



**MAGNUM BERHAD (24217-M)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2017**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	3 months ended		9 months ended	
	30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Revenue	656,454	647,190	1,974,121	2,025,530
Cost of sales	(532,575)	(533,811)	(1,648,837)	(1,715,581)
Gross profit	123,879	113,379	325,284	309,949
Other income	4,094	3,924	11,192	15,042
Administrative expenses	(8,486)	(7,962)	(25,261)	(24,105)
Other expenses	(19,887)	(17,804)	(52,500)	(52,219)
<b>Operating profit</b>	<b>99,600</b>	<b>91,537</b>	<b>258,715</b>	<b>248,667</b>
Finance costs	(12,715)	(13,043)	(38,406)	(38,709)
<b>Profit before tax</b>	<b>86,885</b>	<b>78,494</b>	<b>220,309</b>	<b>209,958</b>
Income tax expense	(22,904)	(22,753)	(64,184)	(61,654)
<b>Profit for the financial period</b>	<b>63,981</b>	<b>55,741</b>	<b>156,125</b>	<b>148,304</b>
<b>Other comprehensive income</b>				
Foreign currency translation	4	(5)	15	7
Change in fair value of available-for-sale ("AFS") investments	(30)	(475)	(83)	465
	(26)	(480)	(68)	472
<b>Total comprehensive income for the financial period</b>	<b>63,955</b>	<b>55,261</b>	<b>156,057</b>	<b>148,776</b>
<b>Profit for the financial period attributable to:</b>				
Owners of the Company	63,283	55,024	153,812	145,699
Non-controlling interests	698	717	2,313	2,605
	<b>63,981</b>	<b>55,741</b>	<b>156,125</b>	<b>148,304</b>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the Company	63,257	54,544	153,744	146,171
Non-controlling interests	698	717	2,313	2,605
	<b>63,955</b>	<b>55,261</b>	<b>156,057</b>	<b>148,776</b>
<b>Earnings per share attributable to owners of the Company (sen per share):</b>				
Basic	4.45	3.87	10.81	10.24

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	(UNAUDITED) AS AT 30.09.2017 RM'000	(AUDITED) AS AT 31.12.2016 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	57,320	60,354
Investment properties	554	580
Investment securities	248,799	249,052
Intangible assets	2,738,361	2,738,377
Deferred tax assets	11,140	11,140
	<u>3,056,174</u>	<u>3,059,503</u>
<b>Current assets</b>		
Inventories	1,181	1,232
Investment securities	56,995	58,995
Receivables	34,353	29,519
Tax recoverable	57,917	79,544
Deposits, cash and bank balances	342,239	404,065
	<u>492,685</u>	<u>573,355</u>
<b>Total assets</b>	<u><b>3,548,859</b></u>	<u><b>3,632,858</b></u>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	2,154,357	1,437,749
Treasury Shares	(30,205)	(30,188)
Reserves	360,268	1,008,510
<b>Shareholders' equity</b>	<u>2,484,420</u>	<u>2,416,071</u>
<b>Non-controlling interests</b>	<u>40,103</u>	<u>40,093</u>
<b>Total equity</b>	<u>2,524,523</u>	<u>2,456,164</u>
<b>Non-current liabilities</b>		
Borrowings	597,080	770,502
Deferred tax liabilities	4,193	4,193
	<u>601,273</u>	<u>774,695</u>
<b>Current liabilities</b>		
Borrowings	224,481	224,639
Payables	198,582	177,360
	<u>423,063</u>	<u>401,999</u>
<b>Total liabilities</b>	<u>1,024,336</u>	<u>1,176,694</u>
<b>Total equity and liabilities</b>	<u><b>3,548,859</b></u>	<u><b>3,632,858</b></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u><b>1.75</b></u>	<u><b>1.70</b></u>

