13,297,793)	(3,871,343)
Waiver of amount due from a subsidiary	-	3,173,776
Operating (loss)/profit before working capital changes	(16,936,921)	3,907,617
Decrease in receivables	8,530,970	4,736,832
(Increase)/decrease in inventories	(2,210,359)	14,374,083
Increase in payables	32,140,659	3,241,703
Cash generated from operations	21,524,349	26,260,235
Interest paid	(8,472,880)	(7,167,977)
Taxes paid	-	(485,704)
Tax refund	410,960	469,638
Net cash generated from operating activities	13,462,429	19,076,192



Statement Of Cash Flows

For The Financial Year Ended 31 December 2014 (Contd.)

	2014 RM	2013 RM
Cash flows from investing activities		
Proceeds from disposal of available-for-sale investment	3,600,654	51,333
Additional investment in a subsidiary	(499,998)	-
Additional investment in associates	-	(10,000)
Proceeds from disposal of a subsidiary	-	1
Interest received	497,390	1,072,940
Purchase of property, plant and equipment	(12,666,680)	(10,465,567)
Purchase of intangible assets	(85,000)	(509,499)
Proceeds from disposal of property, plant and equipment	245,928	158,052
Dividends received	13,297,793	3,257,058
Net cash generated from/(used in) investing activities	4,390,087	(6,445,682)
Cash flows from financing activities		
Drawdown in short term borrowings	28,511,071	7,761,014
Payment of hire purchase payables	(1,283,137)	(1,272,526)
Repayment of long term borrowings	(15,913,100)	(16,163,102)
Payment of retirement benefits	(634,145)	(1,518,268)
Net cash generated from/(used in) financing activities	10,680,689	(11,192,882)
Net increase in cash and cash equivalents	28,533,205	1,437,628
Cash and cash equivalents at 1 January	7,664,025	6,226,397
Cash and cash equivalents at 31 December (Note 21)	36,197,230	7,664,025

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 2014

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 27 April 2015.

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 provisions of the Companies Act, 1965 in Malaysia.

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.

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

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 2014, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2014.

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



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

The nature and impact of the new and amended MFRSs and IC Interpretation are described below:

- (i) **Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities**
The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.
- (ii) **Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities**
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under MFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under MFRS 10.
- (iii) **Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets**
The amendments to MFRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit ('CGU') to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by MFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's and the Company's financial statements.

- (iv) **Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge**
These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(v) IC Interpretation 21 Levies

IC 21 defines a levy and clarifies that the obligating event which gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. For a levy which is triggered upon reaching a minimum threshold, IC 21 clarifies that no liability should be recognised before the specified minimum threshold is reached. Retrospective application is required. The application of IC 21 has had no material impact on the disclosures or on the amounts recognised in the Group's and the Company's financial statements.

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:

	Effective for annual periods beginning on or after
MFRS and Amendments to MFRSs	
Amendments to MFRS 119: Defined Benefit Plans: 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
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments	1 January 2018



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 MFRS and Amendments to MFRS issued but not yet effective (contd.)

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:

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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 the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(b) Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

(c) Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

The Company's investment in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(j). On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(d) Associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of 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 or joint venture's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition, the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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.

After application of the equity method, the Group applies MFRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates are accounted for 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 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(e) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(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.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(e) Intangible assets (contd.)

(ii) Other intangible assets (contd.)

● 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.

(f) 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.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

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

(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.

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.

(g) 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 of 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(f) up to the date of change in use.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(h) 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.

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.

(i) 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.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(i) Financial assets (contd.)

(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.

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.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(j) 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.

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.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(j) Impairment of financial assets (contd.)

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

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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(n) Financial liabilities (contd.)

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.

(o) 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.

(p) 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").



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(p) Employee benefits (contd.)

(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.

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.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(p) Employee benefits (contd.)

(iii) Defined benefit plans (contd.)

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).

(iv) 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.

(q) 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.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(q) Leases (contd.)

(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(s)(iii).

(r) 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 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(s) 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.

(t) 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.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(t) Income taxes (contd.)

(ii) Deferred tax (contd.)

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.

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.



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (contd.)

(t) Income taxes (contd.)

(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.

(u) 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 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

(v) 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

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(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 amortised over the lease term as disclosed in Note 2.4(q)(i).



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Significant accounting estimates and judgments (contd.)

(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.

(iii) 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.

(iv) Defined benefit plans

The cost of the Retirement Benefit Scheme ("the Scheme") and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers values of AA rated corporate bond yields with 3 to 15 years of maturity and convert these bond yields rate to estimated spot rates. The spot rates are then used to value the projected future cash flows of the Scheme. An equivalent single discount rate is then sought such that the present value of projected cash flows discounted at this single discount rate is similar to the present value of the projected cash flows discounted at various spot rates. The resulting discount rate is 5.25% per annum.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Significant accounting estimates and judgments (contd.)

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

(iv) Defined benefit plans (contd.)

The mortality rate is based on the experience of Malaysian insured lives from 1999 to 2003. The rates are published as a standard table MO9903 and the table is used in the insurance industry in Malaysia. The disability rates used are 10% of mortality rates.

Further details about the retirement benefit (assets)/obligations are given in Note 22.

3. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Publishing, distribution and advertisements	281,330,362	328,978,024	234,686,099	274,404,988
Information technology and multimedia	297,150	1,281,942	-	-
Investment holding, management services and others	9,567,709	12,171,828	-	-
	291,195,221	342,431,794	234,686,099	274,404,988

Included in investment holding revenue of the Group are:

	2014 RM	2013 RM
Dividend income from:		
Available-for-sale financial assets:		
- Equity instruments (quoted)	128,328	545,640
- Equity instruments (unquoted)	256,500	1,410,752
Held-for-trading financial assets	52,976	40,140
Net fair value loss on held-for-trading investment	(994,802)	(242,812)
Interest income on deposits	72,660	68,211
Interest income on others	169,967	136,072
Gain on disposal of available-for-sale investments	3,210,957	1,308,242
Gain on disposal of held-for-trading investments	243,433	598,486



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

4. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Dividend income:				
- Available-for-sale investment (quoted in Malaysia)	97,793	207,143	97,793	207,143
- Subsidiaries	-	-	12,000,000	2,457,000
- Associates	-	-	1,200,000	1,207,200
Gain on disposal of scrap	6,483,525	5,882,604	6,130,920	5,566,421
Commission income	-	-	2,326,420	2,972,845
Gain on disposal of property, plant and equipment	231,644	158,906	222,116	158,052
Gain/(loss) on disposal of available-for-sale investment	1,440,653	(1,083)	1,440,653	(1,083)
Gain/(loss) on disposal of a subsidiary (Note 14(i))	442,453	993,485	-	(359,999)
Building rental income	2,651,449	2,045,760	2,540,211	2,100,085
Interest income charged to subsidiaries	-	-	92,211	119,851
Interest income on deposits	171,066	268,552	-	35,764
Interest income – others	497,876	919,672	497,390	917,325

5. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Wages and salaries	92,243,399	91,483,712	75,220,896	74,304,555
Social security costs	1,026,901	1,044,815	818,834	811,629
Contribution to defined contribution plans	14,298,418	14,038,736	11,470,092	10,973,313
Increase in liability for defined benefit plans (Note 22)	(1,981,880)	550,943	(1,999,310)	508,943
Other staff related expenses	23,742,778	21,971,354	11,283,986	13,006,524
	129,329,616	129,089,560	96,794,498	99,604,964

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM3,520,374 (2013: RM3,146,178) and RM1,835,510 (2013: RM1,712,417) respectively as further disclosed in Note 6.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive directors' remuneration (Note 5):				
- Salaries and other emoluments	2,930,029	2,615,044	1,482,318	1,381,965
- Fees	120,082	120,000	120,082	120,000
- Defined contribution plan	470,263	411,134	233,110	210,452
	3,520,374	3,146,178	1,835,510	1,712,417
Non-executive directors' remuneration (Note 8):				
- Fees	228,089	220,664	228,089	220,664
Total directors' remuneration (Note 29(b))	3,748,463	3,366,842	2,063,599	1,933,081
Estimated money value of benefits-in-kind	44,788	176,808	44,788	172,808
Total directors' remuneration including benefits-in-kind	3,793,251	3,543,650	2,108,387	2,105,889

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

	Number of directors	
	2014	2013
Executive directors		
RM350,001 – RM400,000	3	-
RM400,001 – RM450,000	-	1
RM700,001 – RM750,000	1	2
Non-executive directors		
Below RM50,000	6	6



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

7. FINANCE COSTS

Included in finance costs are the following:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expense on:				
- Bank borrowings and overdrafts	8,178,709	7,165,014	8,022,928	6,948,338
- Inter company borrowings	-	-	527,230	309,748
- Leasing/hire purchase payables	93,047	94,677	89,462	108,504

