



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

INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	3 months ended		6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	600,388	620,583	1,312,740	1,317,667
Cost of sales	(498,256)	(494,366)	(1,092,196)	(1,116,262)
Gross profit	102,132	126,217	220,544	201,405
Other income	4,165	1,731	7,743	7,098
Administrative expenses	(8,837)	(8,281)	(18,426)	(16,775)
Other expenses	(13,735)	(19,377)	(34,705)	(32,613)
Operating profit	83,725	100,290	175,156	159,115
Finance costs	(13,347)	(12,883)	(24,843)	(25,691)
Profit before tax	70,378	87,407	150,313	133,424
Income tax expense	(21,753)	(26,636)	(45,953)	(41,280)
Profit for the financial period	48,625	60,771	104,360	92,144
Other comprehensive income				
Foreign currency translation	(9)	7	1	11
Change in fair value of financial assets at fair-value-through-other comprehensive income	(122)	(53)	(105)	(53)
	(131)	(46)	(104)	(42)
Total comprehensive income for the financial period	48,494	60,725	104,256	92,102
Profit for the financial period attributable to:				
Owners of the Company	48,054	59,959	102,991	90,529
Non-controlling interests	571	812	1,369	1,615
	48,625	60,771	104,360	92,144
Total comprehensive income for the financial period attributable to:				
Owners of the Company	47,923	59,913	102,887	90,487
Non-controlling interests	571	812	1,369	1,615
	48,494	60,725	104,256	92,102
Earnings per share attributable to owners of the Company (sen per share) :				
Basic	3.38	4.21	7.24	6.36

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

	(UNAUDITED) AS AT 30.06.2018 RM'000	(AUDITED) AS AT 31.12.2017 RM'000
Assets		
Non-current assets		
Property, plant and equipment	64,040	63,993
Investment properties	550	553
Investment securities	255,957	256,062
Intangible assets	2,738,350	2,738,362
Deferred tax assets	7,637	7,637
	<u>3,066,534</u>	<u>3,066,607</u>
Current assets		
Inventories	1,143	1,104
Investment securities	40,347	45,877
Receivables	26,813	32,006
Tax recoverable	52,052	52,196
Deposits, cash and bank balances	473,167	334,610
	<u>593,522</u>	<u>465,793</u>
Total Assets	<u>3,660,056</u>	<u>3,532,400</u>
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	2,154,357	2,154,357
Treasury Shares	(30,205)	(30,205)
Reserves	344,847	355,796
Shareholders' equity	<u>2,468,999</u>	<u>2,479,948</u>
Non-controlling interests	39,436	40,416
Total equity	<u>2,508,435</u>	<u>2,520,364</u>
Non-current liabilities		
Borrowings	722,273	597,363
Deferred tax liabilities	1,510	1,510
	<u>723,783</u>	<u>598,873</u>
Current liabilities		
Borrowings	224,896	224,628
Payables	197,724	182,841
Tax payable	5,218	5,694
	<u>427,838</u>	<u>413,163</u>
Total liabilities	<u>1,151,621</u>	<u>1,012,036</u>
Total equity and liabilities	<u>3,660,056</u>	<u>3,532,400</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.74</u>	<u>1.74</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 2017 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018**

	----- Attributable to Owners of the Company -----					NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
	----- Non-distributable -----						
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	OTHER RESERVES RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000		
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 (Please refer to Note A6)	716,608	(716,608)	-	-	-	-	-
Total comprehensive income for the financial period	-	-	(42)	-	90,529	1,615	92,102
Dividends paid	-	-	-	-	(42,689)	-	(42,689)
Dividends paid to non-controlling interests	-	-	-	-	-	(2,303)	(2,303)
Purchase of own shares	-	-	-	(17)	-	-	(17)
At 30 June 2017	2,154,357	-	(673,507)	(30,205)	1,013,207	39,405	2,503,257
At 1 January 2018	2,154,357	-	(673,745)	(30,205)	1,029,541	40,416	2,520,364
Total comprehensive income for the financial period	-	-	(104)	-	102,991	1,369	104,256
Dividends paid	-	-	-	-	(113,836)	-	(113,836)
Dividends paid to non-controlling interests	-	-	-	-	-	(2,234)	(2,234)
Acquisition of additional shares in a subsidiary from non-controlling interests	-	-	-	-	-	(115)	(115)
At 30 June 2018	2,154,357	-	(673,849)	(30,205)	1,018,696	39,436	2,508,435

