



MAGNUM BERHAD (24217-M)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	675,086	633,814	2,649,207	2,659,344
Cost of sales	(550,422)	(521,295)	(2,199,259)	(2,236,876)
Gross profit	124,664	112,519	449,948	422,468
Other income	4,525	4,959	15,717	20,001
Administrative expenses	(8,213)	(5,712)	(33,474)	(29,817)
Other expenses	(23,516)	(24,121)	(76,016)	(76,340)
Operating profit	97,460	87,645	356,175	336,312
Finance costs	(10,993)	(13,113)	(49,399)	(51,822)
Profit before tax	86,467	74,532	306,776	284,490
Income tax expense	(33,135)	(29,914)	(97,319)	(91,568)
Profit for the financial year	53,332	44,618	209,457	192,922
Other comprehensive income				
Foreign currency translation	7	(15)	22	(8)
Change in fair value of available-for-sale ("AFS") investments	(503)	581	(586)	1,046
	(496)	566	(564)	1,038
Total comprehensive income for the financial year	52,836	45,184	208,893	193,960
Profit for the financial year attributable to:				
Owners of the Company	52,808	43,957	206,620	189,656
Non-controlling interests	524	661	2,837	3,266
	53,332	44,618	209,457	192,922
Total comprehensive income for the financial year attributable to:				
Owners of the Company	52,312	44,523	206,056	190,694
Non-controlling interests	524	661	2,837	3,266
	52,836	45,184	208,893	193,960
Earnings per share attributable to owners of the Company (sen per share):				
Basic	3.71	3.09	14.52	13.33

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 31 DECEMBER 2017

	(UNAUDITED) AS AT 31.12.2017 RM'000	(AUDITED) AS AT 31.12.2016 RM'000
Assets		
Non-current assets		
Property, plant and equipment	63,992	60,354
Investment properties	553	580
Investment securities	255,531	249,052
Intangible assets	2,738,361	2,738,377
Deferred tax assets	9,120	11,140
	<u>3,067,557</u>	<u>3,059,503</u>
Current assets		
Inventories	1,104	1,232
Investment securities	46,408	58,995
Receivables	34,310	29,519
Tax recoverable	52,196	79,544
Deposits, cash and bank balances	334,610	404,065
	<u>468,628</u>	<u>573,355</u>
Total assets	<u>3,536,185</u>	<u>3,632,858</u>
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	2,154,357	1,437,749
Treasury Shares	(30,205)	(30,188)
Reserves	355,946	1,008,510
Shareholders' equity	<u>2,480,098</u>	<u>2,416,071</u>
Non-controlling interests	40,416	40,093
Total equity	<u>2,520,514</u>	<u>2,456,164</u>
Non-current liabilities		
Borrowings	597,363	770,502
Deferred tax liabilities	2,997	4,193
	<u>600,360</u>	<u>774,695</u>
Current liabilities		
Borrowings	224,624	224,639
Provision for taxation	5,694	-
Payables	184,993	177,360
	<u>415,311</u>	<u>401,999</u>
Total liabilities	<u>1,015,671</u>	<u>1,176,694</u>
Total equity and liabilities	<u>3,536,185</u>	<u>3,632,858</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.74</u>	<u>1.70</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 YEAR ENDED 31 DECEMBER 2017

	----- Attributable to Owners of the Company -----						NON- CONTROLLING INTERESTS	TOTAL
	---- Non-distributable ----							
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL RM'000	
At 1 January 2016	1,437,749	716,608	(674,503)	(29,866)	967,815	40,433	2,458,236	
Total comprehensive income for the financial year	-	-	1,038	-	189,656	3,266	193,960	
Dividends paid	-	-	-	-	(192,104)	(3,606)	(195,710)	
Purchase of own shares	-	-	-	(322)	-	-	(322)	
At 31 December 2016	1,437,749	716,608	(673,465)	(30,188)	965,367	40,093	2,456,164	
At 1 January 2017	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 year	-	-	(564)	-	206,620	2,837	208,893	
Acquisition of interests from non-controlling shareholder	-	-	-	-	-	(211)	(211)	
Realisation of fair value loss on available-for-sale investments	-	-	284	-	-	-	284	
Dividends paid	-	-	-	-	(142,296)	(2,303)	(144,599)	
Purchase of own shares	-	-	-	(17)	-	-	(17)	
At 31 December 2017	2,154,357	-	(673,745)	(30,205)	1,029,691	40,416	2,520,514	