8. LOSS BEFORE TAX

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-executive directors' remuneration (Note 6)	228,089	220,664	228,089	220,664
Auditors' remuneration:				
- Statutory audit	195,900	204,100	81,000	80,500
- Other services	8,500	8,500	8,500	8,500
Office/warehouse rental expenses	674,706	918,996	637,900	1,068,197
Equipment rental expenses	128,843	116,391	36,201	28,950
Impairment loss on trade and other receivables	33,837,973	10,803,047	25,948,954	11,268,566
Reversal of impairment loss on trade and other receivables	(893,840)	(2,952,582)	(716,162)	(5,167,338)
Bad debts written off	720,995	-	-	-
Bad debts recovered	(3,045)	(54,160)	(187,725)	(253,632)
Waiver of amount owing by a subsidiary	-	-	-	3,173,776
Inventories written off	34,940	354,139	16,600	-
Inventories written down	722,030	2,810,403	-	-
Impairment of goodwill	-	50,000	-	-
Impairment loss on preference shares (Note 20)	10,017,036	-	10,017,036	-
Deposit written off	-	360,509	-	358,964
Property, plant and equipment written off	-	5,785	-	4,060
Impairment loss on investment in a subsidiary	-	-	-	3,099,999
Impairment loss on investment in an associate	2,680,000	-	2,680,000	-



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

9. INCOME TAXATION

The major components of income taxation for years ended 31 December 2014 and 2013 are:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current income tax:				
Malaysian income tax	(187,733)	2,640,094	-	-
Under/(over) provision in prior years	166,349	(23,026)	-	-
	(21,384)	2,617,068	-	-
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	(3,683,081)	(4,207,887)	(3,512,539)	(5,994,214)
Relating to reduction in Malaysian income tax rate	-	(229,248)	-	(290,200)
Under/(over) provision in prior years	1,906,541	(2,411,419)	1,973,918	(608,222)
	(1,776,540)	(6,848,554)	(1,538,621)	(6,892,636)
Income taxation recognised in profit or loss	(1,797,924)	(4,231,486)	(1,538,621)	(6,892,636)

The current income tax is calculated at the statutory tax rate of 25% (2013: 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 2014 has reflected these changes.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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 2014 and 2013 are as follows:

	2014 RM	2013 RM
Group		
Loss before taxation	(83,649,915)	(20,394,776)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	(20,912,479)	(5,098,694)
Income not subject to tax	(1,098,346)	(2,199,171)
Effect of changes in tax rate	-	(229,245)
Expenses not deductible for tax purposes	9,468,144	2,210,555
Effect of deferred tax recognised at different rates	141,023	178,085
Deferred tax assets recognised on unutilised tax losses and unabsorbed capital allowances	(301,668)	103,330
Utilisation of previously unrecognised capital allowances	(400,457)	(1,312)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	9,894,941	4,141,787
Effect of share of result of associates	(661,972)	(902,376)
Under/(over) provision of deferred tax in prior years	1,906,541	(2,411,419)
Under/(over) provision of tax expense in prior years	166,349	(23,026)
Income taxation	(1,797,924)	(4,231,486)
Tax savings recognised during the year arising from:		
Utilisation of current year tax losses	705,802	766,730
Unutilised tax losses carried forward	85,162,872	62,898,631
Company		
Loss before taxation	(65,487,186)	(30,026,469)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	(16,371,797)	(7,506,618)
Income not subject to tax	(3,416,713)	(991,317)
Effect of changes in tax rate	-	(290,200)
Expenses not deductible for tax purposes	10,315,101	2,253,963
Effect of deferred tax recognised at different rates	133,897	249,758
Deferred tax assets not recognised during the year	5,826,973	-
Under/(over) provision of deferred tax in prior years	1,973,918	(608,222)
Income taxation	(1,538,621)	(6,892,636)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

10. LOSS PER SHARE

Basic and diluted

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

	Group	
	2014	2013
Loss attributable to owners of the parent (RM)	(81,979,000)	(16,213,366)
Weighted average number of ordinary shares in issue	110,733,837	110,733,837
Basic and diluted loss per share (sen)	(74.03)	(14.64)

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 2014					
Cost					
At 1 January 2014	229,549,830	2,230,291	221,966,818	62,741,741	516,488,680
Additions	8,096,313	27,357,798	145,822	2,501,039	38,100,972
Disposals	-	-	(1,071,260)	(3,448,767)	(4,520,027)
Written off	-	-	-	(1,354,531)	(1,354,531)
Disposal of a subsidiary	-	-	-	(70,296)	(70,296)
Reclassification to investment property (Note 12)	(4,834,928)	-	-	-	(4,834,928)
Exchange differences	-	-	(38,839)	(2,573)	(41,412)
At 31 December 2014	232,811,215	29,588,089	221,002,541	60,366,613	543,768,458
Accumulated depreciation and impairment					
At 1 January 2014	42,923,269	-	152,158,363	51,107,002	246,188,634
Depreciation charge for the year	4,644,098	-	11,107,520	3,998,176	19,749,794
Disposal	-	-	(1,071,260)	(3,419,234)	(4,490,494)
Written off	-	-	-	(1,354,531)	(1,354,531)
Disposal of a subsidiary	-	-	-	(46,385)	(46,385)
Reclassification to investment property (Note 12)	(1,954,683)	-	-	-	(1,954,683)
Exchange differences	-	-	(38,839)	(2,573)	(41,412)
At 31 December 2014	45,612,684	-	162,155,784	50,282,455	258,050,923
Net carrying amount	187,198,531	29,588,089	58,846,757	10,084,158	285,717,535



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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 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	186,626,561	2,230,291	69,808,455	11,634,739	270,300,046

** 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 2014

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 2014			
Cost			
At 1 January 2014	10,973,741	218,576,089	229,549,830
Additions	-	8,096,313	8,096,313
Reclassification to investment property	-	(4,834,928)	(4,834,928)
At 31 December 2014	10,973,741	221,837,474	232,811,215
Accumulated depreciation and impairment			
At 1 January 2014	2,675,527	40,247,742	42,923,269
Depreciation charge for the year	226,176	4,417,922	4,644,098
Reclassification to investment property	-	(1,954,683)	(1,954,683)
At 31 December 2014	2,901,703	42,710,981	45,612,684
Net carrying amount	8,072,038	179,126,493	187,198,531
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	8,298,214	178,328,347	186,626,561



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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 2014					
Cost					
At 1 January 2014	218,182,989	544,347	218,833,420	41,639,254	479,200,010
Additions	8,090,313	12,256,339	245,822	2,104,061	22,696,535
Disposals	-	-	(874,612)	(76,343)	(950,955)
Transfer from subsidiaries	-	-	-	15,358	15,358
At 31 December 2014	226,273,302	12,800,686	218,204,630	43,682,330	500,960,948
Accumulated depreciation and impairment					
At 1 January 2014	37,914,038	-	149,353,197	31,768,957	219,036,192
Depreciation charge for the year	4,445,324	-	11,082,879	3,238,506	18,766,709
Disposals	-	-	(874,612)	(52,531)	(927,143)
Transfer from subsidiaries	-	-	-	11,744	11,744
At 31 December 2014	42,359,362	-	159,561,464	34,966,676	236,887,502
Net carrying amount	183,913,940	12,800,686	58,643,166	8,715,654	264,073,446



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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 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	180,268,951	544,347	69,480,223	9,870,297	260,163,818

** 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 2014

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 2014			
Cost			
At 1 January 2014	10,973,743	207,209,246	218,182,989
Additions	-	8,090,313	8,090,313
At 31 December 2014	10,973,743	215,299,559	226,273,302
Accumulated depreciation and impairment			
At 1 January 2014	2,675,512	35,238,526	37,914,038
Depreciation charge for the year	226,176	4,219,148	4,445,324
At 31 December 2014	2,901,688	39,457,674	42,359,362
Net carrying amount	8,072,055	175,841,885	183,913,940
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	8,298,231	171,970,720	180,268,951



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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 RM38,100,972 (2013: RM32,090,287) and RM22,696,535 (2013: RM30,396,900) respectively of which RM12,599,071 (2013: RM19,200,483) and RM10,033,469 (2013: RM19,382,206) respectively were acquired by means of loans and borrowings.

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Motor vehicles	352,338	103,868	280,853	289,823
Computer equipment	176,993	480,410	176,993	480,410

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 27(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	
	2014 RM	2013 RM
Land and buildings on leasehold land	168,255,132	167,797,415
Plant and machinery and others	57,853,579	41,963,518
	226,108,711	209,760,933

- (c) Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use, costing RM119,308,680 (2013: RM113,380,669) and RM103,900,648 (2013: RM99,800,219) respectively.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

12. INVESTMENT PROPERTIES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cost				
At 1 January	17,157,657	16,438,206	1,631,668	1,631,668
Additions	-	719,451	-	-
Reclassifications from property, plant and equipment (Note 11)	4,834,928	-	-	-
At 31 December	21,992,585	17,157,657	1,631,668	1,631,668
Accumulated depreciation				
At 1 January	2,810,055	2,578,586	1,416,039	1,411,175
Depreciation charge for the year	333,997	231,469	4,864	4,864
Reclassifications from property, plant and equipment (Note 11)	1,954,683	-	-	-
At 31 December	5,098,735	2,810,055	1,420,903	1,416,039
Net carrying amount	16,893,850	14,347,602	210,765	215,629
Fair value	60,600,000	40,700,000	16,000,000	10,900,000

Fair value of the investment properties was determined by using significant observable inputs (Level 2 of fair value hierarchy).

