



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
For the twelve months ended 31 December 2017				
<i>(The figures have not been audited)</i>				
	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 31 December</i>		<i>12 months ended 31 December</i>	
	2017	2016	2017	Audited 2016
	RM'000	RM'000	RM'000	RM'000
Revenue	92,237	142,889	366,193	428,030
Cost of sales	(90,582)	(137,898)	(452,137)	(396,097)
Gross profit/(loss)	1,655	4,991	(85,944)	31,933
Other operating income	591	2,077	48,583	18,619
Selling and promotional expenses	(2,684)	(2,999)	(8,925)	(9,500)
Administrative expenses	(7,389)	(13,377)	(28,651)	(34,503)
Other operating expenses	(2,815)	(2,918)	(5,420)	(3,013)
Results from operating activities	(10,642)	(12,226)	(80,357)	3,536
Finance income	1,981	2,313	8,897	9,377
Finance costs	(7,637)	(8,102)	(27,511)	(26,071)
Net finance costs	(5,656)	(5,789)	(18,614)	(16,694)
Other non-operating expense	-	-	(8,321)	-
Share of results (net of tax) of equity-accounted:				
- associates	(17,576)	12,018	(42,053)	15,946
- joint ventures	1,306	2,007	2,363	738
(Loss)/Profit before tax	(32,568)	(3,990)	(146,982)	3,526
Tax (expense)/income	(8,568)	1,615	(20,859)	(1,819)
(Loss)/Profit for the year/period	(41,136)	(2,375)	(167,841)	1,707
Other comprehensive income/(loss), net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	1,568	(963)	1,783	(782)
Realisation of reserves to profit or loss	-	-	(2,455)	-
Share of other comprehensive (loss)/income of an associate	(6,114)	14,625	(16,823)	7,369
Other comprehensive (loss)/income for the year/period	(4,546)	13,662	(17,495)	6,587
Total comprehensive (loss)/income for the year/period	(45,682)	11,287	(185,336)	8,294
(Loss)/Profit attributable to:				
Owners of the Company	(41,420)	(2,350)	(168,742)	717
Non-controlling interests	284	(25)	901	990
(Loss)/Profit for the year/period	(41,136)	(2,375)	(167,841)	1,707
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(45,966)	11,312	(186,237)	7,304
Non-controlling interests	284	(25)	901	990
Total comprehensive (loss)/income for the year/period	(45,682)	11,287	(185,336)	8,294
Basic (loss)/earnings per ordinary share (EPS) attributable to owners of the Company (sen)				
	(17.48)	(0.99)	(71.22)	0.30

The notes set out on pages 5 to 25 form an integral part of, and should be read in conjunction with, these condensed consolidated interim financial statements. The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016.



QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
For the twelve months ended 31 December 2017			
<i>(The figures have not been audited)</i>			
		Unaudited	Audited
		31 December	31 December
		2017	2016
		RM'000	RM'000
ASSETS			
Property, plant and equipment		104,215	89,130
Prepaid lease payments		2,342	2,370
Interests in associates		353,006	422,918
Interests in joint ventures		5,616	4,906
Land held for property development		384,646	398,772
Investment properties		87,382	87,667
Intangible assets		4,876	5,557
Deferred tax assets		16,201	29,466
Other investments		2,974	2,974
Trade and other receivables		73,372	82,324
Total non-current assets		1,034,630	1,126,084
Inventories		79,563	103,525
Property development costs		475,831	441,545
Trade and other receivables		411,642	449,959
Deposits and prepayments		29,236	29,343
Current tax recoverable		13,132	12,453
Cash and cash equivalents		76,451	64,055
Assets classified as held for sale		83	757
Total current assets		1,085,938	1,101,637
Total assets		2,120,568	2,227,721
EQUITY			
Share capital		336,092	250,000
Share premium		-	86,092
Treasury shares		(34,748)	(34,748)
Reserves		826,991	1,013,228
Total equity attributable to owners of the Company		1,128,335	1,314,572
Non-controlling interests		19,605	18,704
Total equity		1,147,940	1,333,276
LIABILITIES			
Loans and borrowings	Note 8	166,204	123,619
Trade and other payables		6,874	10,057
Deferred tax liabilities		25,481	26,199
Total non-current liabilities		198,559	159,875
Loans and borrowings	Note 8	379,200	355,216
Trade and other payables		393,563	378,986
Current tax payable		1,306	368
Total current liabilities		774,069	734,570
Total liabilities		972,628	894,445
Total equity and liabilities		2,120,568	2,227,721
Net assets (NA) per ordinary share attributable to owners of the Company (RM)		4.51	5.26

The notes set out on pages 5 to 25 form an integral part of, and should be read in conjunction with, these condensed consolidated interim financial statements. The consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016.



QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY										
For the twelve months ended 31 December 2017										
<i>(The figures have not been audited)</i>										
	Note	Total equity attributable to owners of the Company								
		Non-Distributable					Distributable			
		Share capital RM '000	Share premium RM '000	Foreign currency translation reserve RM '000	Treasury shares RM '000	Other reserve RM '000	Retained earnings RM '000	Sub-total RM '000	Non-controlling interests RM '000	Total equity RM '000
For the 12 months ended 31 December 2016 (Audited)										
At 1 January 2016										
		250,000	86,092	21,591	(34,748)	362	983,980	1,307,277	15,105	1,322,382
<i>Foreign currency translation differences for foreign operations</i>		-	-	(782)	-	-	-	(782)	-	(782)
<i>Share of other comprehensive loss of an associate</i>		-	-	7,624	-	(255)	-	7,369	-	7,369
Total other comprehensive loss for the year		-	-	6,842	-	(255)	-	6,587	-	6,587
Profit for the year		-	-	-	-	-	717	717	990	1,707
Total comprehensive income/(loss) for the year		-	-	6,842	-	(255)	717	7,304	990	8,294
Changes in ownership interests in a subsidiary		-	-	-	-	-	(9)	(9)	(391)	(400)
Transaction with non-controlling interests		-	-	-	-	-	-	-	3,000	3,000
<i>- Issue of shares by a subsidiary</i>		-	-	-	-	-	-	-	-	-
At 31 December 2016		250,000	86,092	28,433	(34,748)	107	984,688	1,314,572	18,704	1,333,276
For the 12 months ended 31 December 2017 (Unaudited)										
At 1 January 2017, as per audited										
		250,000	86,092	28,433	(34,748)	107	984,688	1,314,572	18,704	1,333,276
Transfer in accordance with Section 618(2) of the Companies Act 2016 **		86,092	(86,092)	-	-	-	-	-	-	-
<i>Foreign currency translation differences for foreign operations</i>		-	-	1,783	-	-	-	1,783	-	1,783
<i>Realisation of reserves to profit or loss arising from deemed disposal of equity interest in an associate</i>		-	-	(2,445)	-	(10)	-	(2,455)	-	(2,455)
<i>Share of other comprehensive income/(loss) of an associate</i>		-	-	(16,863)	-	40	-	(16,823)	-	(16,823)
Total other comprehensive income/(loss) for the year		-	-	(17,525)	-	30	-	(17,495)	-	(17,495)
(Loss)/Profit for the year		-	-	-	-	-	(168,742)	(168,742)	901	(167,841)
Total comprehensive income/(loss) for the year		-	-	(17,525)	-	30	(168,742)	(186,237)	901	(185,336)
At 31 December 2017, unaudited		336,092	-	10,908	(34,748)	137	815,946	1,128,335	19,605	1,147,940

** Pursuant to Section 74 of the Companies Act 2016 ("the Act"), all shares issued before or upon the commencement of the Act shall have no par or nominal value.

In accordance with the transitional provision as set out in Section 618(2) of the Act, any amount standing to the credit of the company's share premium account shall become part of share capital.

The Company has classified all of its share premium balance as part of share capital, in compliance with the provision of the Act.

The notes set out on pages 5 to 25 form an integral part of, and should be read in conjunction with, these condensed consolidated interim financial statements. The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