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	----- Attributable to Owners of the Company -----						NON- CONTROLLING INTERESTS RM'000	TOTAL RM'000
	---- Non-distributable ----							
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000			
<b>At 1 January 2016</b>	1,437,749	716,608	(674,503)	(29,866)	967,815	40,433	2,458,236	
Total comprehensive income for the financial period	-	-	472	-	145,699	2,605	148,776	
Dividends paid	-	-	-	-	(149,415)	(2,369)	(151,784)	
Purchase of own shares	-	-	-	(322)	-	-	(322)	
<b>At 30 September 2016</b>	<b>1,437,749</b>	<b>716,608</b>	<b>(674,031)</b>	<b>(30,188)</b>	<b>964,099</b>	<b>40,669</b>	<b>2,454,906</b>	
<b>At 1 January 2017</b>	1,437,749	716,608	(673,465)	(30,188)	965,367	40,093	2,456,164	
Adjustment for effects of Companies Act 2016 <i>(Please refer to Note A6(a))</i>	716,608	(716,608)	-	-	-	-	-	
Total comprehensive income for the financial period	-	-	(68)	-	153,812	2,313	156,057	
Dividends paid	-	-	-	-	(85,378)	(2,303)	(87,681)	
Purchase of own shares	-	-	-	(17)	-	-	(17)	
<b>At 30 September 2017</b>	<b>2,154,357</b>	<b>-</b>	<b>(673,533)</b>	<b>(30,205)</b>	<b>1,033,801</b>	<b>40,103</b>	<b>2,524,523</b>	

These condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	9 months ended	
	30.09.2017	30.09.2016
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	220,309	209,958
Adjustments for:		
Non-cash items	6,920	2,642
Non-operating items	27,083	26,957
Operating cash flows before working capital changes	<u>254,312</u>	<u>239,557</u>
Changes in working capital:		
Inventories	51	(16)
Receivables	(4,686)	8,086
Payables	34,053	10,879
Cash flows generated from operations	<u>283,730</u>	<u>258,506</u>
Income tax refund	1,704	955
Income tax paid	(44,261)	(78,783)
<b>Net cash flows generated from operating activities</b>	<u>241,173</u>	<u>180,678</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	191	115
Purchase of:		
- investment securities	(13,089)	-
- property, plant and equipment	(1,760)	(9,423)
- intangible assets	-	(240)
Investment in Money Market Fund	-	(1,172)
Movement in cash deposits pledged	(437)	(326)
Net dividend received from quoted shares and unit trusts	199	856
Proceeds from disposal of investment securities	13,000	-
Withdrawal of investment funds	-	46,725
Interest paid	(49,821)	(49,637)
Interest received	10,979	10,796
<b>Net cash flows used in investing activities</b>	<u>(40,738)</u>	<u>(2,306)</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(85,378)	(149,415)
Dividends paid to the non-controlling interests of subsidiaries	(2,303)	(2,369)
Repayment of borrowings	(175,000)	-
Net movement in fixed deposits with licensed bank	(4)	(8)
Purchase of own shares	(17)	(322)
<b>Net cash flows used in financing activities</b>	<u>(262,702)</u>	<u>(152,114)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(62,267)	26,258
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<u>377,362</u>	<u>335,064</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u><b>315,095</b></u>	<u><b>361,322</b></u>
Cash and cash equivalents consist of:		
Deposits, cash and bank balances	342,239	387,748
Cash deposits pledged	(26,895)	(26,181)
Cash deposits with licensed banks with maturity period of more than 3 months	(249)	(245)
	<u><b>315,095</b></u>	<u><b>361,322</b></u>

These condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

**A EXPLANATORY NOTES PURSUANT TO MFRS 134****A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

**A2 Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statement for the year ended 31 December 2016, except for the adoption of the following MFRSs and amendments to MFRSs during the current financial period :

**Effective for financial periods beginning on or after 1 January 2017**

Amendments to MFRS 107	Disclosures Initiatives
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12 (Annual Improvements to MFRSs 2014-2016 Cycle)	

The adoption of the above does not have a material impact on the financial statements of the Group in the period of initial application.