Included in investment properties of the Group and of the Company are fully depreciated assets which are still in use, costing RM1,388,477 (2013: RM1,388,477) and RM1,388,477 (2013: RM1,388,477) respectively.

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Rental income derived from investment properties	964,738	747,632	298,000	288,000
Direct operating expenses generating rental income (included in other operating expenses)	(204,920)	(144,460)	(34,506)	(41,909)
Profit arising from investment properties	759,818	603,172	263,494	246,091

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

13. INTANGIBLE ASSETS

	Software RM
Group	
At 31 December 2014	
Cost	
At 1 January 2014	27,186,704
Additions	85,000
At 31 December 2014	27,271,704
Accumulated amortisation	
At 1 January 2014	24,301,296
Amortisation for the year	786,716
At 31 December 2014	25,088,012
Net carrying amount	2,183,692



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

13. INTANGIBLE ASSETS (CONTD.)

	Software RM	MMS reproduction RM	Goodwill RM	* Research and development RM	Total RM
Group (contd.)					
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					
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	2,885,408	-	-	-	2,885,408

* 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 2014

13. INTANGIBLE ASSETS (CONTD.)

	Software	
	2014 RM	2013 RM
Company Cost		
At 1 January	26,947,958	25,464,412
Additions	85,000	509,500
Reclassification	-	974,046
At 31 December	27,032,958	26,947,958
Accumulated amortisation		
At 1 January	24,267,748	23,591,252
Amortisation for the year	742,117	676,496
At 31 December	25,009,865	24,267,748
Net carrying amount	2,023,093	2,680,210

Included in intangible assets of the Group and of the Company are fully amortised assets which are still in use, costing RM24,539,090 (2013: RM24,287,772) and RM23,524,872 (2013: 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 RM681,832 (2013: RM876,642) and RM681,832 (2013: RM876,642) respectively.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM	2013 RM
Unquoted shares, at cost	9,365,999	8,866,001
Less: Accumulated impairment losses	(4,135,999)	(4,135,999)
	5,230,000	4,730,002

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest held (%)		Principal activities
		2014	2013	
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
Utusan Land Sdn Bhd	Malaysia	100	100	Property development
PT. Sinar Media Advertising *	Indonesia	95	95	Dormant
U-Print Sdn Bhd	Malaysia	100	100	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 (Note 14 (i))	Malaysia	-	100	Distribution of books
PT. Sinar Media Advertising *	Indonesia	5	5	Dormant
Jobhouse Sdn Bhd	Malaysia	100	100	Management services
Utusan Binders Sdn Bhd	Malaysia	100	100	Dormant
Held via Utusan Media Sales Sdn Bhd				
Karya Outdoor 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 2014

14. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(i) Disposal of a subsidiary

On 28 February 2014 the Board of Directors of the Company had announced to Bursa Malaysia that Juasa Holdings Sdn Bhd ("JHSB"), a wholly-owned subsidiary of the Company had on 28 February 2014 entered into a Share Sale Agreement with Baiduri Stationery Sdn Bhd ("BAIDURI") 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 its subsidiary, Arah Pendidikan Sdn Bhd ("APSB") for the purchase consideration of RM50,000, upon such terms and subject to the conditions contained in the Share Sale Agreement.

The subsidiary was previously reported as part of the publishing, distribution and advertisements segment.

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

	2014 RM
Property, plant & equipment	23,911
Inventories	2,790,983
Trade and other receivables	857,213
Cash and bank balances	699,742
Trade and other payables	(4,764,302)
Total net liabilities	(392,453)
Net liabilities disposed	(392,453)
Total disposal proceed	50,000
Gain on disposal to the Group (Note 4)	442,453
Cash inflow arising on disposal:	
Cash consideration	50,000
Cash and cash equivalent of subsidiary disposed	(699,742)
Net cash outflow on disposal	(649,742)

(ii) Increase in shareholding in Utusan Land Sdn Bhd

On 30 May 2014 Utusan Land Sdn Bhd ("ULand") had issued and allotted 499,998 ordinary shares of RM1.00 each fully paid-up to Utusan Melayu (Malaysia) Berhad. Prior to that the issued and paid-up capital of ULand was only 2 ordinary shares of RM2.00 each. No goodwill arose as a result of this subscription.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

15. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Unquoted shares, at cost	3,812,306	3,812,306	3,679,000	3,679,000
Share of post-acquisition reserves	25,159,991	23,712,103	-	-
	28,972,297	27,524,409	3,679,000	3,679,000
Less: Accumulated impairment losses	(2,813,306)	(133,306)	(2,680,000)	-
	26,158,991	27,391,103	999,000	3,679,000
Represented by:				
Share of net assets of the associates	26,158,991	27,391,103	-	-

Details of the associates are as follows:

Name of associates	Country of incorporation	Equity interest held (%)		Principal activities
		2014	2013	
Held by the Company:				
Swan Malaysia Sdn Bhd and its subsidiaries *	Malaysia	40	40	Manufacturing of stationery
Utusan Transport Sdn Bhd and its subsidiaries *	Malaysia	30	30	Transportation
PT. Sinar Mitra Utama *	Indonesia	40	40	Dormant
Utusan Printcorp Sdn Bhd	Malaysia	40	40	Commercial printing

* 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 2014 have been used.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

15. INVESTMENTS IN ASSOCIATES (CONTD.)

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statements of financial position:

	Swan Malaysia Sdn Bhd RM	Utusan Transport Sdn Bhd RM	Total RM
As at 31 December 2014			
Assets and liabilities			
Current assets	64,135,079	4,914,589	69,049,668
Non-current assets	16,901,730	2,602,915	19,504,645
Total assets	81,036,809	7,517,504	88,554,313
Current liabilities	10,410,176	3,317,800	13,727,976
Non-current liabilities	697,664	897,341	1,595,005
Total liabilities	11,107,840	4,215,141	15,322,981
As at 31 December 2013			
Assets and liabilities			
Current assets	60,197,186	2,943,551	63,140,737
Non-current assets	15,166,230	2,898,384	18,064,614
Total assets	75,363,416	5,841,935	81,205,351
Current liabilities	8,190,779	1,977,571	10,168,350
Non-current liabilities	751,392	711,327	1,462,719
Total liabilities	8,942,171	2,688,898	11,631,069

(ii) Summarised statements of comprehensive income:

	Swan Malaysia Sdn Bhd RM	Utusan Transport Sdn Bhd RM	Total RM
Year ended 31 December 2014			
Results			
Revenue	91,201,665	8,147,543	99,349,208
Profit for the year	6,507,724	149,326	6,657,050
Dividend received from the associate during the year	1,200,000	-	1,200,000



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

15. INVESTMENTS IN ASSOCIATES (CONTD.)

(ii) Summarised statements of comprehensive income (contd.):

	Swan Malaysia Sdn Bhd RM	Utusan Transport Sdn Bhd RM	Total RM
Year ended 31 December 2013			
Results			
Revenue	90,662,440	11,069,494	101,731,934
Profit for the year	8,905,561	175,467	9,081,028
Dividend received from the associate during the year	1,200,000	7,200	1,207,200

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates:

	Swan Malaysia Sdn Bhd RM	Utusan Transport Sdn Bhd RM	Total RM
Net assets at 1 January 2014	66,421,245	3,153,037	69,574,282
Profit for the year	6,507,724	149,326	6,657,050
Less: Dividend for the year	(3,000,000)	-	(3,000,000)
Net assets at 31 December 2014	69,928,969	3,302,363	73,231,332
Interest in associate	40%	30%	
Carrying value of Group's interest in associates	27,971,588	990,709	28,962,297
Net assets at 1 January 2013	60,515,684	3,001,570	63,517,254
Profit for the year	8,905,561	175,467	9,081,028
Less: Dividend for the year	(3,000,000)	(24,000)	(3,024,000)
Net assets at 31 December 2013	66,421,245	3,153,037	69,574,282
Interest in associate	40%	30%	
Carrying value of Group's interest in associates	26,568,498	945,911	27,514,409

(iv) There are no financial information available for the associates that are not individually material as at 31 December 2014 and 31 December 2013. The Group and the Company has fully impaired the carrying amount for these associates in the financial statements.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

16. DEFERRED TAX

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	(1,317,326)	(8,128,543)	(1,007,914)	(7,863,213)
Recognised in profit or loss (Note 9)	1,776,540	6,848,554	1,538,621	6,892,636
Recognised in other comprehensive income	(530,707)	(37,337)	(530,707)	(37,337)
At 31 December	(71,493)	(1,317,326)	-	(1,007,914)

Presented after appropriate offsetting as follows:

Deferred tax assets	186,903	109,896	-	-
Deferred tax liabilities	(258,396)	(1,427,222)	-	(1,007,914)
	(71,493)	(1,317,326)	-	(1,007,914)

