PETRON MALAYSIA REFINING & MARKETING BHD
(Company Number 3927-V)

The Board of Directors of Petron Malaysia Refining & Marketing Bhd hereby announces the financial results of the Company for the quarter ended 31 December 2017 and for the twelve months ended 31 December 2017.

This interim report is prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements (BURSA Securities Listing Requirements) of Bursa Malaysia Securities Berhad (BMSB).

PETRON MALAYSIA REFINING & MARKETING BHD
CONDENSED STATEMENT OF FINANCIAL POSITION
(Amounts in Thousand Ringgit Malaysia)

	Note	*As at 31 Dec 2017 Unaudited*	*As at 31 Dec 2016 Audited*
ASSETS			
Cash and cash equivalents		119,614	171,640
Derivative financial assets		3,100	2,958
Trade and other receivables		480,192	486,023
Inventories		678,138	710,081
Other current assets		315,933	139,219
Total Current Assets		1,596,977	1,509,921
Property, plant and equipment		960,186	956,007
Long-term assets		165,980	179,145
Intangible assets - software		71	1,194
Total Non-current Assets		1,126,237	1,136,346
TOTAL ASSETS		2,723,214	2,646,267
LIABILITIES			
Loans and borrowings	15	-	215,946
Trade and other payables		1,023,327	1,001,290
Derivative financial liabilities		33,563	21,702
Retirement benefit obligations		7,460	6,145
Taxation		47,149	39,014
Total Current Liabilities		1,111,499	1,284,097
Loans and borrowings	15	-	92,014
Retirement benefit obligations		40,256	42,431
Deferred tax liabilities		59,482	63,828
Total Non-current Liabilities		99,738	198,273
TOTAL LIABILITIES		1,211,237	1,482,370

The condensed statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

PETRON MALAYSIA REFINING & MARKETING BHD
CONDENSED STATEMENT OF FINANCIAL POSITION
(Amounts in Thousand Ringgit Malaysia)
(Continued)

	Note	*As at 31 Dec 2017 Unaudited*	*As at 31 Dec 2016 Audited*
EQUITY			
Share capital		143,000	135,000
Reserves	16	-	8,000
Retained earnings	16	1,368,977	1,020,897
TOTAL EQUITY		1,511,977	1,163,897
TOTAL EQUITY and LIABILITIES		2,723,214	2,646,267

Certified by:
MYRNA C. GERONIMO
Chief Finance Officer

The condensed statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

PETRON MALAYSIA REFINING & MARKETING BHD
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(Amounts in Thousand Ringgit Malaysia, Except Per Share Amounts)
Unaudited

	Note	*October to December* 2017	*October to December* 2016	*January to December* 2017	*January to December* 2016
Revenue		2,830,877	2,289,544	10,363,058	7,602,477
Cost of sales		(2,671,379)	(2,057,090)	(9,678,216)	(7,038,504)
Gross profit		159,498	232,454	684,842	563,973
Other operating income		17,337	15,900	67,129	65,498
Other operating expenses		(66,303)	(63,191)	(246,418)	(230,734)
Administrative expenses		(5,063)	(5,446)	(18,498)	(19,207)
Results from operating activities		105,469	179,717	487,055	379,530
Other income		31,908	30,173	99,482	9,646
Other expenses		(17,527)	(50,141)	(53,441)	(35,245)
Finance income		457	304	2,976	1,282
Finance costs		(1,184)	(7,285)	(12,974)	(32,229)
Profit before tax	17	119,123	152,768	523,098	322,984
Tax expense	18	(19,557)	(40,150)	(117,925)	(85,433)
Profit for the period		**99,566**	**112,618**	**405,173**	**237,551**
Other comprehensive income/(loss), net of tax		2,307	(1,160)	2,307	(1,160)
Total comprehensive income for the period		**101,873**	**111,458**	**407,480**	**236,391**
Profit attributable to equity holders of the Company		99,566	112,618	405,173	237,551
Total comprehensive income attributable to equity holders of the Company		**101,873**	**111,458**	**407,480**	**236,391**
Basic earnings per ordinary share (sen)	24	**36.9**	**41.7**	**150.1**	**88.0**