At the date of authorisation of this unaudited interim financial statements, the following MFRSs and IC interpretation have been issued by the MASB but are not yet effective and have not been adopted by the Group :

**Effective for financial periods beginning on or after 1 January 2018**

Amendments to MFRS 1 and MFRS 128 (Annual Improvements to MFRSs 2014-2016 Cycle)	
Amendment to MFRS 2	Classification and Measurement of Share-Based Payment Transactions
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

**Effective for financial periods beginning on or after 1 January 2019**

MFRS 16	Leases
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**MFRSs, Interpretations and amendments effective for a date yet to be confirmed**

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The directors expect that the adoption of the above standards and IC interpretation will have no material impact on the financial statements of the Group upon their initial application, except as discussed below :

**MFRS 9, Financial Instruments**

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments : Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

**A EXPLANATORY NOTES PURSUANT TO MFRS 134****A3 Seasonal or Cyclical Factors**

The business operations of the Group are generally dependent on the state of the overall economic environment.

**A4 Unusual Items Affecting Interim Financial Report**

There were no unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the period ended 30 September 2017.

**A5 Accounting Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period.

**A6 Changes in Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter and nine months ended 30 September 2017 other than the following : -

## (a) Share capital

The new Companies Act 2016 ("CA 2016"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the CA 2016. Pursuant to subsection 618(3) of the CA 2016, the Group may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the CA 2016. The Board of Directors will make a decision thereon by 31 January 2019.

## (b) Treasury shares

The Company had on 20 June 2017 purchased 10,000 of its own shares from open market at an average market price of RM1.71 per share. The total consideration which amounted to RM0.017 million (inclusive of brokerage fees and stamp duty) were financed by internally generated funds.

**A7 Dividends Paid**

During the financial period ended 30 September 2017, the Company has paid the following dividends:

- (a) a fourth interim single tier dividend of 3.0 sen per share in respect of financial year ended 31 December 2016, amounting to RM42.689 million on 30 March 2017
- (b) a first interim single tier dividend of 3.0 sen per share in respect of financial year ending 31 December 2017, amounting to RM42.689 million on 29 September 2017

**A8 Segmental Information**

	<b>9 months ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segmental Revenue</b>		
Gaming	1,973,791	2,024,956
Investment holdings & others	90,165	271,444
	<u>2,063,956</u>	<u>2,296,400</u>
Eliminations	(89,835)	(270,870)
Total	<u>1,974,121</u>	<u>2,025,530</u>
<b>Segmental Results</b>		
Gaming	225,308	208,079
Investment holdings & others	80,725	105,612
	<u>306,033</u>	<u>313,691</u>
Eliminations	(85,724)	(103,733)
Profit Before Tax	<u>220,309</u>	<u>209,958</u>

**A EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A9 Material Subsequent Events**

There were no material subsequent events since the end of the current financial period.

**A10 Changes in Composition of the Group**

There were no changes in the composition of the Group during the financial period ended 30 September 2017.

**A11 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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at the reporting date, the Group held the following financial assets that are measured at fair value:

		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30 September 2017</b>					
Current	FVTPL	43,908	-	-	43,908
Current	AFS investments	13,087	-	-	13,087
Non-current	AFS investments	-	-	5,794	5,794
		<u>56,995</u>	<u>-</u>	<u>5,794</u>	<u>62,789</u>
<b>31 December 2016</b>					
Current	FVTPL	45,917	-	-	45,917
Current	AFS investments	13,078	-	-	13,078
Non-current	AFS investments	-	-	6,047	6,047
		<u>58,995</u>	<u>-</u>	<u>6,047</u>	<u>65,042</u>

**A12 Contingent Liabilities**

Other than as disclosed in Note B9, there were no changes in contingent liabilities or contingent assets since the last audited reporting date as at 31 December 2016.

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1 Review of Performance of the Group****Quarter ended 30 September 2017 versus the same quarter in 2016**

	3 months ended		Changes	
	30.09.2017 RM'000	30.09.2016 RM'000	RM'000	%
Revenue				
- Gaming	656,398	646,780	9,618	1.5%
- Investment holdings and others	56	410	(354)	-86.3%
	656,454	647,190	9,264	1.4%
Profit/(Loss) before tax				
- Gaming	88,722	77,607	11,115	14.3%
- Investment holdings and others	(1,837)	887	(2,724)	-307.1%
	86,885	78,494	8,391	10.7%

The Group recorded a higher revenue of RM656.5 million in the current year quarter as compared to RM647.2 million in the previous year quarter. The increase in revenue is contributed by the gaming segment. As a result, the Group's pre-tax profit for the current year quarter was higher at RM86.9 million as compared to RM78.5 million achieved in the previous year quarter.