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 2014	(24,917,897)
Recognised in profit or loss	677,202
	(24,240,695)
Less: Set-off deferred tax assets	23,982,299
At 31 December 2014	(258,396)
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)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

16. DEFERRED TAX (CONTD.)

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 2014	1,785,626	19,866,166	1,948,779	23,600,571
Recognised in profit or loss	(1,320,477)	2,248,589	171,226	1,099,338
Recognised in other comprehensive income	(530,707)	-	-	(530,707)
	(65,558)	22,114,755	2,120,005	24,169,202
Less: Set-off deferred tax liabilities				(23,982,299)
At 31 December 2014				186,903
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

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM
At 1 January 2014	(24,113,596)
Recognised in profit or loss	1,504,282
	(22,609,314)
Less: Set-off deferred tax assets	22,609,314
At 31 December 2014	-
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)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

16. DEFERRED TAX (CONTD.)

Deferred tax assets of the Company:

	Retirement Benefit Obligations RM	Unutilised tax losses and unabsorbed capital allowances RM	Provisions and accruals RM	Total RM
At 1 January 2014	1,647,212	20,606,003	852,467	23,105,682
Recognised in profit or loss	(1,116,505)	2,003,311	(852,467)	34,339
Recognised in other comprehensive income	(530,707)	-	-	(530,707)
	-	22,609,314	-	22,609,314
Less: Set-off deferred tax liabilities				(22,609,314)
At 31 December 2014				-
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				-

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

	Group	
	2014 RM	2013 RM
Unutilised tax losses	63,392,961	53,211,818
Unabsorbed capital allowances	21,725,225	13,185,366
Others	5,696,975	436,519
	90,815,161	66,833,703

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.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

17. LONG-TERM RECEIVABLES

	Group	
	2014 RM	2013 RM
Advances to employees		
Minimum receivables:		
Within and up to one year	611,804	1,083,483
After one and up to two years	1,465,406	773,183
After two and up to five years	1,059,152	767,422
	<hr/>	<hr/>
	3,136,362	2,624,088
Less: Future finance income	(434,404)	(369,483)
Present value of assets	<hr/>	<hr/>
	2,701,958	2,254,605
	<hr/>	<hr/>
Present value of assets:		
Within and up to one year	543,140	901,417
After one and up to two years	1,216,832	675,667
After two and up to five years	941,986	677,521
	<hr/>	<hr/>
	2,701,958	2,254,605
	<hr/>	<hr/>
Analysed as:		
Receivables within twelve months (Note 19)	543,140	901,417
Receivables after twelve months (Note 19)	2,158,818	1,353,188
Total	<hr/>	<hr/>
	2,701,958	2,254,605

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% (2013: 6%) per annum and are recovered through salary deductions.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

18. INVENTORIES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cost				
Raw materials	11,285,096	8,866,179	11,285,097	8,866,759
Spare parts and consumables	5,401,266	5,647,647	5,401,265	5,625,844
Work-in-progress	138,160	277,930	-	-
Finished goods	5,311,365	8,711,721	-	-
	22,135,887	23,503,477	16,686,362	14,492,603

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade receivables (a)				
Third parties	80,012,963	100,963,264	23,180,482	20,243,903
Less: Allowance for impairment	(20,645,748)	(18,020,833)	(1,671,289)	(1,172,713)
Trade receivables, net	59,367,215	82,942,431	21,509,193	19,071,190
Other receivables				
Due from related parties (b):				
- Subsidiaries	-	-	64,818,864	58,624,663
- Associates	13,799,355	13,385,889	13,559,283	12,766,211
Deposits	2,581,582	7,536,718	2,057,653	7,174,173
Prepayments	3,277,633	9,582,646	463,458	463,987
Advances to employees (Note 17)	543,140	901,417	-	-
Sundry receivables	7,163,411	3,358,541	3,101,407	2,552,531
	27,365,121	34,765,211	84,000,665	81,581,565



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

19. TRADE AND OTHER RECEIVABLES (CONTD.)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current (contd.)				
Other receivables (contd.)				
Less: Allowance for impairment:				
- Subsidiaries	-	-	(19,923,414)	(20,015,214)
- Associates	(13,559,283)	(2,546,834)	(13,559,283)	(2,546,834)
- Other receivables	(2,917,916)	(1,148,885)	(1,674,906)	(1,053,120)
Other receivables (current), net	10,887,922	31,069,492	48,843,062	57,966,397
Trade and other receivables (current)	70,255,137	114,011,923	70,352,255	77,037,587
Non-current				
Other receivables				
Other receivables (c)	1,514,700	2,049,300	1,514,700	2,049,300
Loan to associate (b)	12,745,127	13,445,127	12,745,127	13,445,127
Loans to subsidiaries (b)	-	-	1,381,703	1,686,146
Advances to employees (Note 17)	2,158,818	1,353,188	-	-
	16,418,645	16,847,615	15,641,530	17,180,573
Less: Allowance for impairment:				
- Associate	(12,745,127)	-	(12,745,127)	-
- Other receivables	(1,514,700)	(2,049,300)	(1,514,700)	(2,049,300)
Other receivables (non-current)	2,158,818	14,798,315	1,381,703	15,131,273
Total trade and other receivables	72,413,955	128,810,238	71,733,958	92,168,860
Add: Cash and bank balances (Note 21)	64,452,901	32,882,057	36,197,230	7,664,025
Less: Prepayments	(3,277,633)	(9,582,646)	(463,458)	(463,987)
Total loans and receivables	133,589,223	152,109,649	107,467,730	99,368,898



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

19. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 day (2013: 30 to 120 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Neither past due nor impaired	18,699,673	24,945,987	8,485,454	8,477,530
1 to 30 days past due not impaired	10,966,617	12,727,955	3,913,186	3,633,020
31 to 60 days past due not impaired	6,314,259	8,399,069	1,383,250	2,103,935
61 to 90 days past due not impaired	3,095,372	5,495,284	1,004,842	792,000
91 to 120 days past due not impaired	2,049,592	5,405,188	1,315,083	846,132
More than 120 days past due not impaired	18,241,702	25,968,948	5,407,378	3,218,573
	40,667,542	57,996,444	13,023,739	10,593,660
Impaired	20,645,748	18,020,833	1,671,289	1,172,713
	80,012,963	100,963,264	23,180,482	20,243,903

The Group and the Company have trade receivables amounting to RM40,667,542 (2013: RM57,996,444) and RM13,023,739 (2013: RM10,593,660) 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 2014

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	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables - nominal value	20,645,748	18,020,833	1,671,289	1,172,713
Less: Allowance for impairment	(20,645,748)	(18,020,833)	(1,671,289)	(1,172,713)
Nominal value	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	18,020,833	15,960,982	1,172,713	1,078,491
Charge for the year	9,185,464	5,084,967	808,177	398,837
Reversal of impairment loss	(893,840)	(2,952,581)	(164,737)	(304,615)
Disposal of a subsidiary	(862,170)	(47,561)	-	-
Written off	(4,804,539)	(24,974)	(144,864)	-
At 31 December	20,645,748	18,020,833	1,671,289	1,172,713

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 interest at 5% (2013: 5% per annum), and have average maturity of 5 years (2013: 5 years).



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

19. TRADE AND OTHER RECEIVABLES (CONTD.)

(c) Other receivables

Other receivables that are impaired

At the reporting date, the Group and the Company have provided allowance of RM30,737,025 and RM49,417,430 (2013: RM5,745,019 and RM25,664,468) respectively for impairment of the amount due from other debtors, associates and subsidiaries. These relates to companies that have been suffering significant financial losses for the current and past two financial years, or have defaulted on their payments.

The movement of the allowance accounts used to record the impairment are as follows:

	Group RM	Company RM
At 1 January 2014	5,745,019	25,664,468
Charge for the year	24,652,509	23,793,348
Reversal of impairment loss	-	(40,386)
Reclassification	339,497	-
At 31 December 2014	30,737,025	49,417,430



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

20. INVESTMENT SECURITIES

	2014 RM		2013 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	2,391,828	2,391,828	17,496,435	17,496,435
- Unquoted in Malaysia, at cost	1,282,502		1,282,502	
	<u>3,674,330</u>		<u>18,778,937</u>	
<i>Other investments</i>				
Preference shares, unquoted in Malaysia *	11,700,000		11,700,000	
less: impairment	(11,700,000)		(1,682,964)	
	-		10,017,036	
Club membership, unquoted, at cost	96,000		96,000	
	<u>96,000</u>		<u>10,113,036</u>	
Total non-current	<u>3,770,330</u>		<u>28,891,973</u>	
Current				
<i>Held-for-trading</i>				
- Quoted in Malaysia	2,585,650	2,585,650	2,861,350	2,861,350
Total investment securities	<u>6,355,980</u>		<u>31,753,323</u>	
Company				
Non-current				
<i>Available-for-sale financial assets</i>				
Equity instruments, quoted in Malaysia	62,258	62,258	3,976,543	3,976,543
<i>Other investments</i>				
Preference shares, unquoted in Malaysia *	11,700,000		11,700,000	
less: impairment	(11,700,000)		(1,682,964)	
	-		10,017,036	
Total investment securities	<u>62,258</u>		<u>13,993,579</u>	



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

20. INVESTMENT SECURITIES (CONTD.)

- * On 12 August 2012, an associate, Utusan Printcorp Sdn Bhd ("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.