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018

	6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000
OPERATING ACTIVITIES		
Profit before tax	150,313	133,424
Adjustments for:		
Non-cash items	4,296	3,356
Non-operating items	18,588	20,576
Operating cash flows before working capital changes	<u>173,197</u>	<u>157,356</u>
Changes in working capital:		
Inventories	(39)	13
Receivables	5,341	13,726
Payables	11,313	(8,616)
Cash flows generated from operations	<u>189,812</u>	<u>162,479</u>
Income tax refund	628	343
Real Property Gains Tax refund	16	-
Income tax paid	(46,912)	(24,267)
Net cash flows generated from operating activities	<u>143,544</u>	<u>138,555</u>
INVESTING ACTIVITIES		
Proceeds from disposal of :		
- property, plant and equipment	48	168
- investment securities	4,705	-
Purchase of :		
- property, plant and equipment	(5,001)	(1,272)
- additional shares in a subsidiary	(115)	-
Movement in cash deposits pledged	(34)	(130)
Net dividend received from quoted shares and unit trusts	120	199
Interest paid	(20,779)	(24,718)
Interest received	7,417	6,913
Net cash flows used in investing activities	<u>(13,639)</u>	<u>(18,840)</u>
FINANCING ACTIVITIES		
Dividends paid to shareholders	(113,836)	(42,689)
Dividends paid to the non-controlling interests of subsidiaries	(2,234)	(2,303)
Net movement in fixed deposits with licensed bank	(4)	(4)
Purchase of own shares	-	(17)
Issuance of medium term notes	125,000	-
Transaction cost paid	(312)	-
Net cash flows generated from/(used in) financing activities	<u>8,614</u>	<u>(45,013)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>138,519</u>	<u>74,702</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>307,419</u>	<u>377,362</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>445,938</u>	<u>452,064</u>
Cash and cash equivalents consist of :		
Deposits, cash and bank balances	473,167	478,901
Cash deposits pledged	(26,972)	(26,588)
Cash deposits with licensed banks with maturity period of more than 3 months	(257)	(249)
	<u>445,938</u>	<u>452,064</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 2017 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 2017. 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 2017.

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 2017, except for the adoption of the following MFRSs, amendments to MFRSs and IC Interpretation during the current financial period :

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 1 (Annual Improvements to MFRSs 2014-2016 Cycle)	First-time Adoption of MFRS
Amendments 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

The adoption of the above does not have a material impact on the financial statements of the Group in the period of initial application. The adoption of MFRS 9 is described below :

MFRS 9 : Financial Instruments

The Group and the Company adopted MFRS 9 Financial Instruments on 1 January 2018. MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. Retrospective application is required, but comparative information is not compulsory.

(a) Classification and measurement

MFRS 9 contains three classification categories of 'measured at amortised cost', 'fair-value-through-other comprehensive income' ("FVOCI") and 'fair-value-through-profit or loss' ("FVTPL"). MFRS 9 eliminates the existing MFRS 139 categories of 'loans and receivables', 'held-to-maturity' and 'available-for-sale' ("AFS").

The Group and the Company do not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of MFRS 9. All financial assets previously held at fair value will continue to be measured by FVTPL while quoted equity shares previously held as AFS is measured at FVOCI.

The equity shares in non-listed companies are intended to be held for the foreseeable future and is classified as FVOCI. Included in these FVOCI investments is an unquoted investment which is carried at cost at RM243 million (2017 : RM243 million). The Group has assessed and concluded that due to the lack of quoted market price and as there is a wide range of possible fair value measurements, cost will represent the best estimate of fair value within that range.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9.

(b) Impairment

MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. With regard to the impact of the expected loss model on trade receivables, the Directors do not anticipate that the application of expected credit loss model of MFRS 9 will have a material financial impact to the Group's financial statements.