CONSOLIDATED STATEMENT OF CASH FLOWS		
For the twelve months ended 31 December 2017		
<i>(The figures have not been audited)</i>		
	Unaudited	Audited
	31 December	31 December
	2017	2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss/(Profit) before tax	(146,982)	3,526
<i>Adjustments for:</i>		
Amortisation of:		
- intangible asset	680	680
- investment properties	2,171	1,416
- prepaid lease payments	28	29
Depreciation of property, plant and equipment	7,057	7,963
Dividend income from unquoted shares	(62)	(124)
Finance income	(8,897)	(9,377)
Finance costs	27,511	26,071
Loss/(Gain) on disposal of:		
- associate	8,321	(372)
- property, plant and equipment	(161)	49
- assets held for sale	(322)	20
Property, plant and equipment written off	111	163
Assets held for sale written off	-	75
Reversal of impairment loss on receivables	(12,000)	(2,294)
Share of results of equity-accounted:		
- associates	42,053	(15,946)
- joint ventures	(2,363)	(738)
Unrealised foreign exchange loss/(gain)	3,278	(1,728)
Operating (loss)/profit before changes in working capital	(79,577)	9,413
Changes in working capital:		
Inventories	27,307	8,085
Land held for property development	1,316	5,172
Property development costs	(24,508)	(62,464)
Trade and other receivables, deposits and prepayments	61,161	12,777
Trade and other payables	7,582	12,355
Cash used in operations	(6,719)	(14,662)
Net income taxes paid	(8,799)	(13,369)
Net cash used in operating activities	(15,518)	(28,031)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
- property, plant and equipment	(26,240)	(12,399)
- investment properties	-	(5,908)
- associate	-	(35)
- non-controlling interest in an existing subsidiary	-	(400)
Proceeds from disposal of:		
- property, plant and equipment	281	244
- assets held for sale	989	11
- an associate	-	372
Changes in pledged deposits	(907)	312
Increase in investment in an associate	-	(315)
Increase in investment in an existing joint venture	(2,700)	-
Distribution of profit received from a joint venture	5,100	-
Dividends received	62	124
Interest received	9,037	5,418
Net cash used in investing activities	(14,378)	(12,576)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from other loans and borrowings	66,611	72,738
Net (repayment of)/proceeds from finance lease liabilities	(40)	(33)
Proceeds from issuance of shares to non-controlling interest	-	3,000
Interest paid	(24,701)	(23,877)
Net cash from financing activities	41,870	51,828
Net increase in cash and cash equivalents	11,974	11,221
Effects of exchange rate changes on cash and cash equivalents	(485)	194
Cash and cash equivalents at beginning of year	63,976	52,561
CASH AND CASH EQUIVALENTS AT END OF YEAR	75,465	63,976
Representing by:		
Deposits with licensed banks with maturities less than three months, net of deposits	15,268	17,518
Cash in hand and at banks	60,197	46,458
Total cash and cash equivalents	75,465	63,976
Add: Cash included as held for sale	-	-
Total cash and cash equivalents as shown in statement of cash flows	75,465	63,976

The notes set out on pages 5 to 25 form an integral part of, and should be read in conjunction with, these condensed consolidated interim financial statements. The consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Naim Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements of the Group as at and for the twelve months ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associates and joint ventures.

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of FRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements do not include all of the information required for a complete annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2016.

The annual financial statements of the Group as at and for the year ended 31 December 2016 are available upon request from the Company’s registered office at 9th floor, Wisma Naim, 2 ½ Miles, Rock Road, 93200 Kuching, Sarawak, Malaysia.

The Group has applied the Financial Reporting Standards (FRSs) as its financial reporting framework in preparing the condensed consolidated interim financial statements for the year under review.

2. Significant accounting policies

Given that certain Group entities are transitioning entities (being entities subject to the application of IC Interpretation 15, *Agreements for the Construction of Real Estate* or the entity that consolidates or equity accounts or proportionately consolidates the first-mentioned entities), the Group is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) Framework until 1 January 2018 as mandated by the Malaysian Accounting Standards Board (“MASB”).

As a result, the Group (including the transitioning entities) has applied FRSs as their financial reporting framework to prepare their financial statements for the annual period ended 31 December 2017.

The accounting policies adopted by the Group in preparing the condensed consolidated interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2016.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

During the current year under review, the Group has adopted the following FRSs and amendments which are effective for annual periods beginning on or after 1 January 2017:

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

The initial application of the abovementioned FRSs and amendments does not have any material financial impacts on the financial statements of the Group.

2.1 Migration to new accounting framework

The Group's financial statements for the annual period beginning on 1 January 2018 and the subsequent annual periods will be prepared in accordance with the MFRSs issued by the MASB and International Financial Reporting Standards.

In the interim, the MASB has issued a number of accounting standards, amendments and interpretations under the MFRSs framework, which will be effective for adoption for annual periods beginning on or after 1 January 2018:

- ***Effective for annual periods beginning on or after 1 January 2018***
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014-2016 Cycle)*
 - Amendments to MFRS 2, *Classification and Measurement of Share-based Payment Transactions*
 - Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
 - MFRS 9, *Financial Instruments*
 - MFRS 15, *Revenue from Contracts with Customers*
 - Clarifications to MFRS 15, *Revenue from Contracts with Customers*
 - Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)*
 - Amendments to MFRS 140, *Investment Property - Transfers of Investment Property*
 - IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Migration to new accounting framework (continued)

- **Effective for annual periods beginning on or after 1 January 2019**
 - MFRS 16, *Leases*
 - IC Interpretation 23, *Uncertainty over Income Tax Treatments*
 - Amendments to MFRS 3, *Business Combinations (Annual Improvements 2015-2017 Cycle)*
 - Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
 - Amendments to MFRS 11, *Joint Arrangements (Annual Improvements 2015-2017 Cycle)*
 - Amendments to MFRS 112, *Income Taxes (Annual Improvements 2015-2017 Cycle)*
 - Amendments to MFRS 123, *Borrowing Costs (Annual Improvements 2015-2017 Cycle)*
 - Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*
- **Effective for annual periods beginning on or after 1 January 2021**
 - MFRS 17, *Insurance Contracts*
- **Effective from a date yet to be determined**
 - 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 Group is currently assessing the financial impact that may arise from the migration to MFRS, including the adoption of MFRS 1, MFRS 9, MFRS 15 and MFRS 16.