During the current financial year, the Company has fully impaired the carrying amount of the PS.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash on hand and at banks	57,871,876	26,288,089	36,197,230	7,664,025
Deposits with:				
- Licensed banks	1,570,460	1,765,949	-	-
- Licensed financial institutions	4,805,990	4,257,692	-	-
- Money market institutions	204,575	570,327	-	-
Cash and bank balances (Note 19)	64,452,901	32,882,057	36,197,230	7,664,025
Less:				
Pledged deposits	(1,502,106)	(1,624,224)	-	-
Cash and cash equivalents	62,950,795	31,257,833	36,197,230	7,664,025

Included in the deposits of the Group is an amount of RM1,502,106 (2013: RM1,624,224) which has been 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	
	2014 %	2013 %	2014 %	2013 %
Licensed banks	3.1	3.2	-	-
Licensed financial institutions	3.8	3.8	-	-
Money market institutions	2.8	2.7	-	-



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

21. CASH AND CASH EQUIVALENTS (CONTD.)

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

	Group		Company	
	2014 Days	2013 Days	2014 Days	2013 Days
Licensed banks	219	204	-	-
Licensed financial institutions	265	289	-	-
Money market institutions	1	1	-	-

22. RETIREMENT BENEFIT (ASSETS)/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 (2013: 55).

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

Group

	2014 RM	2013 RM
Present value of funded defined benefit obligations	8,696,667	13,743,527
Present value of unfunded defined benefit obligations	-	727,809
Fair value of plan assets	(6,756,567)	(6,880,146)
Net liability arising from defined benefit obligations	1,940,100	7,591,190

	Note	Present value of defined benefit obligations RM	Fair value of plan assets RM	Total RM
At 1 January 2014		14,471,335	(6,880,145)	7,591,190
Past service cost	5	(2,340,930)	-	(2,340,930)
Interest expense/(income)	5	720,258	(361,208)	359,050
		12,850,663	(7,241,353)	5,609,310
Remeasurements:				
Experience (gains)/losses		(2,696,064)	484,786	(2,211,278)
Settlement payments		(1,457,932)	-	(1,457,932)
At 31 December 2014		8,696,667	(6,756,567)	1,940,100
Less: Advance contributions paid		(5,297,913)	-	(5,297,913)
Net		3,398,754	(6,756,567)	(3,357,813)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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

	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)/losses		-	(155,572)	(155,572)
Settlement payments		(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

Company

	2014 RM	2013 RM
Present value of funded defined benefit obligations	8,696,667	13,743,525
Fair value of plan assets	(6,756,567)	(6,880,146)
Net liability arising from defined benefit obligations	1,940,100	6,863,379



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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

	Note	Present value of funded defined benefit obligations RM	Fair value of plan assets RM	Total RM
At 1 January 2014		13,743,525	(6,880,145)	6,863,380
Past service cost	5	(2,340,930)	-	(2,340,930)
Interest expense/(income)	5	702,828	(361,208)	341,620
		12,105,423	(7,241,353)	4,864,070
Remeasurements:				
Experience (gains)/losses		(2,696,064)	484,786	(2,211,278)
Settlement payments		(712,692)	-	(712,692)
At 31 December 2014		8,696,667	(6,756,567)	1,940,100
Less: Advance contributions paid		(5,297,913)	-	(5,297,913)
Net		3,398,754	(6,756,567)	(3,357,813)
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)
Settlement payments		(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

Analysed as follows:

	Group		Company	
	2014	2013	2014	2013
Current	-	689,747	-	205,316
Non-current	(3,357,813)	1,375,883	(3,357,813)	1,281,604

The actual return on the plan assets of the Group and of the Company was a surplus of RM463,912 (2013: RM512,178).



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

22. RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS (CONTD.)

Principal actuarial assumptions used:

	2014 %	2013 %
Discount rate	5.3	5.6
Expected rate of salary increases	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.

A 1% change in discount rate will increase/(decrease) the defined benefit obligations by the following amounts:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
- Increase by 1%	(632,229)	(177,368)	(632,229)	(155,966)
- Decrease by 1%	701,280	177,368	701,280	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 2014

23. LOANS AND BORROWINGS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Secured:				
Islamic Term Loan	2,000,000	2,000,000	2,000,000	2,000,000
Bai Bithaman Ajil MBB	7,000,000	6,000,000	7,000,000	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	3,500,000	1,750,000	3,500,000	1,750,000
Term Loan Facilities ("TL 1 & TL 2")	1,208,000	-	-	-
Obligation under hire purchase and leasing payables (Note 27(b))	737,604	1,224,012	798,865	1,258,362
	20,608,704	17,137,112	19,461,965	17,171,462
Unsecured:				
Bankers acceptance	30,337,502	33,092,431	29,153,502	30,642,431
Revolving credits	76,400,000	45,800,000	75,000,000	45,000,000
	106,737,502	78,892,431	104,153,502	75,642,431
	127,346,206	96,029,543	123,615,467	92,813,893



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

23. LOANS AND BORROWINGS (CONTD.)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-current				
Secured:				
Islamic Term Loan	-	2,000,000	-	2,000,000
Bai Bithaman Ajil MBB	6,265,829	13,265,829	6,265,829	13,265,829
Commodity Murabahah Term Financing (CMTF MBB 1)	5,898,270	7,661,370	5,898,270	7,661,370
Commodity Murabahah Term Financing (CMTF MBB 2)	22,509,392	26,909,392	22,509,392	26,909,392
Bai Bithaman Ajil Affin	54,403,095	47,948,626	54,403,095	47,948,626
Term Loan Facilities ("TL 1 & TL 2")	1,357,602	-	-	-
Obligation under hire purchase and leasing payables (Note 27 (b))	22,825	760,565	135,953	880,592
	90,457,013	98,545,782	89,212,539	98,665,809
Total loans and borrowings				
Bankers acceptance	30,337,502	33,092,431	29,153,502	30,642,431
Revolving credits	76,400,000	45,800,000	75,000,000	45,000,000
Islamic Term Loan (a)	2,000,000	4,000,000	2,000,000	4,000,000
Bai Bithaman Ajil MBB (b)	13,265,829	19,265,829	13,265,829	19,265,829
Commodity Murabahah Term Financing (CMTF MBB 1) (c)	7,661,370	9,424,470	7,661,370	9,424,470
Commodity Murabahah Term Financing (CMTF MBB 2) (d)	26,909,392	31,309,392	26,909,392	31,309,392
Bai Bithaman Ajil Affin (e)	57,903,095	49,698,626	57,903,095	49,698,626
Term Loan Facilities ("TL 1 & TL 2")	2,565,602	-	-	-
Obligation under hire purchase and leasing payables (Note 27 (b))	760,429	1,984,577	934,818	2,138,954
	217,803,219	194,575,325	212,828,006	191,479,702

The remaining maturities of the loans and borrowings, excluding obligation under hire purchase and leasing payables, as at 31 December 2014 and 2013 are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Within and up to one year	126,608,602	94,805,531	122,816,602	91,555,531
After one and up to two years	19,386,929	18,663,100	18,178,929	18,663,100
After two and up to five years	48,484,772	39,505,129	48,335,170	39,505,129
Above five years	22,562,487	39,616,988	22,562,487	39,616,988
	217,042,790	192,590,748	211,893,188	189,340,748



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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.

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.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

23. LOANS AND BORROWINGS (CONTD.)

(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 has 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.

(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 has 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.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

23. LOANS AND BORROWINGS (CONTD.)

(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 Bithamin Ajil Financing amounting up to RM66,760,000.

The Group only made a drawdown of RM59,653,095, with a maturity date of 01 April 2021.

Details of BBA Term Financing are as follows:

Amount:	RM59,653,095
Tenure:	10 years, inclusive of 2 years grace period after first drawdown
Profit rate:	Cost of Fund + 0.75% per annum
Start date:	1 July 2014
Maturity date:	1 April 2021

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 (formerly known as Lots 234, 236, 238, 240, 433 & 545, Section 92, Town and District of Kuala Lumpur) and
- (ii) Specific debenture over above-stated parcel of land and building erected thereon at Jalan Chan Sow Lin, Kuala Lumpur.

(f) Term Loan Facilities ('TL 1 & TL 2')

The Group entered into an arrangement on 26 April 2013 to part-finance the purchase of 2 units of freehold intermediate 4-storey shop office known as Parcel No. 2 & 3, Kencana Square, Glenmarie Shah Alam for an aggregate amount up to RM13.3 million. The first drawdown was on 23 April 2014.

The Group has made a drawdown of RM2,565,602 as at reporting date as the shop offices were still under construction.

Details of Term Loan Facilities are as follows:

Amount:	RM2,565,602
Tenure:	15 years, inclusive of 4 years grace period after first drawdown
Profit rate:	Base Lending Rate - 1.25% per annum
Start date:	To commence upon full disbursement or forty-eight (48) months the date of Sale & Purchase Agreements.