Certified by:

MYRNA C. GERONIMO
Chief Finance Officer

The condensed statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

PETRON MALAYSIA REFINING & MARKETING BHD
CONDENSED STATEMENT OF CHANGES IN EQUITY
(Amounts in Thousand Ringgit Malaysia)
Unaudited

	Non-Distributable		*Distributable*	
	Share capital	*Capital redemption reserves*	*Retained earnings*	*Total equity*
At 1 January 2016	**135,000**	**8,000**	**838,506**	**981,506**
Remeasurement of defined benefit liability	-	-	(1,160)	(1,160)
Profit for the year	-	-	237,551	237,551
Total comprehensive income for the year	-	-	236,391	236,391
Dividends paid	-	-	(54,000)	(54,000)
At 31 December 2016/ 1 January 2017	**135,000**	**8,000**	**1,020,897**	**1,163,897**
Remeasurement of defined benefit liability	-	-	2,307	2,307
Profit for the year	-	-	405,173	405,173
Total comprehensive income for the year	-	-	407,480	407,480
Dividends paid	-	-	(59,400)	(59,400)
Transition to no-par value regime	8,000	(8,000)	-	-
At 31 December 2017	**143,000**	**-**	**1,368,977**	**1,511,977**

Certified by:

MYRNA C. GERONIMO
Chief Finance Officer

The condensed statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

PETRON MALAYSIA REFINING & MARKETING BHD
CONDENSED STATEMENT OF CASH FLOWS
(Amounts in Thousand Ringgit Malaysia)
Unaudited

	January to December	
	2017	*2016*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	523,098	322,984
Adjustments for:		
Amortisation of intangible assets	1,123	2,634
Amortisation of long-term assets	29,089	32,307
Depreciation of property, plant and equipment	65,219	61,714
Finance costs	12,974	32,229
Finance income	(2,976)	(1,282)
Gain on disposal of long-term assets	(169)	-
Gain on disposal of property, plant and equipment	(55,176)	(732)
Impairment loss on trade receivables	439	-
Impairment loss on slow moving materials and supplies	6,914	-
Retirement benefit costs	5,285	5,054
Reversal of impairment loss on trade receivables	(75)	-
Unrealised foreign exchange (gain)/loss	(1,532)	2,391
Unrealised loss on derivatives	30,463	18,744
Write-off of long-term assets	-	75
Write-off of property, plant and equipment	1,278	2,838
Operating profit before changes in working capital	615,954	478,956
Change in inventories	25,029	(210,239)
Change in long-term assets	798	2,884
Change in trade and other payables and other financial liabilities	(2,371)	357,525
Change in trade and other receivables and other financial assets	(169,274)	(203,285)
Cash from operations	470,136	425,841
Interest paid	(7,317)	(18,248)
Interest received	2,951	1,282
Tax paid	(114,864)	(53,610)
Retirement benefits paid	(3,110)	(5,297)
Net cash from operating activities	**347,796**	**349,968**

The condensed statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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PETRON MALAYSIA REFINING & MARKETING BHD
CONDENSED STATEMENT OF CASH FLOWS
(Amounts in Thousand Ringgit Malaysia)
Unaudited
(Continued)

	January to December	
	2017	*2016*
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(88,009)	(43,462)
Payment for long-term assets	(18,485)	(4,534)
Proceeds from disposals of property, plant and equipment	71,723	670
Proceeds from disposals of long-term assets	3,087	-
Net cash used in investing activities	**(31,684)**	**(47,326)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(308,583)	(236,417)
Dividends paid	(59,400)	(54,000)
Net cash used in financing activities	**(367,983)**	**(290,417)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(51,871)**	**12,225**
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	**(155)**	**141**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**171,640**	**159,274**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**119,614**	**171,640**

Certified by:

MYRNA C. GERONIMO
Chief Finance Officer

The condensed statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB). These interim financial statements also comply with IAS 134 *Interim Financial Reporting* issued by the International Accounting Standards Board.

This report should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2016. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and the performance of the Company since the financial year ended 31 December 2016.

2. Significant Accounting Policies

a) Changes in Accounting Policies

The audited financial statements of the Company for the year ended 31 December 2016 were prepared in accordance with MFRS. The accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2016.