A EXPLANATORY NOTES PURSUANT TO MFRS 134**A2 Significant Accounting Policies (Cont'd.)**

At the date of authorisation of this unaudited interim financial statements, the following MFRSs, amendments to 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 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 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123 (Annual Improvements to MFRSs 2015-2017 Cycle)	Borrowing Costs
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amendments to IC Interpretation 12	Service Concession Arrangements
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible Assets - Web Site Costs

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
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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 Interpretations will have no material impact on the financial statements of the Group upon their initial application.

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 June 2018.

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 changes in debt and equity securities in the current financial period.

A EXPLANATORY NOTES PURSUANT TO MFRS 134**A7 Dividends Paid**

During the financial period ended 30 June 2018, the Company has paid the following dividends:

- (i) a third 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 30 March 2018; and
- (ii) a first interim single tier dividend of 4.0 sen per share in respect of financial year ending 31 December 2018, amounting to RM56.918 million on 29 June 2018.

A8 Segmental Information

	6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000
Segmental Revenue		
Gaming	1,312,561	1,317,393
Investment holdings & others	138,155	45,734
	1,450,716	1,363,127
Eliminations	(137,976)	(45,460)
Total	1,312,740	1,317,667
Segmental Results		
Gaming	151,987	136,586
Investment holdings & others	133,395	39,540
	285,382	176,126
Eliminations	(135,069)	(42,702)
Profit Before Tax	150,313	133,424

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 June 2018.

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
30 June 2018					
Current	FVTPL	40,347	-	-	40,347
Non-current	FVOCI	12,952	-	-	12,952
		53,299	-	-	53,299
31 December 2017					
Current	FVTPL	41,003	-	-	41,003
Current	AFS investments	-	-	4,874	4,874
Non-current	AFS investments	13,057	-	-	13,057
		54,060	-	4,874	58,934

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 2017.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**B1 Review of Performance of the Group****Quarter ended 30 June 2018 versus the same quarter in 2017**

	3 months ended		Changes	
	30.06.2018 RM'000	30.06.2017 RM'000	RM'000	%
Revenue				
- Gaming	600,242	620,340	(20,098)	-3.2%
- Investment holdings and others	146	243	(97)	-39.9%
	600,388	620,583	(20,195)	-3.3%
Profit/(Loss) before tax				
- Gaming	68,249	91,688	(23,439)	-25.6%
- Investment holdings and others	2,129	(4,281)	6,410	149.7%
	70,378	87,407	(17,029)	-19.5%

The Group registered total revenue of RM600.4 million for the current quarter, which is RM20.2 million lower than previous year corresponding quarter of RM620.6 million. In line with lower revenue together with a higher prizes payout ratio, the profit before tax has reduced by RM17.0 million to RM70.4 million when compared to RM87.4 million achieved in the previous year corresponding quarter. The lower revenue was mainly due to World Cup season in June 2018.

Gaming

Gaming sales for the current quarter at RM600.2 million is lower than the previous year corresponding quarter by 3.2% or RM20.1 million. The decrease is mainly due to World Cup that took place in June 2018.

In line with the lower gaming sales and higher prizes payout ratio, the Gaming pre-tax profit decreased substantially by RM23.4 million from RM91.7 million recorded in the previous year corresponding quarter.

Investment Holdings and Others

Investment Holdings and Others division recorded a profit of RM2.1 million compared to RM4.3 million loss in previous year corresponding quarter. The favourable variance is mainly due to fair value gain on investments in the current quarter as compared to fair value loss on investments in the previous year corresponding quarter.

6 months ended 30 June 2018 versus the same period in 2017

	6 months ended		Changes	
	30.06.2018 RM'000	30.06.2017 RM'000	RM'000	%
Revenue				
- Gaming	1,312,561	1,317,393	(4,832)	-0.4%
- Investment holdings and others	179	274	(95)	-34.7%
	1,312,740	1,317,667	(4,927)	-0.4%
Profit before tax				
- Gaming	151,987	136,586	15,401	11.3%
- Investment holdings and others	(1,674)	(3,162)	1,488	47.1%
	150,313	133,424	16,889	12.7%

Group revenue for the current 6 months period was lower by RM4.9 million mainly due to lower gaming revenue. However, the Group registered a higher pre-tax profit by RM16.9 million mainly contributed by the gaming division.