3. Seasonality or cyclicity of operations

The business operations of the Group are not materially affected by any seasonal or cyclicity fluctuations during the year under review.

4. Estimates

The preparation of the condensed consolidated interim financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates and judgements are based on the management's best knowledge of current events and actions, actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the areas of estimation uncertainty were the same as those disclosed in the annual financial statements as at and for the year ended 31 December 2016.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current period under review.

There was no share buy-back during the period under review. The number of ordinary shares repurchased in earlier periods retained as treasury shares as at 31 December 2017 is 13,056,000 shares.

6. Property, plant and equipment - *acquisitions and disposals*

During the current year, the Group acquired property, plant and equipment costing about RM 26.2 million (31.12.2016: RM12.5 million) which were satisfied in cash.

Property, plant and equipment with a carrying amount of about RM0.2 million (31.12.2016: RM0.5 million) were either disposed of and/or written off during the year under review.

7. Changes in the composition of the Group

a. Decrease in equity interest in an existing associate, Dayang Enterprise Holdings Bhd. ("DEHB")

The Group's equity interest in DEHB decreased from 29.06% to 26.42% following a private placement exercise effected by DEHB in April 2017. The dilution in equity interest was accounted for as deemed disposal with the resulting loss of RM8.3 million recognised as part of other non-operating expense in the profit or loss.

b. Direct equity stake of 9.9% in Perdana Petroleum Berhad ("PPB")

Pursuant to a dividend-in-specie ("DIS") distribution exercise by DEHB, the Group now holds about 9.9% of the equity (equivalent to 76.47 million shares) in PPB upon receiving the DIS distribution during November 2017. This investment was measured initially at its fair value and was subsequently accounted for as an equity-accounted associate to the Group. This deemed acquisition in PPB gave rise to a bargain purchase gain (i.e. negative goodwill) of about RM23.1 million, which was immediately recognised in profit or loss as income.

On the other hand, the Group recognised in profit or loss a fair value loss of RM23.1 million, with the corresponding entry being adjusted against the carrying amount of the Group's investment in DEHB as a result of the DIS distribution by DEHB as mentioned above.

As the bargain purchase gain and fair value loss arose from the same transaction (i.e. DIS by DEHB), they have not been separately disclosed in the consolidated statement of profit or loss and other comprehensive income.

There was no other change in the composition of the Group during the year under review.


NAIM HOLDINGS BERHAD (585467-M)
QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
8. Loans and borrowings

		31 December 2017 RM'000	31 December 2016 RM'000
<i>Non-current</i>			
Secured	- Term loans	166,156	123,545
	- Finance lease	48	74
		166,204	123,619
<i>Current</i>			
Unsecured	- Revolving credits	353,000	339,000
Secured	- Term loans	26,175	16,175
	- Finance lease	25	41
		379,200	355,216
Total		545,404	478,835
		=====	=====

9. Earnings per ordinary share ("EPS")
Basic EPS

The calculation of the basic EPS was based on the (loss)/profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	12 months ended 31 December	
	2017	2016
(Loss)/Profit attributable to owners of the Company (RM'000)	(168,742)	717
	-----	-----
Weighted average number of ordinary shares, net of treasury shares bought back in previous years ('000)	236,944	236,944
	-----	-----
Basic EPS (sen)	(71.22)	0.30
	-----	-----

Diluted EPS

No diluted EPS was presented as there are no dilutive potential ordinary shares.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. Dividend

No dividend was declared/or paid during the year under review.

11. Operating segments

The Group has three reportable segments, which are the Group's strategic business units. For each of the strategic business units, the Group Managing Director (GMD) (being the Chief Operating Decision Maker), reviews internal management reports for resource allocation and decision making at least on a quarterly basis.

The following summary describes the operations in each of the Group's existing reporting segments.

Property development - Development and construction of residential and commercial properties (including sale of vacant land).

Construction - Construction of buildings, roads, bridges and other infrastructure and engineering works (including oil and gas related construction projects).

Others - Manufacture and sale of buildings and construction materials, provision of sand extraction and land filling services, property investment as well as quarry operation.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the GMD. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

There are varying levels of integration between the reportable segments. Inter-segment pricing is determined on negotiated terms. Unallocated items mainly comprise corporate and headquarters expenses and other investment income, which are managed on a group basis and are not allocated to any operating segment.