**Gaming**

Gaming sales has increased by RM9.6 million in the current year quarter mainly due to 2 additional draws and higher sales from its 4D Jackpot game arising from high 4d jackpot prize. In line with the higher revenue and together with lower prizes payout ratio, the Gaming pre-tax profit has increased by RM11.1 million.

**Investment Holdings and Others**

The division reported a pre-tax loss of RM1.8 million in the current year quarter as compared to a pre-tax profit of RM0.9 million in the previous year quarter. This is mainly due to no dividend income received compounded by higher operating expenses incurred in current year quarter as compared to unrealised foreign exchange gain recognised in the previous year quarter.

**9 months ended 30 September 2017 versus the same period in 2016**

	9 months ended		Changes	
	30.09.2017 RM'000	30.09.2016 RM'000	RM'000	%
Revenue				
- Gaming	1,973,791	2,024,956	(51,165)	-2.5%
- Investment holdings and others	330	574	(244)	-42.5%
	1,974,121	2,025,530	(51,409)	-2.5%
Profit/(Loss) before tax				
- Gaming	225,308	208,079	17,229	8.3%
- Investment holdings and others	(4,999)	1,879	(6,878)	-366.0%
	220,309	209,958	10,351	4.9%

Group revenue for the current nine months period was lower by RM51.4 million as a result of lower gaming revenue. However, the Group registered a higher pre-tax profit by RM10.4 million mainly contributed by the gaming division.

**Gaming**

Gaming sales for the nine months ended 30 September 2017 has reduced by RM51.2 million. The drop was mainly attributable to the poor sales recorded in the first quarter where sales in that quarter has declined by RM55.5 million due to intense competition from illegal operators and weak consumer spending.

Despite the lower gaming sales, pre-tax profit has increased by RM17.2 million mainly due to lower prizes payout ratio in the current period.

**Investment Holdings and Others**

The division recorded a pre-tax loss of RM5.0 million in the current period when compared to a profit of RM1.9 million in the previous year period. This is mainly due to fair value loss of quoted investments recognised in the current period as opposed to fair value gain of quoted investments recorded in the previous year period.



**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B2 Material change in Profit Before Tax for the current quarter compared with the immediate preceding quarter****Quarter ended 30 September 2017 versus 30 June 2017**

	3 months ended		Changes	
	30.09.2017 RM'000	30.06.2017 RM'000	RM'000	%
Revenue				
- Gaming	656,398	620,340	36,058	5.8%
- Investment Holdings and Others	56	243	(187)	-77.0%
	656,454	620,583	35,871	5.8%
Profit/(Loss) before tax				
- Gaming	88,722	91,688	(2,966)	-3.2%
- Investment Holdings and Others	(1,837)	(4,281)	2,444	-57.1%
	86,885	87,407	(522)	-0.6%

When compared to the preceding quarter ended 30 June 2017, the Group reported an increase in revenue of 5.8%. This is mainly due to higher gaming sales as a result of 3 additional draws in the current quarter. Despite the increase in gaming sales, pre-tax profit declined by RM2.9 million mainly due to higher prizes payout ratio in this quarter.

As for the Investment Holdings and Others division, the pre-tax loss was lower than the preceding quarter by RM2.4 million due to fair value loss of quoted investments recorded in the preceding quarter.

**B3 Prospects**

The Gaming industry is expected to continue to be negatively impacted by illegal gaming activities and rising cost of living. Taking into account the impact of the poor results of first quarter of the current financial year, the Board expects the gaming revenue for the current year still to be lower than the previous year.

In view of the above, the Group will continue its effort to improve its operations by undertaking various strategies to improve its customer service while being innovative in its products offering.