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 YEAR ENDED 31 DECEMBER 2017

	12 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	306,776	284,490
Adjustments for:		
Non-cash items	13,440	4,099
Non-operating items	33,566	35,222
Operating cash flows before working capital changes	353,782	323,811
Changes in working capital:		
Inventories	128	52
Receivables	(4,991)	5,896
Payables	10,224	12,510
Cash flows generated from operations	359,143	342,269
Net income tax paid	(63,455)	(103,214)
Real Property Gains Tax paid	-	(124)
Net cash flows generated from operating activities	295,688	238,931
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	154	344
Purchase of:		
- investment securities	(13,089)	-
- property, plant and equipment	(11,204)	(11,161)
- additional shares in a subsidiary	(211)	-
Investment in Money Market Fund	-	(1,172)
Movement in cash deposits pledged	(480)	(603)
Net dividend received from quoted shares	533	542
Proceeds from disposal of investment securities	13,000	-
Withdrawal of investment funds	-	46,763
Interest paid	(49,899)	(49,715)
Interest received	15,189	14,409
Net cash flows used in investing activities	(46,007)	(593)
FINANCING ACTIVITIES		
Dividends paid to shareholders	(142,296)	(192,104)
Dividends paid to the non-controlling interests of subsidiaries	(2,303)	(3,606)
Repayment of borrowings	(175,000)	-
Net movement in fixed deposits with licensed bank	(8)	(8)
Purchase of own shares	(17)	(322)
Net cash flows used in financing activities	(319,624)	(196,040)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(69,943)	42,298
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	377,362	335,064
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	307,419	377,362
Cash and cash equivalents consist of:		
Deposits, cash and bank balances	334,610	404,065
Cash deposits pledged	(26,938)	(26,458)
Cash deposits with licensed banks with maturity period of more than 3 months	(253)	(245)
	307,419	377,362

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 year :

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. These pronouncements are either not relevant or do not impact the financial statements of 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
Amendments to MFRS 3 (Annual Improvements to MFRSs 2015-2017 Cycle)	Business Combinations
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11 (Annual Improvements to MFRSs 2015-2017 Cycle)	Joint Arrangements
Amendments to MFRS 112 (Annual Improvements to MFRSs 2015-2017 Cycle)	Income Taxes
Amendments to MFRS 123 (Annual Improvements to MFRSs 2015-2017 Cycle)	Borrowing Costs
Amendments to MFRS 128 (Annual Improvements to MFRSs 2015-2017 Cycle)	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23 Uncertainty over Income Tax Treatments	

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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A EXPLANATORY NOTES PURSUANT TO MFRS 134

A2 Significant Accounting Policies (cont'd)

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.

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 year ended 31 December 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 year.

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 twelve months ended 31 December 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 year ended 31 December 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 ended 31 December 2017, amounting to RM42.689 million on 29 September 2017.
- (c) a second interim single tier dividend of 4.0 sen per share in respect of financial year ended 31 December 2017, amounting to RM56.918 million on 29 December 2017.