Segment assets and liabilities

The GMD reviews the statements of financial position of subsidiaries for resource allocation and decision making instead of a summary of consolidated assets and liabilities by segments. As such, information on segment assets and segment liabilities is not presented.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. Operating segments (continued)

	Property development		Construction		Others		Inter-segment elimination		Consolidated	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
For the 12 months ended 31 December										
Revenue from external customers	113,281	149,182	218,836	242,164	34,076	36,684	-	-	366,193	428,030
Inter segment revenue	-	-	-	-	7,758	5,937	(7,758)	(5,937)	-	-
Total segment revenue	<u>113,281</u>	<u>149,182</u>	<u>218,836</u>	<u>242,164</u>	<u>41,834</u>	<u>42,621</u>	<u>(7,758)</u>	<u>(5,937)</u>	<u>366,193</u>	<u>428,030</u>
Segment profit/(loss)	6,387	15,822	(94,283)	(18,836)	(748)	(566)	(824)	(964)	(89,468)	(4,544)
Share of results (net of tax) of:										
- associates, other than Dayang Enterprise Holdings Bhd. ("DEHB group")	(2,252)	(286)	760	135	-	-	-	-	(1,492)	(151)
- joint ventures	-	-	2,363	738	-	-	-	-	2,363	738
	<u>4,135</u>	<u>15,536</u>	<u>(91,160)</u>	<u>(17,963)</u>	<u>(748)</u>	<u>(566)</u>	<u>(824)</u>	<u>(964)</u>	<u>(88,597)</u>	<u>(3,957)</u>
Unallocated expense									(9,503)	(8,614)
Loss on deemed disposal of interests in an associate, DEHB									(8,321)	-
Share of results (net of tax) of associates, DEHB group ¹ (in oil and gas segment)									(40,561)	16,097
Tax expense									(20,859)	(1,819)
Loss/(Profit) for the year									(167,841)	1,707
Other comprehensive (loss)/ income, net of tax									(17,495)	6,587
Total comprehensive (loss)/income for the year									(185,336)	8,294
Non-controlling interests									(901)	(990)
Total comprehensive (loss)/income attributable to the owners of the Company									<u>(186,237)</u>	<u>7,304</u>

¹ Share of results of DEHB Group comprised the share of results from two associates, DEHB and PPB



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. Subsequent events

There are no material events subsequent to the end of the period reported on, that has not been reflected in the condensed consolidated interim financial statements for the said period, made up to the date of this quarterly report.

13. Contingencies

There were no contingent liabilities in respect of the Group that had arisen since 31 December 2016 till the date of this quarterly report, except for those disclosed in Notes 23.1 and 23.2.

14. Capital expenditure commitments

	31 December 2017 RM'000	31 December 2016 RM'000
<i>Property, plant and equipment</i>		
- Authorised but not contracted for	2,231	4,117
- Contracted but not provided for	29,852	34,937
	<u>32,083</u>	<u>39,054</u>
	=====	=====

15. Financial risk management

The Group's financial risk management objectives, policies and processes and risk profiles are consistent with those disclosed in the annual financial statements as at and for the year ended 31 December 2016.


NAIM HOLDINGS BERHAD (585467-M)
QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
16. Related parties
i) Transactions with key management personnel

Compensations payable/paid to key management personnel during the year under review are as follows:

	12 months ended 31 December	
	2017	2016
	RM'000	RM'000
Directors of the Company	4,910	7,417
Other key management personnel	8,195	9,443
	13,105	16,860
	13,105	16,860

ii) Other related party transactions

	Transaction value 12 months ended 31 December		Balance outstanding as at 31 December	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with associates</u>				
Construction contract cost	130,127	18,835	(15,292)	(9,714)
Construction contract sum billed	(15,511)	(6,739)	2,224	1,169
Fee charged on management services rendered	(693)	-	-	-
Rental expense on machinery	593	1,972	-	(560)
Sale of construction raw materials	(1,271)	(3,543)	223	2,316
Sale of property, plant and equipment	(1,200)	-	-	-
	(1,200)	-	-	-
	(1,200)	-	-	-

iii) Transaction with a company in which certain substantial shareholders have or are deemed to have interests

	Transaction value 12 months ended 31 December		Balance outstanding as at 31 December	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Rental expense on properties	648	648	(777)	(229)
	648	648	(777)	(229)
	648	648	(777)	(229)



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance

Current 12-month vs corresponding preceding 12-month review (2017 vs 2016)

	Cumulative quarters	
	12 months ended 31 December	
	2017	2016
	RM'000	RM'000
Revenue	366,193	428,030
Operating (loss)/profit	(80,357)	3,536
(Loss)/Profit before tax	(146,982)	3,526

The Group recorded lower revenue of RM366.2 million for the year under review, as compared to RM428.0 million reported in 2016. The drop was mainly contributed by both Property and Construction divisions, which recorded a 15% decline in their revenue when compared against that achieved in 2016 [see Note 17.1 (b) for details].