The Term Loan Facilities profit and principal payments shall be made on a quarterly basis until full settlement as prescribed in repayment schedule.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

23. LOANS AND BORROWINGS (CONTD.)

(f) Term Loan Facilities ('TL 1 & TL 2') (contd.)

The securities of the above facilities are as follows:

- (i) 1st party 1st legal charge over 4-storey shop offices known as Parcel No. 2 & 3, Kencana Square, Glenmarie Shah Alam. Pending issuance of individual title, loan agreement cum assignment over the same unit;
- (ii) Debenture for RM13.3 million over present and future assets of the company;
- (iii) Fresh assignment of rental proceeds over financed property within one (1) year after completion of property; and
- (iv) Fixed charge over Designated Accounts.

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	
	2014 %	2013 %	2014 %	2013 %
Bankers acceptance	3.8	3.3	3.9	3.2
Revolving credits	5.2	4.4	4.9	4.4
Islamic Term Loan	7.0	6.9	7.0	6.9
Bai Bithaman Ajil MBB	4.7	4.1	4.7	4.1
CMTF MBB 1	4.8	4.6	4.8	4.6
CMTF MBB 2	4.8	4.6	4.8	4.6
Bai Bithaman Ajil Affin	4.0	4.2	4.0	4.2
Term Loan Facilities ("TL 1 & TL 2")	5.6	-	-	-

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 2014

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade payables (a)				
- Third parties	10,971,771	10,755,135	3,066,504	2,867,311
- Associate	728,705	702,385	-	-
	11,700,476	11,457,520	3,066,504	2,867,311
Other payables				
Accrued operating expenses	25,583,956	14,826,307	16,195,976	10,325,527
Provisions (d)	3,723,617	2,150,140	2,306,583	1,236,583
Other payables (b)	39,974,484	17,327,085	35,559,124	12,263,331
Deposits	8,337,089	6,376,746	5,872,024	5,642,167
Due to related parties (c):				
- Associates	827,543	2,437,257	530,573	668,684
- Subsidiaries	-	-	28,169,138	13,152,271
	78,446,689	43,117,535	88,633,418	43,288,563
Total trade and other payables	90,147,165	54,575,055	91,699,922	46,155,874
Add: Loans and borrowings (Note 23)	217,803,219	194,575,325	212,828,006	191,479,702
Total financial liabilities carried at amortised cost	307,950,384	249,150,380	304,527,928	237,635,576

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 to 90 days (2013: 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 (2013: average term of six months).

(c) Amounts due to related parties

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

(d) Provisions

Provision for litigation

The provision for litigation relates to legal claims against the Company from third parties. The Company has made provision based on the solicitor's estimate of the settlement consideration and probable outcome assessed on a case-by-case basis.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

24. TRADE AND OTHER PAYABLES (CONTD.)

(d) Provisions (contd.)

Provision for return

The provision for return is an estimated amount based on historical and trend of individual product for newspaper and magazine.

Movement of provision for litigation and liquidated ascertained damages during the year is as follows:

	Provision for litigation RM'000	Provision for return RM'000	Total RM'000
Group			
At 1 January 2014	-	2,150	2,150
Additional provision	1,070	2,654	3,724
Utilisation of provision	-	(2,150)	(2,150)
At 31 December 2014	1,070	2,654	3,724
Company			
At 1 January 2014	-	1,237	1,237
Additional provision	1,070	1,237	2,307
Utilisation of provision	-	(1,237)	(1,237)
At 31 December 2014	1,070	1,237	2,307

25. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2014	2013	2014 RM	2013 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.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

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 2014	5,603,692	309,162	-	5,080,000	10,992,854
Net gain on available-for-sale financial assets					
- Loss on fair value changes	(965,224)	-	-	-	(965,224)
- Transfer to profit or loss upon disposal	(4,651,610)	-	-	-	(4,651,610)
Foreign currency translation	-	(963)	-	-	(963)
At 31 December 2014	(13,142)	308,199	-	5,080,000	5,375,057
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 2014

26. OTHER RESERVES (CONTD.)

	Fair value adjustment reserve RM	Share option reserve RM	Total RM
Company			
At 1 January 2014			
Net gain on available-for-sale financial assets	1,767,573	-	1,767,573
- Loss on fair value changes	(313,632)	-	(313,632)
- Transfer to profit or loss upon disposal	(1,440,653)	-	(1,440,653)
At 31 December 2014	13,288	-	13,288
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

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) 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.

(c) 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. The share options have been fully forfeited in prior year.

(d) 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.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

27. COMMITMENTS

(a) Capital commitments

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Approved and contracted for:				
Property, plant and equipment	37,070,946	28,024,533	1,439,290	8,402,349

(b) Obligation under hire purchase and leasing payables

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Future minimum hire purchase and leasing payables:				
Within and up to one year	789,299	1,317,195	861,610	1,363,538
After one and up to two years	20,660	789,299	107,519	945,833
After two and up to five years	2,599	23,113	35,132	-
	812,558	2,129,607	1,004,261	2,309,371
Less: Future finance charges	(52,129)	(145,030)	(69,443)	(170,417)
Present value of finance liabilities	760,429	1,984,577	934,818	2,138,954
Present value of hire purchase and leasing payables:				
Within and up to one year	737,740	1,224,012	798,864	1,258,362
After one and up to two years	20,106	737,740	101,413	880,592
After two and up to five years	2,583	22,825	34,541	-
	760,429	1,984,577	934,818	2,138,954
Analysed as:				
Due within twelve months (Note 23)	737,740	1,224,012	798,864	1,258,362
Due after twelve months (Note 23)	22,689	760,565	135,954	880,592
Total	760,429	1,984,577	934,818	2,138,954

The hire purchase and leasing payables bear interests at the balance sheet date at rates of between 1.5% to 4.0% (2013: 1.5% to 4.0%) per annum.

Included in the hire purchase payables of the Company is an amount due to a subsidiary of RM230,329 (2013: RM241,939).



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For The Financial Year Ended 31 December 2014

28. CONTINGENT LIABILITIES

Material litigation

The Utusan Group and the Company do not recognise contingent liability but disclose its 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 Utusan 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 Utusan Group and the Company have several material pending legal suits whereby the Utusan Group and the Company are defendants in 21 ongoing alleged defamation legal suits amounting to approximately RM5.30 million.

Several suits for defamation were brought by various politicians against the Company for newspaper reports published in the Group's newspapers. Directors have been advised 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 is 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 by the Courts is between the range of RM50,000.00 to RM300,000.00. The Directors are of the opinion, after taking 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 2014

29. 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:

	2014 RM	2013 RM
Group		
Services rendered by Utusan Transport Sdn Bhd and Group, an associate	7,392,804	9,726,173
Services rendered by Utusan Printcorp Sdn Bhd and Group, an associate	392,200	4,658,278
Company		
Services rendered by subsidiaries	10,683,038	11,623,840
Rental income from subsidiaries	573,300	180,000
Interest income from subsidiaries	92,211	119,852
Commission income from subsidiaries	2,326,420	2,968,125
Purchase of property, plant and equipment (Note 11)	100,000	-
Transfer of property, plant and equipment from/(to) subsidiaries (Note 11)	15,358	(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.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(b) Compensation of key management personnel

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short-term employee benefits	3,636,374	3,272,232	2,188,663	2,039,153
Post-employment benefits:				
- Defined contribution plan	531,372	466,652	294,219	265,970
	4,167,746	3,738,884	2,482,882	2,305,123

Included in the total key management personnel remuneration are:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors' remuneration (Note 6)	3,748,463	3,366,842	2,063,599	1,933,081

(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 2014 amounted to RM16.70 million (2013: RM13.46 million).

(ii) Collective, but not individually significant transactions

For the financial year ended 31 December 2014, the Group estimates that the total amount of significant transactions with other government related entities are at least 15% (2013: 19%) of total revenue out of which 91% (2013: 90%) are generated by the Publishing, Distribution and Advertisement segment.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(c) Government-related entities (contd.)

(iii) Government-related financial institution

For the financial year ended 31 December 2014, the Group estimates that the total amount of transactions with government related financial institutions are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest income	243,726	336,763	-	35,764
Interest expenses	8,182,294	7,170,229	8,022,928	6,948,338
Balance as at 31 December:				
Cash and cash equivalents	64,452,901	32,882,057	36,197,230	7,664,025
Loans and borrowings	217,803,219	194,575,325	211,893,188	189,340,748

30. SIGNIFICANT EVENTS

- (i) On 28 February 2014 the Board of Directors of Utusan Melayu (Malaysia) Berhad ("UMMB") had announced to Bursa Malaysia that Juasa Holdings Sdn Bhd, a wholly-owned subsidiary of the Company had on 28 February 2014 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 its subsidiary, 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. The share sale was completed on 28 February 2014.
- (ii) On 27 August 2014 the Board of Directors of UMMB had announced to Bursa Malaysia that the Board had decided to abort the Rights Issue Proposals after due and careful consideration and re- evaluation of the viability of the Proposals. Notwithstanding, the Board will continue to explore other fund-raising proposals to address the capital requirements of the Group.