Gaming

Despite the marginal decrease in gaming sales of RM4.8 mill or 0.4%, pre-tax profit has increased by RM15.4 million mainly due to lower prizes payout in the current financial period.

Investment Holdings and Others

The division recorded a pre-tax loss of RM1.7 million in the current financial period when compared to a pre-tax loss of RM3.2 million in the previous year corresponding period. This is mainly due to lower fair value loss on quoted investments recognised in the current financial 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 June 2018 versus 31 March 2018**

	3 months ended		Changes	
	30.06.2018 RM'000	31.03.2018 RM'000	RM'000	%
Revenue				
- Gaming	600,242	712,319	(112,077)	-15.7%
- Investment holdings and others	146	33	113	342.4%
	600,388	712,352	(111,964)	-15.7%
Profit before tax				
- Gaming	68,249	83,738	(15,489)	-18.5%
- Investment holdings and others	2,129	(3,803)	5,932	156.0%
	70,378	79,935	(9,557)	-12.0%

The pre-tax profit for the current quarter at RM70.4 million was lower as compared to RM79.9 million recorded in the immediate preceding quarter. The decrease of RM9.6 million was mainly due to lower gaming pre-tax profit. In line with the lower gaming sales by RM112.1 million as a result of double impact from seasonal Chinese New Year festive sales in preceding quarter and World Cup season in current quarter, gaming pre-tax profit was lower by RM15.5 million due to higher prizes payout ratio.

B3 Prospects

The "zero" GST from 1 June 2018 to 31 August 2018 will continue to have positive financial impact to the Group but it will likely be negated by the introduction of Service Tax with effect from 1 September 2018.

With the launching of our new game, Magnum Life, in April 2018 and implementation of the Rebranding & Reimaging Exercise couple with end of the World Cup, the Board is optimistic that the financial performance for the financial year 2018 shall at least match that for 2017.

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		6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Current income tax	21,753	26,006	45,969	40,649
Under-provision in prior years	-	630	-	631
Over-provision of Real Property Gains Tax in prior year	-	-	(16)	-
Total income tax expense	21,753	26,636	45,953	41,280

The effective tax rate of the Group for the current quarter and current financial period were higher than the statutory tax rate mainly due to non-deductibility of certain expenses.

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 June 2018 are as follows:

	Secured RM'000
Long term	
Medium term notes	722,273
Short term	
Medium term notes	224,896
Total	<u>947,169</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 postponed to 20 September 2018.

B10 Dividends

The Board of Directors is pleased to declare a second interim single tier dividend of 3 sen per share (2017 : 3 sen per share) for the financial period, bring the total dividend declared to date for the financial year ending 31 December 2018 to 7 sen per share (2017 : 3 sen per share).

The second interim single tier dividend is to be paid on 28 September 2018 to shareholders registered on the Register of Depositors at the close of business on 19 September 2018.

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

	3 months ended		6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profit for the financial period attributable to owners of the Company (RM'000)	48,054	59,959	102,991	90,529
Weighted average number of ordinary shares in issue ('000)	1,422,955	1,422,960	1,422,955	1,422,960
Basic EPS (sen)	3.38	4.21	7.24	6.36

B12 Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**B13 Profit before tax**

	3 months ended 30.06.2018 RM'000	6 months ended 30.06.2018 RM'000
The profit before taxation for the financial period is arrived at after charging/(crediting):		
Amortisation of intangible assets	4	10
Changes in fair value of investment securities	(2,367)	656
Depreciation of property, plant and equipment	1,765	3,458
Depreciation of investment properties	1	3
Gain on disposal of property, plant and equipment	(34)	(36)
Interest expense	13,347	24,843
Interest income	(3,933)	(7,491)
Property, plant and equipment written off	17	1,479
Realised loss on foreign exchange	-	169
Unrealised loss on foreign exchange	406	416
Write-back of provision for doubtful debts	(32)	(87)

B14 Derivatives

Not applicable.

B15 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
24 August 2018