For the current year, the Group registered a loss before tax of RM147.0 million, against a profit of RM3.5 million reported in 2016, mainly due to the following:

- additional loss of RM121.4 million from certain completed projects, mainly due to the eventual revenue recognised being much lower than initially projected because of final re-measurement adjustment as well as the prolongation and acceleration costs incurred for the completion of the said projects. Further, additional overheads expected to be incurred until the end of contract maintenance period was also factored in to derive the loss provision. One of the main contributing factors to the significant loss in these projects was due to substantial shortening/compressing of construction periods, by as much as one third, by the clients. Management is aggressively pursuing the recovery of certain claimable prolongation/acceleration costs from the clients. The loss provision made in this quarterly report was prudent and conservative, based on the lower range of claims that could be successfully made as estimated by the external claims consultant engaged by the Group. Any successful claims at a later date over and above the claims recognised thus far would improve the current loss situation for the projects.

An adjustment to the construction revenue recognised for the financial year ended 31 December 2017 is warranted should the claims eventually awarded be substantially higher than those recognised and be finalised before the signing of the financial statements.

- significant deterioration in the share of results of DEHB group, from a profit of RM16.1 million in 2016 to a loss of RM40.6 million in 2017 (see Note 17.2 for details).



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

Current 12-month vs corresponding preceding 12-month review (2017 vs 2016) – continued

- An accounting loss of RM8.3 million arising from the dilution in equity interest in an associate, Dayang Enterprise Holdings Bhd. (“DEHB”) (also see Note 7 for details).
- Write-off of approximately RM1.7 million costs incurred in respect of certain projects that are unlikely to be secured in near term. These costs incurred so far comprised mainly preliminary consultancy and advisory costs, site survey and investigation costs, planning fees, etc. that were essential to incur at the pre-contract stages.
- Some maintenance costs provision of RM11.7 million being made to cater for some anticipated contract maintenance works at site for certain completed projects. Management is currently negotiating with the clients to recover some of these maintenance costs based on the ground of claims under the contract provision.

The loss was however alleviated by the write back of liquidated and ascertained damages (LAD) previously provided for construction projects of about RM31.2 million.

Current 3-month vs immediate preceding 3-month review (December 2017 vs September 2017)

	Current	Immediate preceding
	3 months ended	3 months ended
	31 December 2017	30 September 2017
	RM'000	RM'000
Revenue	92,237	65,412
Operating loss	(10,642)	(79,415)
Loss before tax	(32,568)	(83,493)

When compared to the immediate preceding quarter (July to September 2017), the increase in group revenue, by 0.4 times, was mainly due to increased work progress achieved from existing on-going projects.

At the same time, the Group also recorded lower loss before tax of RM32.6 million in the current quarter (July to September: RM83.5 million loss). The improvement was partly contributed by increased project work progress achieved as explained above.

Higher loss reported in the immediate preceding quarter (July to September 2017) of RM83.5 million was mainly attributable to the additional loss provision of RM107 million made for certain completed projects during that quarter.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

Detailed review of the performance and prospects of each operating segment (as shown in Note 11) are discussed in Section 17.1 below.

17.1 Review of performance of operating segments and current year prospects

a) Property

Current 12-month vs corresponding preceding 12-month review (2017 vs 2016)

	Cumulative quarters	
	12 months ended 13 December	
	2017	2016
	RM'000	RM'000
Revenue	113,281	149,182
Segment profit	6,387	15,822

For the current year under review, Property segment achieved lower revenue of RM113.3 million, against the RM149.2 million achieved in the corresponding period in 2016. At the same time, Property profit also recorded lower profit of RM6.4 million in the current year (31.12.2016: RM15.8 million). The drop in both Property revenue and profit was due to lower development progress achieved from the existing on-going development projects during the current year as well as some discounts/rebates given for certain completed development projects as part of the Group's initiatives to clear off property stocks. Increased financing costs had also led to the drop in the overall profit for this Segment.

Despite the above drop in property performance and current slowdown in property market, the Group still managed to achieve new sales of about RM105.7 million during the current year, against that of RM111.7 million new sales achieved in 2016.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

a) *Property (continued)*

Current 3-month vs immediate preceding 3-month review (December 2017 vs September 2017)

	Current	Immediate preceding
	3 months ended	3 months ended
	31 December 2017	30 September 2017
	RM'000	RM'000
Revenue	23,085	20,661
Segment profit/(loss)	3,777	(3,669)

When compared to the immediate preceding quarter (July to September 2017), the improvement in Property revenue and performance was mainly due to increased work progress of the existing projects as well as cost savings arising from the substantially completed projects upon closure of projects.

Prospects

We expect the property market to remain challenging due to factors such as rising costs of doing business, increased competition and property stocks, weak buying sentiment, strict bank lending policy etc. In the near term, we continue to focus on our existing three main flagship/integrated developments in Miri, Bintulu and Kuching and put in various initiatives to sell off the existing property stocks.