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A8 Segmental Information

	12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000
Segmental Revenue		
Gaming	2,648,494	2,658,587
Investment holdings & others	304,486	360,679
	<u>2,952,980</u>	<u>3,019,266</u>
Eliminations	(303,773)	(359,922)
Total	<u>2,649,207</u>	<u>2,659,344</u>
Segmental Results		
Gaming	314,161	282,186
Investment holdings & others	140,371	151,760
	<u>454,532</u>	<u>433,946</u>
Eliminations	(147,756)	(149,456)
Profit Before Tax	<u>306,776</u>	<u>284,490</u>

A9 Material Subsequent Events

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

A10 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 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
31 December 2017					
Current	FVTPL	41,003	-	-	41,003
Current	AFS investments	-	-	5,405	5,405
Non-current	AFS investments	13,057	-	-	13,057
		<u>54,060</u>	<u>-</u>	<u>5,405</u>	<u>59,465</u>
31 December 2016					
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 31 December 2017 versus the same quarter in 2016**

	3 months ended		Changes	
	31.12.2017 RM'000	31.12.2016 RM'000	RM'000	%
Revenue				
- Gaming	674,703	633,631	41,072	6.5%
- Investment holdings and others	383	183	200	109.3%
	675,086	633,814	41,272	6.5%
Profit/(Loss) before tax				
- Gaming	88,853	74,107	14,746	19.9%
- Investment holdings and others	(2,386)	425	(2,811)	-661.4%
	86,467	74,532	11,935	16.0%

The Group recorded a higher revenue of RM675.1 million in the current year quarter as compared to RM633.8 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 RM86.5 million as compared to RM74.5 million achieved in the previous year quarter.

Gaming

Gaming sales has increased significantly by RM41.1 million in the current year quarter mainly due to higher sales from its 4D Jackpot game arising from high 4D jackpot prize. In line with the higher revenue but offset by higher prizes payout, the Gaming pre-tax profit has increased by RM14.7 million.

Investment Holdings and Others

The division reported a pre-tax loss of RM2.4 million in the current year quarter as compared to a pre-tax profit of RM0.4 million in the previous year quarter. This is mainly due to higher fair value loss on quoted investments recorded in the current year quarter.

12 months ended 31 December 2017 versus the same period in 2016

	12 months ended		Changes	
	31.12.2017 RM'000	31.12.2016 RM'000	RM'000	%
Revenue				
- Gaming	2,648,494	2,658,587	(10,093)	-0.4%
- Investment holdings and others	713	757	(44)	-5.8%
	2,649,207	2,659,344	(10,137)	-0.4%
Profit/(Loss) before tax				
- Gaming	314,161	282,186	31,975	11.3%
- Investment holdings and others	(7,385)	2,304	(9,689)	-420.5%
	306,776	284,490	22,286	7.8%

Group revenue for the current year was lower by RM10.1 million as a result of lower gaming revenue. However, the Group registered a higher pre-tax profit by RM22.3 million mainly contributed by the gaming division.

Gaming

Gaming sales for the year ended 31 December 2017 has reduced by RM10.1 million. The drop was mainly attributable to the poor sales recorded in the first quarter where sales in that quarter declined by RM55.5 million mainly due to intense competition from illegal operators and weak consumer spending.

Despite the lower gaming sales, pre-tax profit has increased by RM32.0 million mainly due to lower prizes payout in the current year.

Investment Holdings and Others

The division recorded a pre-tax loss of RM7.4 million in the current year when compared to a pre-tax profit of RM2.3 million in the previous year. This is mainly due to fair value loss of quoted investments and unrealised foreign exchange loss recorded in the current year as opposed to fair value gain of quoted investments and unrealised foreign exchange gain recognised in the previous year.

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 31 December 2017 versus 30 September 2017**

	3 months ended		Changes	
	31.12.2017 RM'000	30.09.2017 RM'000	RM'000	%
Revenue				
- Gaming	674,703	656,398	18,305	2.8%
- Investment Holdings and Others	383	56	327	583.9%
	675,086	656,454	18,632	2.8%
Profit/(Loss) before tax				
- Gaming	88,853	88,722	131	0.1%
- Investment Holdings and Others	(2,386)	(1,837)	(549)	29.9%
	86,467	86,885	(418)	-0.5%

When compared to the preceding quarter ended 30 September 2017, the Group reported an increase in revenue of RM18.6 million. This is mainly due to higher gaming sales as a result of higher 4D jackpot prizes in the current quarter. Consistent with the increase in gaming sales of RM18.3 million, pre-tax profit has increased marginally by RM0.1 million mainly due to lower prizes payout in this quarter.