On 1 January 2017, the Company adopted the following accounting standards, amendments and interpretations of MFRSs effective for annual periods beginning 1 January 2017:

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of the above standards did not have any material impact to the interim financial statements of the Company.

2. **Significant Accounting Policies (continued)**

b) Standards, amendments and interpretations which are applicable to the Company but not yet effective

The new standards, amendments and interpretations applicable to the Company that will be effective but have not been adopted yet by the Company, are as follows:

Standards, amendments and interpretations effective 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarification to MFRS 15, *Revenue from Contracts with Customers*
- Amendments to MFRS 128, *Investments in Associate and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*

Standards, amendments and interpretations effective 1 January 2019

- MFRS 16, *Leases*
- Amendments to MFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*

Standards, amendments and interpretations effective for a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company will apply the above standards, amendments and interpretations on their effective dates.

The initial application of the standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Company except as mentioned below:

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 sets a new guidance for revenue accounting. It supercedes MFRS 111, *Construction Contracts*, MFRS 118 and all revenue-related interpretations: *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services.*

2. **Significant Accounting Policies (continued)**

(i) MFRS 15, *Revenue from Contracts with Customers (continued)*

The Company established a team to manage the implementation of MFRS 15. Following the provisions of MFRS 15, the team reviewed the contracts with the customers to account for the financial impact of the adoption of the new standard.

Currently, the Company's contracts with retail customers contain several components other than fuel sales. Each of these components is either recognised as Revenue or Other Operating Income. With the adoption of MFRS 15, certain components will be reclassified as Revenue.

The Company has assessed that the initial application of MFRS 15 on its financial statements for the year ended 31 December 2017 will have no impact on the net profit but would affect financial statement presentation only. This would only require reclassification of affected items from Other Operating Income to Revenue.

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The new standard contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL), and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

The Company does not expect that the application of the new classification requirement will have a material impact on accounting for its financial assets.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12-month ECLs or lifetime ECLs.

The Company does not expect that the application of the forward-looking expected credit loss (ECL) model will have a material impact on accounting for its financial assets.

(iii) MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases - Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

2. **Significant Accounting Policies (continued)**

(iii) MFRS 16, *Leases* (continued)

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 16.

The remaining standards, amendments and interpretations that are issued but not yet effective are not applicable to the Company's operations.

3. **Comments about Seasonal or Cyclical Factors**

The operations of the business are not seasonal or cyclical in nature.

4. **Unusual Items Due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of the Company during the current quarter.

5. **Changes in Estimates**

There were no changes in estimates that have had any material effect in the current quarter.

6. **Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter.

7. **Dividends Paid**

The amount of dividends paid since 31 December 2016 is as follows:

In respect of the year ended 31 December 2016:

Final dividend per ordinary share, paid on 30 June 2017 - 22 sen per ordinary share	59,400

8. Segmental Information

The Company is organised to operate as one integrated business segment to manufacture and sell petroleum products. These integrated activities are known across the petroleum industry as the Downstream segment. As such, the assets and liabilities are disclosed within the financial statements as one segment.

Revenues are mainly derived from the sale of petroleum products to domestic customers including its affiliates and competitors. A breakdown of the revenues by geographical location is as follows:

	3 months ended		*Period ended*	
	31.12.2017	*31.12.2016*	*31.12.2017*	*31.12.2016*
Domestic	2,551,773	2,095,389	9,431,993	7,018,857
Foreign	279,104	194,155	931,065	583,620
	2,830,877	2,289,544	10,363,058	7,602,477

For the period ended 31 December 2017 approximately RM2,198,050 (2016: RM1,607,466) of the revenues are derived from one major customer who is a related party to the Company.

All non-current assets of the Company are located in Malaysia.

9. Changes in Composition of the Company

There were no changes in the composition of the Company during the current quarter.

10. Changes in Contingent Assets and Contingent Liabilities

There were no significant changes in contingent assets or contingent liabilities since the last annual statement of financial position as at 31 December 2016.