At the same time, we have also adopted a more cautious approach towards product launches and product types, to be more selective and sensitive to the buyers' demand and market conditions. This will enable us to tailor better product development to suit the market. Some plans are also in the pipeline to launch more medium range and affordable projects in the years to come. In short, product planning and pricing as well as tightening of costs control (including appropriate right sizing and cost cutting) are amongst the key measures being implemented in order to sustain the performance in our Property segment in the near term.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

b) Construction

Current 12-month vs corresponding preceding 12-month review (2017 vs 2016)

	Cumulative quarters	
	12 months ended 31 December	
	2017	2016
	RM'000	RM'000
Revenue	218,836	242,164
Segment loss	(94,283)	(18,836)

Despite the increased work progress achieved from the existing on-going projects, Construction revenue was lower by 9.6%, mainly due to the downwards adjustments in the contract sum for certain completed projects because of final re-measurement adjustments and a lower than expected prolongation and acceleration claims, as explained in preceding pages.

Nevertheless, the Segment registered a huge loss of RM94.3 million in the current year, against the loss of RM18.8 million reported in 2016. Significant variation in this segmental performance is explained as below:

- Additional loss provision of about RM121.4 million for certain completed projects was made based on conservative management estimation on likely contract sum to be agreed with the clients (including possible likely prolongation and acceleration claims) as well as additional overheads to incur until the end of contract maintenance period.
- Write-off of certain pre-contract costs incurred of approximately RM1.7 million in respect of projects that are unlikely to be secured.
- Some maintenance costs provision of RM11.7 million being allowed for certain completed projects.

The Segment's loss was however moderated by:

- The write back of liquidated and ascertained damages (LAD) previously provided for construction projects of about RM31.2 million.
- increased work progress achieved from the existing on-going projects, which contributed some profit of RM22.0 million to this segment .



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

b) Construction (continued)

*Current 3-month vs immediate preceding 3-month review
(December 2017 vs September 2017)*

	Current	Immediate preceding
	3 months ended	3 months ended
	31 December 2017	30 September 2017
	RM'000	RM'000
Revenue	59,256	36,663
Segment loss	(17,165)	(78,888)

When compared to the immediate preceding quarter (July to September 2017), the improvement in Construction revenue and performance was mainly due to increased work progress from the existing projects during the quarter.

Prospects

We continue to implement measures to improve efficiency and cost control. At the same time, we also enhance project monitoring to ensure projects are on schedule, improve risk management system and embark on tightening of internal controls for this segment. Appropriate right sizing and cost cutting are being carried out as part of the process to better manage the costs. Besides, we also focus to enhance the existing process and system as part of the initiatives to rehabilitate this segment.

With continuous efforts and resources invested to further improve our project deliverables, we remain cautiously optimistic to complete the current outstanding order book at decent margin and within scheduled timeline. At the same time, we are selective in project tendering and focus particularly on those projects where Naim has proved records and experiences, supported with current project management resources.


NAIM HOLDINGS BERHAD (585467-M)
QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)
17.1 Review of performance of operating segments and current year prospects (continued)
c) Other Segment
Current 12-month vs corresponding preceding 12-month review (2017 vs 2016)

	Cumulative quarters	
	12 months ended 31 December	
	2017	2016
	RM'000	RM'000
Revenue	34,076	36,684
Segment loss	(748)	(566)

Decline in revenue for Other segment was mainly due to lower premix sales, about 95% lower than that reported in 2016 as a result of the completion of existing sales orders. However, trading sales and quarry sales had showed an improvement of about 27%, against that achieved in 2016 of RM21 million.

Rising overhead costs caused by lower operational activities in our premix operations that are running below capacity also led to the lower performance in this division.

Current 3-month vs immediate preceding 3-month review (December 2017 vs September 2017)

	Current	Immediate preceding
	3 months ended	3 months ended
	31 December 2017	30 September 2017
	RM'000	RM'000
Revenue	9,896	8,089
Segment loss	(1,681)	(21)

When compared to the immediate preceding quarter, Other segment showed an improvement in its revenue during the current 3 months, mainly attributable to higher trading and quarry sales achieved as explained above. However, the segment registered a loss of RM1.7 million, partly arising from the reclassification of some income to Property Segment to better reflect the substance of transactions.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

c) *Other Segment (continued)*

Prospects

The property investment and trading operations will continue to contribute positively to the Group results. In addition to retail property, we will be embarking on other types of commercial properties, for example hotel in Bintulu Paragon, for recurring income.

We will continue to improve the quarry operations and achieve economies of scale to manage the fixed overheads costs.

At the same time, we are also looking into possible options to sell off the non-performing premix operation to minimize further loss and realise some cash.