The above announcement was made subsequent to announcements made to Bursa Malaysia on 12 November 2013 and 12 December 2013 on the Proposals.

The Proposals mentioned above refers collectively to the following:

- Proposed renounceable two-call rights issue of up to 110,733,837 new ordinary shares of RM1.00 each in UMMB ("rights shares") 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
- 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 Takeovers and Mergers, 2010.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

30. SIGNIFICANT EVENTS (CONTD.)

- (iii) On 10 November 2014 the Board of Directors of UMMB had announced to Bursa Malaysia that the Company had signed a Memorandum of Understanding with Cisco International Limited ("Cisco") for the purpose of conducting a feasibility study of applying Cisco Technologies to identify business opportunities to promote the concept of Internet of Everything ("IoE"). The concept of IoE brings together people, process, data and things to make networked connections more relevant and valuable, turning information into actions that create new capabilities, richer experiences and unprecedented economic opportunity for businesses, individuals and countries.
- (iv) On 25 November 2014 the Board of Directors of UMMB had announced to Bursa Malaysia that Utusan Land Sdn Bhd ('U-Land'), a wholly-owned subsidiary of Utusan had entered into a Sale and Purchase Agreement ('SPA') with Tristar Maximum Sdn Bhd for the proposed disposal by U-Land of industrial land identified as HS(D) 8211 PT 7133 and HS(D) 8212 PT 7134 both located in Mukim Serendah, Daerah Ulu Selangor, Negeri Selangor for a total consideration of RM7,100,000 (Ringgit Malaysia: Seven Million One Hundred Thousand only), upon such terms and subject to the conditions contained in the SPA.

31. SUBSEQUENT EVENT

- (i) On 14 January 2015 the Board of Directors of UMMB had announced to Bursa Malaysia that the Company had signed a Memorandum of Understanding with Renet Asia Sdn Bhd ("Renet") for the sole purpose of outlining the intent and interest of both Renet and UMMB to collaborate in the marketing, licensing and distribution of Renet's interactive Learning Product.
- (ii) On 16 February 2015 the Board of Directors of UMMB had announced to Bursa Malaysia that UMMB had entered into a facility agreement ('the Facility Agreement') with Affin Islamic Bank Berhad for the granting of Tawarruq Revolving Credit-i facility of up to RM30,000,000 (Ringgit Malaysia Thirty Million only), upon such terms and subject to the conditions contained in the Facility Agreement.
- (iii) On 23 April 2015 the Board of Directors of UMMB had announced to Bursa Malaysia that UMMB had entered into a Share Purchase Agreement ("SPA") with Schwan-STABILO Schwanhäußer Finanzholding GMBH ("Schwan"), the existing shareholder of Swan Malaysia Sendirian Berhad ("Swan") to dispose its entire 40% equity interest amounting to 6,000,000 ordinary shares of RM1.00 each in Swan to Schwan for a cash consideration of RM31,800,000. Barring any unforeseen circumstances and subject to the fulfilment of the condition precedent, the Board expects the proposed disposal to be completed by first half of 2015.

32. 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 2014

32. 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 2014							
Fixed rate							
Islamic Term Loan	23	7.0%	(2,000)	-	-	-	(2,000)
Hire purchase and finance lease payables	27	2.4%	(738)	(20)	(3)	-	(761)
Deposits with:							
- Licensed banks	21	3.1%	1,570	-	-	-	1,570
- Licensed financial institutions	21	3.8%	4,800	-	-	-	4,800
- Money market institutions	21	2.8%	205	-	-	-	205
Group							
At 31 December 2014							
Floating rate							
Bai Bithaman Ajil MBB	23	4.7%	(7,000)	(6,266)	-	-	(13,266)
Commodity Murabahah Term Financing (CMTF MBB 1)	23	4.8%	(1,763)	(1,763)	(4,135)	-	(7,661)
Commodity Murabahah Term Financing (CMTF MBB 2)	23	4.8%	(4,400)	(4,400)	(13,200)	(4,909)	(26,909)
Bai Bithaman Ajil Affin	23	4.2%	(3,500)	(5,750)	(31,000)	(17,653)	(57,903)
Term Loan Facilities ("TL 1 & TL 2")	23	5.6%	(1,208)	(1,208)	(150)	-	(2,566)
Bankers acceptance	23	3.8%	(30,338)	-	-	-	(30,338)
Revolving credits	23	5.2%	(76,400)	-	-	-	(76,400)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

32. 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 2013							
Fixed rate							
Islamic Term Loan	23	6.9%	(2,000)	(2,000)	-	-	(4,000)
Hire purchase and finance lease payables	27	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 2014

32. 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 2014							
Fixed rate							
Islamic Term Loan	23	7.0%	(2,000)	-	-	-	(2,000)
Hire purchase and finance lease payables	27	2.7%	(799)	(101)	(35)	-	(935)
Floating rate							
Bai Bithaman Ajil MBB	23	4.7%	(7,000)	(6,266)	-	-	(13,266)
Commodity Murabahah Term Financing (CMTF MBB 1)	23	4.8%	(1,763)	(1,763)	(4,135)	-	(7,661)
Commodity Murabahah Term Financing (CMTF MBB 2)	23	4.8%	(4,400)	(4,400)	(13,200)	(4,909)	(26,909)
Bai Bithaman Ajil Affin	23	4.2%	(3,500)	(5,750)	(31,000)	(17,653)	(57,903)
Bankers acceptance	23	3.7%	(29,154)	-	-	-	(29,154)
Revolving credits	23	5.2%	(75,000)	-	-	-	(75,000)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

32. 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 2013							
Fixed rate							
Islamic Term Loan	23	6.9%	(2,000)	(2,000)	-	-	(4,000)
Hire purchase and finance lease payables	27	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 2014

32. 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 RM161,282 (2013: RM141,443) and RM157,420 (2013: RM139,006) 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.

As the Group and the Company are in a net liability position, the management has embarked on immediate/short term funding plans and outlined medium term plans in order to ensure sufficient level of cash to meet its working capital requirements.

- Immediate/short term plan - to sell off its non-core assets and reduce operating costs through increasing efficiency.
- Medium term plan - exploring fund raising options through equity participations or equity instruments subscriptions.



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

32. 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.

	←----- 2014 -----→		Total RM
	On demand or within one year RM	More than one year RM	
Group			
Trade and other payables (Note 24)	90,147,165	-	90,147,165
Loans and borrowings	133,976,842	99,562,686	233,539,529
Total undiscounted financial liabilities	224,124,007	99,562,686	323,686,694

Company			
Trade and other payables (Note 24)	91,699,922	-	91,699,922
Loans and borrowings	130,104,284	98,290,031	228,394,314
Total undiscounted financial liabilities	221,804,206	98,290,031	320,094,236

	←----- 2013 -----→		Total RM
	On demand or within one year RM	More than one year 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



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

32. 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.

33. 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 2014					
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	-	*	-	*
Financial liabilities					
Non-current					
<i>Fixed rate loans and borrowings</i>					
Hire purchase and finance lease payables	27	22,825	22,669	135,953	134,942



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

33. 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 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	27	760,565	690,567	880,592	809,798

* 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 2014

33. 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)	
		2014 RM	2013 RM
Group			
<i>Available-for-sale financial assets</i>			
Equity instruments, quoted in Malaysia	20	2,391,828	17,496,435
Company			
<i>Available-for-sale financial assets</i>			
Equity instruments, quoted in Malaysia	20	62,258	3,976,543



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

33. 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 2014 and 2013.

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.

34. 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 2014 and 2013.

The Group monitors capital using a gearing ratio, which is based on loans and borrowings. In maintaining the policy to keep the gearing ratio within certain percentages, the Group is exploring fund raising proposals to address the capital requirements.