11. Capital Commitments

Capital commitments not provided for in the interim financial statements as at 31 December 2017 are as follows:

Property, plant & equipment	
Contracted but not provided for	64,793

Part B- Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB

12. Review of Performance - Current financial period ended 31 December 2017

Revenue for the quarter rose by 24% to RM2.8 billion from RM2.3 billion last year largely due to higher oil prices and growth in sales volume. Total sales volume reached 9.1 million barrels, a 10% increase from 8.3 million barrels last year.

Dated Brent averaged US$61 per barrel during the quarter compared to US$49 per barrel in the same period in 2016. Brent crude reached an average of US$64 per barrel in December this year, up by almost US$8 or 14% from the September 2017 average level compared to the range-bound movement during the same period in 2016. As crude prices rose faster than product prices, the price differentials narrowed resulting in lower Company margins. Gross margin for the quarter settled at RM159.5 million, 31% lower over the same period last year.

Net income for the quarter ending 31 December 2017 amounted to RM99.6 million, a decrease of RM13.0 million from RM112.6 million in the same period in 2016 and slightly lower than the RM106 million net income posted in the preceding quarter.

The Company's full year revenue for 2017 increased by 36% to RM10.4 billion from RM7.6 billion last year driven by higher prices and sales volume. Total sales volume grew by 9% from 32.1 million barrels in 2016 to 34.9 million barrels in 2017.

Net income for the year amounted to RM405.2 million, 70% higher than prior year's RM237.6 million. This includes non-recurring gains amounting to RM65.6 million from compulsory divestment of service stations that were acquired by the Government.

13. Commentary on Prospects

Global demand growth and strong compliance observed by countries participating in the OPEC production cuts have driven crude oil and product prices to rally to its highest level since the plunge in December 2014. However, global supply and demand remain uncertain causing volatility in oil prices. The Company maintains a robust risk management system to mitigate exposures to such volatility.

With Malaysia's economic outlook remaining favourable, the Company will tap on expected market growth through retail and commercial network upgrade and expansion programmes. Alongside these expansions, the Company will continue to implement various initiatives to further improve operational efficiencies and streamline supply and logistics to support the expected market growth. The Company will pursue several projects at the refinery to continue to produce and deliver quality and environment friendly products.

14. Profit Forecast or Profit Guarantee

As a matter of policy, the Company does not make profit forecasts or profit guarantees.

15. Loans and Borrowings

The Company has settled all its loans and borrowings as at 31 December 2017.

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Revolving credit - unsecured RM'000	Long-term loan - unsecured RM'000	Total liabilities from financing activities RM'000
At 1 January 2017	**150,000**	**157,960**	**307,960**
Net changes from financing cash flows	(150,000)	(158,583)	(308,583)
Other changes	-	623	623
At 31 December 2017	-	-	-

16. Reserves

	As at 31.12.2017	*As at* 31.12.2016
Non-distributable		
Capital redemption reserves	-	8,000
Distributable		
Retained earnings	1,368,977	1,020,897
	1,368,977	1,028,897

In accordance to Section 618(2) of Companies Act 2016 effective 31 January 2017, any amount outstanding to the credit of the capital redemption reserves has become part of the share capital of the Company. The Company has 24 months upon commencement of Companies Act 2016 on 31 January 2017 to utilise the credit.

17. Profit before Tax

Profit before tax is arrived at after charging (crediting) the following items:

	3 months ended		*Period ended*	
	31.12.2017	*31.12.2016*	*31.12.2017*	*31.12.2016*
Amortisation of intangible assets	12	657	1,123	2,634
Property, plant and equipment				
- Depreciation	16,076	17,547	65,219	61,714
- Write-off	962	69	1,278	2,838
- Gain on disposal	(15,115)	(732)	(55,176)	(732)
Long-term assets				
- Amortisation	7,996	8,283	29,089	32,307
- Write-off	-	-	-	75
- Gain on disposal	-	-	(169)	-
Trade receivables				
- Impairment loss	191	-	439	-
- Reversal of impairment	(25)	-	(75)	-
Finance income	(457)	(304)	(2,976)	(1,282)
Finance costs	1,184	7,285	12,974	32,229
Foreign exchange				
- Realised (gain)/loss	(6,784)	29,448	(31,625)	4,509
- Unrealised (gain)/loss	(2,897)	730	(1,532)	2,391
Loss on derivatives	38,137	3,905	102,333	36,824
Impairment loss on slow moving materials and supplies	6,914	-	6,914	-

There are no exceptional items, write-off of crude and product inventories and gain or loss on disposal of quoted or unquoted investments.