As for the Investment Holdings and Others division, the pre-tax loss was marginally higher than the preceding quarter by RM0.5 million due to higher fair value loss of quoted investments but mitigated by higher dividend income recorded in the current quarter.

B3 Prospects

Magnum Corporation Sdn Bhd is celebrating its 50th year of establishment in 2018 and in conjunction with this milestone, the Company has on 8 January 2018 launched a rebranding & reimagining exercise to help the Company to address stiff competition both from legal as well as illegal operators. With this exercise, all the outlets shall be renovated progressively over the next few years and with a younger and more attractive look, the Company hopes to attract more players especially the younger ones whilst maintaining the present loyal customers to continue to patronise our outlets.

Barring unforeseen circumstances and one off non-recurring event, if any, based on the performance of the last two quarters of 2017, the Board is of the view that the performance of the Company is expected to at least match the 2017 performance especially with regards to revenue.

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		12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Current income tax	32,325	31,186	98,455	92,581
(Over)/Under provision in prior years	(10)	5,496	(1,956)	5,755
Deferred tax	820	(6,892)	820	(6,892)
Real Property Gains Tax	-	124	-	124
Total income tax expense	33,135	29,914	97,319	91,568

The effective tax rate of the Group for the current and the previous year was higher than the statutory tax rate mainly due to non-deductibility of certain expenses.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES

B7 Corporate Proposals

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

B8 Borrowings

The Group's borrowings as at 31 December 2017 are as follows:

	Secured RM'000
Long term	
Medium term notes	597,363
Short term	
Medium term notes	224,624
Total	<u>821,987</u>

The borrowings are 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 adjourned to 5 April 2018.

B10 Dividends

The Board of Directors is pleased to declare a third interim single tier dividend of 4 sen per share (2016 : 3 sen per share) for the current financial year, bringing the total dividend declared to date for the financial year ended 31 December 2017 to 11 sen per share (2016 : 13 sen per share).

The third interim single tier dividend is to be paid on 30 March 2018 to shareholders registered on the Register of Depositors at the close of business on 15 March 2018.

B11 Basic Earnings Per Share

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

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit for the financial year attributable to owners of the Company (RM'000)	<u>52,808</u>	<u>43,957</u>	<u>206,620</u>	<u>189,656</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,422,960</u>	<u>1,423,015</u>	<u>1,422,960</u>	<u>1,423,015</u>
Basic EPS (sen)	<u>3.71</u>	<u>3.09</u>	<u>14.52</u>	<u>13.33</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

	3 months ended 31.12.2017 RM'000	12 months ended 31.12.2017 RM'000
The profit before taxation for the financial year is arrived at after charging/(crediting):		
Amortisation of intangible assets	-	15
Bad debts written off	-	34
Changes in fair value of investment securities	2,905	4,914
Depreciation of property, plant and equipment	2,453	7,213
Depreciation of investment properties	1	27
Dividend income from investment securities	(334)	(533)
Loss/(Gain) on disposal of property, plant and equipment	37	(137)
Realised fair value loss on AFS upon maturity	284	284
Interest expense	10,993	49,399
Interest income	(4,248)	(15,198)
Property, plant and equipment written off	15	34
Provision for doubtful debt	166	166
Unrealised loss on foreign exchange	1,108	1,361
Write-back of provision for doubtful debts	(17)	(213)

B14 Retained profits

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits		
- realised	2,790,040	2,972,223
- unrealised	24,745	31,842
Less : Consolidation adjustments	(1,785,094)	(2,038,698)
Retained profits as per Statement of Changes in Equity	<u>1,029,691</u>	<u>965,367</u>

B15 Derivatives

Not applicable.

B16 Fair value changes of financial liabilities

The carrying amounts of the Group's financial liabilities at amortised cost are reasonable approximations of fair values.

By Order Of The Board

Company Secretary
27 February 2018