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loans and borrowings	23	217,803	194,575	212,828	191,480
Equity attributable to the owners of the parent		193,921	279,837	97,969	161,991
Gearing ratio		112%	70%	217%	118%



| Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

35. 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 2014

35. 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 2014							
Revenue							
External customers	281,330,362	-	297,150	9,567,709	-		291,195,221
Inter-segment	10,284,871	-	156,650	531,235	(10,972,756)	A	-
Total revenue	291,615,233	-	453,800	10,098,944	(10,972,756)		291,195,221
Results							
Interest income	1,142,420	-	-	492,090	(722,941)		911,569
Dividend income	13,297,792	-	-	437,805	(13,200,000)		535,597
Depreciation and amortization	20,339,941	146,996	29,080	362,823	(8,333)		20,870,507
Share of results of associates	-	-	-	-	2,647,887		2,647,887
Other non-cash expenses	43,273,007	-	2,650	4,033,702	(1,177,304)	B	46,132,055
Segment loss	(72,206,992)	(73,290)	(176,404)	(1,725,721)	(9,467,508)	C	(83,649,915)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

35. 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 2014 (contd.)							
Assets							
Investment in associates	999,000	-	-	-	25,159,991		26,158,991
Segment assets	506,264,393	1,306,019	451,705	55,518,556	(61,216,604)	D	502,324,069
Liabilities							
Segment liabilities	386,645,020	93,326	9,598,459	14,799,841	(102,733,090)	E	308,403,556



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

35. 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 amortization	19,087,760	146,996	164,394	283,408	-		19,682,558
Share of results of associates	-	-	-	-	3,609,505		3,609,505
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 2014

35. 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 2014

35. 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	2014 RM'000	2013 RM'000
Inventories written down/off/written back	8	757	3,165
Provisions	8	(1,261)	565
Impairment of financial assets	8	46,636	7,840
		46,132	11,570

- 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:

	2014 RM'000	2013 RM'000
Share of results of associates	2,648	3,610
Elimination of dividend	(13,200)	(3,364)
Unallocated corporate expenses	20,020	6,636
	9,468	6,882

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

	2014 RM'000	2013 RM'000
Investment in associates	25,160	23,712
Inter-segment assets	(86,377)	(77,478)
	(61,217)	(53,766)



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

35. 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:

	2014 RM'000	2013 RM'000
Loans and borrowings	(230)	(242)
Inter-segment liabilities	(102,503)	(91,831)
	(102,733)	(92,073)

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

	2014 RM'000	2013 RM'000
Property, plant and equipment	285,718	270,300
Investment properties	16,894	14,348
Intangible assets	2,184	2,885
	304,796	287,533



Notes To The Financial Statements

For The Financial Year Ended 31 December 2014

36. SUPPLEMENTARY INFORMATION

Breakdown of retained profits into realised and unrealised

	2014 RM'000	2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	27,417	50,633
- Unrealised loss	(309)	(1,555)
	27,108	49,078
Total share of retained profits from associated companies		
- Realised	24,915	23,650
- Unrealised loss	245	62
	25,160	23,712
	52,268	72,790
Add: Consolidation adjustments	(25,160)	34,617
Total Group retained profits as per consolidated financial statements	27,108	107,407

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 2014

Location	Description	Existing Use	Land Area (sq. ft)	Built-Up Area (sq. ft)	Tenure	Net Book Value (RM) 31.12.2014
Lot PT 667, Section 92 No. 44, Jalan Utusan Off Jalan Chan Sow Lin Kuala Lumpur (D/P : 05.12.2011)	8 Storey Building	Headquarters of Utusan Melayu (Malaysia) Berhad, Utusan Media Sales Sdn Bhd, Juasa Holdings Sdn Bhd and Utusan Land Sdn Bhd	94,874	383,000	Lot 234 & 236 Lot 238 & 240 Lot 433 & 545 Leasehold (06.01.2109)	86,816,807
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)	1,160,501
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)	64,041,156
Lot 3055, Lorong Jelawat 1 Seberang Jaya Industrial Estate Prai, Penang (D/P: 10.10.1977)	Factory Building	Utusan's Printing Plant	174,240	85,835	Leasehold (12.12.2035)	15,681,955
Lot 184, Jalan Lima Off Jalan Chan Sow Lin Kuala Lumpur (D/P: 29.09.2011)	Building Under Construction	Development of for Commercial Purpose	51,972	41,670	Leasehold (14.12.2063)	6,377,867
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	4,728,916
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)	3,954,782
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)	3,026,917

(Nota: D/P – Date of Purchase)



List Of Properties

As at 31 December 2014

Location	Description	Existing Use	Land Area (sq. ft)	Built-Up Area (sq. ft)	Tenure	Net Book Value (RM) 31.12.2014
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	2,622,862
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	-	2,392,759
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	1,761,196
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)	1,649,951
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)	1,279,401
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)	1,083,257
34, Jalan Argyll Georgetown, Pulau Pinang (D/P : 01.07.1976)	2 Storey Shophouse	Utusan's Office	1,280	1,995	Leasehold (27.09.2049)	470,208
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)	453,127
32, Jalan Argyll Georgetown, Pulau Pinang (D/P: 28.08.1969)	2 Storey Shophouse	Rented Out	1,280	1,995	Leasehold (26.09.2049)	437,147
24, Jalan Serampang Taman Pelangi Johor Bahru, Johor (D/P: 27.10.1980)	3 Storey Shophouse	Utusan's Office	1,920	5,358	Freehold	399,154

(Nota: D/P – Date of Purchase)



List Of Properties

As at 31 December 2014

Location	Description	Existing Use	Land Area (sq. ft)	Built-Up Area (sq. ft)	Tenure	Net Book Value (RM) 31.12.2014
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)	365,153
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)	353,260
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)	353,260
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)	210,766
208, Jalan Sultan Iskandar Ipoh, Perak (D/P : 08.09.1990)	2 Storey Shophouse	Utusan's Office	1,740	2,720	Freehold	198,976
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)	180,400
19, Jalan Mengkudu Taman Makmur Batu Pahat, Johor (D/P : 02.10.1984)	2 Storey Shophouse	Utusan's Office	1,680	3,192	Freehold	122,148
358, Taman Melaka Raya, Melaka (D/P : 26.02.1982)	3 Storey Shophouse	Utusan's Office	1,400	4,160	Leasehold (04.10.2082)	114,000
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)	104,000
Jalan Hj Abdul Aziz Kuantan, Pahang (D/P : 15.07.1981)	Vacant Land	Vacant	3,267	-	Leasehold (17.09.2077)	94,915
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)	52,800

(Nota: D/P – Date of Purchase)



Analysis Of Shareholdings

As at 27 April 2015

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	- 4,889
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	475	9.72	17,189	0.02
000000100 - 000001000	2,134	43.65	1,715,819	1.55
000001001 - 000010000	1,849	37.82	6,992,780	6.31
000010001 - 000100000	376	7.69	11,443,721	10.33
000100001 - 005536690	53	1.08	19,107,363	17.26
005536691 & above	2	0.04	71,456,956	64.53
TOTAL	4,889	100.00	110,733,837	100.00

DIRECT AND INDIRECT INTERESTS OF DIRECTORS

As at 27 April 2015

Names	Direct Shareholdings	Indirect Shareholdings	% of Issued Capital
Datuk Mohd Noordin Abbas	-	-	-
Datuk Abdul Aziz Ishak	-	-	-
Datuk Seri Ismail Yusof	-	-	-
Datuk Tengku Sariffuddin Tengku Ahmad	-	-	-
Dato' Dr. Norraesah Mohamad	-	-	-
Mohd Yusof Abu Othman	-	-	-
Datuk Md Afendi Hamdan	-	-	-



| Analysis Of Shareholdings

As at 27 April 2015

SUBSTANTIAL SHAREHOLDERS

As at 27 April 2015

Names of Shareholders	Number of Shares Held	% of Issued Capital
1. RHB Nominees (Tempatan) Sdn Bhd (Pertubuhan Kebangsaan Melayu Bersatu) 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 27 April 2015

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.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tay Ong Ngo @ Tay Boon Fang)	680,000	0.61
10.	TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Teh Teaw Kee)	396,200	0.36
11.	Hussein Noordin Sdn. Berhad	381,000	0.34
12.	Maybank Nominees (Tempatan) Sdn Bhd (Chua Eng Ho Wa'a @ Chua Eng Wah)	378,100	0.34
13.	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Teh Teaw Kee)	374,800	0.34
14.	Li Liong Bee	346,800	0.31
15.	Cheah Yee Lin	314,500	0.28
16.	Rajalingam A/L RVR Singam	310,400	0.28
17.	Chin Sin Lin	302,300	0.27
18.	Senawang Land Sdn Bhd	289,000	0.26
19.	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Gaik Suan)	283,600	0.26
20.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Felix Miller)	278,300	0.25
21.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tay Boon Seng)	272,000	0.25
22.	Alliancegroup 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 Bhd 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.	Tay Boon Teck	247,200	0.22
26.	TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ng Kong Yew)	241,800	0.22
27.	Ambank (M) Berhad (Pledged Securities Account for Rajalingam A/L RVR Singam)	235,700	0.21
28.	Lee Kek Ming	200,000	0.18
29.	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chua Eng Ho Wa'a @ Chua Eng Wah)	199,500	0.18
30.	Tay Ong Ngo @ Tay Boon Fang	188,500	0.17
TOTAL		87,074,556	78.63



Proxy Form



اوتوسن ملايو مليسيا 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-Seventh 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 Wednesday, 3 June 2015 at 10.00 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 Abdul Aziz Ishak		
Resolution 2	Re-election of Datuk Mohd Noordin Abbas		
Resolution 3	Re-election of Datuk Md Afendi Hamdan		
Special Resolution 1	Re-appointment of Datuk Seri Ismail Yusof		
Resolution 4	Approval of Directors' Fee		
Resolution 5	Re-appointment of Messrs Ernst & Young as Auditors		
AS SPECIAL BUSINESS – ORDINARY RESOLUTION			
Resolution 6	Directors Authority Pursuant to Section 132D of the Companies Act, 1965		

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

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.



3. Fold this flap for sealing

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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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ANNUAL REPORT 2014



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