18. Tax expense

	3 months ended		*Period ended*	
	31.12.2017	*31.12.2016*	*31.12.2017*	*31.12.2016*
Current tax expense				
- Current year	21,790	42,246	123,850	91,645
- Prior year	-	(1)	(851)	(6,242)
Real Property Gains Tax				
- Prior year	-	(53)	-	(53)
Deferred tax expense				
- Origination and reversal of temporary differences	(2,596)	(2,042)	(5,541)	(4,116)
- Under provision in prior years	363	-	467	4,199
Income tax expense recognised in profit or loss	19,557	40,150	117,925	85,433

The effective tax rate is higher than the statutory tax rate primarily reflecting the varying relationship of the non-deductible expenses (which are relatively fixed over time) to changing levels of profit or loss from period to period.

19. Corporate Proposals

There were no corporate proposals.

20. Derivative Financial Instruments

The Company measures fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

Level 1 fair value
Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value
Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 fair value
Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

There has been no transfer between Level 1 and Level 2 fair values during the year.

As at 31 December 2017, the Company has the following outstanding derivative financial instruments:

Type of derivatives	*Fair value hierarchy*	*Contract/ Notional value*	*Fair value*	
			Assets	*Liabilities*
Derivatives at fair value through profit or loss				
- Forward exchange contracts	Level 2	465,961	104	(2,418)
- Commodity derivative contracts	Level 2	269,964	2,996	(31,145)
		735,925	3,100	(33,563)

Most forward exchange and commodity derivative contracts have maturities of one year or less after the end of the reporting period.

Forward exchange and commodity derivative contracts are transacted with accredited banks and traded on over-the-counter (OTC) markets. The related accounting policies, cash requirements of the derivatives, risks associated with the derivatives and policies to mitigate those risks are unchanged since the last financial year.

Derivatives are financial instruments classified at fair value through profit or loss. Derivative instruments are initially recognised at fair value on the date in which a derivative transaction is entered into, and are subsequently re-measured at fair value. Gains and losses from changes in fair value of these derivatives are recognised directly in profit or loss.

21. Fair Value Changes of Financial Liabilities

The gains and losses arising from fair value changes of financial liabilities measured at fair value through profit or loss are as follows:

	Fair Value (Gain) Loss		
	3 months ended 31.12.2017	*Period ended 31.12.2017*	*Basis for fair value measurement*
Foreign exchange contracts	(2,392)	(2,340)	Level 2 measurement (OTC price)
Commodity derivative contracts	13,511	(9,521)	Level 2 measurement (OTC price)
	11,119	(11,861)	

The fair value gains and losses on derivative financial liabilities are due to underlying risk variables.

Except for the derivative financial liabilities, all other financial liabilities are measured at the amortised cost using effective interest method. Hence, no gain or loss is recognised for changes in the fair values of these liabilities.

22. Changes in Material Litigation

In relation to the Notice of Motion filed by Konsortium Lord Saberkat Sdn Bhd (KLSSB) for a review of the Federal Court's decision to dismiss the motion for leave to appeal by KLSSB, the Federal Court has, on 10 January 2018, dismissed the application for review by KLSSB, with an order for costs of RM10,000 made in favour of the Company.

23. Dividend Payable

The Directors recommend that a final single tier dividend of 25.0 sen per share, amounting to RM67.5 million be paid for the year ended 31 December 2017, subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

24. Earnings per Ordinary Share

	3 months ended		*Period ended*	
	31.12.2017	*31.12.2016*	*31.12.2017*	*31.12.2016*
Net profit attributable to equity holders of the Company	99,566	112,618	405,173	237,551
Number of ordinary share units in issue ('000)	270,000	270,000	270,000	270,000
Basic earnings per ordinary share(sen)	36.9	41.7	150.1	88.0

25. Auditors' Report on Preceding Annual Financial Statements

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