**B4 Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced**

Not applicable

**B5 Profit Forecast and Profit Guarantee**

There was no profit forecast or profit guarantee issued by the Company.

**B6 Income Tax Expense**

	3 months ended		9 months ended	
	30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Current income tax	25,481	22,439	66,130	61,395
(Over)/Under provision in prior years	(2,577)	314	(1,946)	259
<b>Total income tax expense</b>	<b>22,904</b>	<b>22,753</b>	<b>64,184</b>	<b>61,654</b>

**B7 Corporate Proposals**

There is no corporate proposal announced but not completed as at the date of this announcement.

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES****B8 Borrowings**

The Group's borrowings as at 30 September 2017 is as follows:

	<b>Secured RM'000</b>
<b>Long term</b>	
Medium term notes	597,080
<b>Short term</b>	
Medium term notes	224,481
<b>Total</b>	<b><u>821,561</u></b>

The borrowings is denominated in Ringgit Malaysia.

**B9 Material Litigation**

On 15 May 2017 and 22 May 2017, the Company and Magnum Holdings Sdn Bhd ("MHSB"), a wholly-owned subsidiary, were served with notices of assessment with penalty for certain prior years of assessment. The additional assessments amounted to RM22.714 million and RM454.382 million respectively, or a combined total of RM477.096 million.

The said notices of assessment were raised principally pursuant to the disallowance of deduction of certain interest expenses incurred for investments. Both Magnum and MHSB had appointed solicitors and had filed for leave application for judicial review and stay of proceedings.

The Kuala Lumpur High Court had on 9 August 2017 granted leave to both Magnum and MHSB to commence judicial review proceedings with the view of quashing the notices of assessments and a stay of proceedings against payment until the disposal of the judicial review.

The hearing dates for the above have been fixed on 10 January 2018 and 24 January 2018.

**B10 Dividends**

The Board of Directors is pleased to declare a second interim single tier dividend of 4 sen per share (2016 : 3 sen per share) for the current financial period, bringing the total dividend declared to date for the financial year ending 31 December 2017 to 7 sen per share (2016 : 10 sen per share).

The second interim single tier dividend is to be paid on 29 December 2017 to shareholders registered on the Register of Depositors at the close of business on 18 December 2017.

**B11 Basic Earnings Per Share**

Basic earnings per share ("EPS") is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>	<b>30.09.2017</b>	<b>30.09.2016</b>
Profit for the financial period attributable to owners of the Company (RM'000)	<u>63,283</u>	<u>55,024</u>	<u>153,812</u>	<u>145,699</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,422,962</u>	<u>1,423,031</u>	<u>1,422,962</u>	<u>1,423,031</u>
<b>Basic EPS (sen)</b>	<u>4.45</u>	<u>3.87</u>	<u>10.81</u>	<u>10.24</u>

**B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B12 Auditor's Report on Preceding Annual Financial Statements**

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

**B13 Profit before tax**

	<b>3 months ended 30.09.2017 RM'000</b>	<b>9 months ended 30.09.2017 RM'000</b>
<b>The profit before taxation for the financial period is arrived at after charging/(crediting):</b>		
Amortisation of intangible assets	5	15
Bad debts written off	34	34
Changes in fair value of investment securities	(132)	2,009
Depreciation of property, plant and equipment	1,643	4,760
Depreciation of investment properties	1	26
Dividend income from investment securities	-	(199)
Gain on disposal of property, plant and equipment	(6)	(174)
Interest expense	12,715	38,406
Interest income	(4,061)	(10,950)
Property, plant and equipment written off	8	19
Unrealised loss on foreign exchange	(1)	253
Write-back of provision for doubtful debts	(135)	(196)

**B14 Retained profits**

	<b>As at 30.09.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total retained profits		
- realised	3,116,500	2,972,223
- unrealised	29,579	31,842
Less : Consolidation adjustments	(2,112,278)	(2,038,698)
Retained profits as per Statement of Changes in Equity	<u>1,033,801</u>	<u>965,367</u>

**By Order Of The Board**

**Company Secretary**  
29 November 2017