17.2 Review of performance of major associate

Our associate, Dayang Enterprise Holdings Bhd. ("DEHB"), registered a loss after tax attributable to owners of about RM143.9 million, against a profit of RM54.5 million achieved in 2016. The loss was mainly due to impairment loss on property, plant and equipment, foreign exchange losses and lower charter rates achieved.

18. Profit guarantee

The Group did not issue any profit guarantee.

19. Tax expense

Despite the loss before tax of RM147.0 million reported for the current year, the Group incurred tax expense of RM20.9 million, mainly due to higher non-deductible expenses as well as the effect of unrecognised deferred tax assets arising from certain loss making operations.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

20. (Loss)/Profit before tax

	12 months ended 31 December	
	2017 RM'000	2016 RM'000
(Loss)/Profit before tax is arrived at after (crediting)/charging:		
Loss/(Gain) on disposal of:		
- associate	8,321	372
- property, plant and equipment	(161)	49
- assets held for sale	(322)	20
Interest income from fixed deposits and cash funds	(351)	(467)
Other interest income	(8,546)	(8,911)
Amortisation of:		
- intangible assets	680	680
- investment properties	2,171	1,416
- prepaid lease payments	28	29
Depreciation of property, plant and equipment	7,057	7,963
Write back of LAD provision	(31,207)	(10,322)
Foreign exchange loss/(gain):		
- unrealised	2,898	(1,728)
- realised	(21)	89
Interest expense on loans and borrowings	26,035	23,330
Property, plant and equipment written off	111	163
Assets held for sale written off	-	75
Reversal of allowance for impairment loss on receivables	(12,000)	(2,294)

Save as disclosed, there were neither impairment of assets, provision for and write-off of inventories, gain or loss arising from disposal of financial derivatives or other exceptional items for the quarter under review.

21. Derivative financial instruments

The Group does not have any outstanding financial derivatives as at 31 December 2017.

22. Status of corporate proposals

There are no corporate proposals announced at the date of this quarterly report.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

23. Update of material litigations status

23.1 Land issue

On 21 March 2017, Naim Land Sdn. Bhd. ("NLSB") received a Writ of Summons from 2 persons suing on behalf of themselves and their siblings and families, claiming against NLSB, the Superintendent of Land & Survey, Miri Division and the State Government of Sarawak to have native customary rights ("NCR") over an area of approximately 47.15 acres within parcels of land described as Lots 8837 and Lot 6182 both of Block 11 Kuala Baram Land District and Lot 820 Block 13 Kuala Baram Land District, which is within NLSB's existing township areas. The land was alienated by the State Government of Sarawak to NLSB in 1997 and land premium has been settled. NLSB has filed its Defence to the claim on 26 May 2017 and has on 21 July 2017 filed a Notice of Application for certain questions or issues of law to be determined before or without a full trial of the action and consequentially, if appropriate, to strike out the plaintiff's Statement of Claim. Parties have exchanged affidavits in respect of the said application and ruling on the same was delivered on 17 January 2018; wherein the Judge ruled that there is no merit in NLSB's application and dismissed the application with costs of RM1,000, and set down the matter for trial from 21 to 25 May 2018. NLSB has filed a Notice of Appeal to the Court of Appeal on 1 February 2018 against the Judge's ruling.

23.2 Other litigations

- (i) On 25 April 2017, another subsidiary, Naim Engineering Sdn. Bhd. ("NESB") received a payment claim totalling RM4,610,378.17 from a subcontractor, made against NESB under the Construction Industry Payment and Adjudication Act 2012 ("CIPAA"). On 28 July 2017, NESB received the Adjudication Claim and has responded with an Adjudication Response dated 24 August 2017. The claimant then served NESB with an Adjudication Reply dated 5 September 2017.

Subsequent to submissions made by both parties, the adjudicator had on 28 November 2017 delivered his decision ("adjudication decision") on the contractor's claim. Out of the total claims sum of RM4,610,378.17, the adjudicator only allowed a final claim of RM216,574 ("the adjudicated sum") for the material & equipment cost claimed by the contractor. All other claims, pertaining to variation costs, prolongation and loss & expense, release of monies retained as performance bond and release of 50% of retention sum were not allowed. The adjudicated sum, together with late payment interest thereon, was duly settled by NESB within the due date as set by the adjudicator. The adjudication decision does not have a material impact on the Naim Group for the financial year ended 31 December 2017.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

23. Update of material litigations status (continued)

23.2 Other litigations (continued)

- (ii) On 25 April 2017, NESB received another three separate payments claims amounting to RM29,595,135.55 from a subcontractor, made against NESB under the CIPAA. NESB is instituting a counterclaim against the said subcontractor. NESB submitted a Payment Response on 11 May 2017 and is currently still awaiting the subcontractor's response. The Directors are of the opinion that the above-mentioned payment claims by the subcontractor are baseless and frivolous and had instructed our solicitors to vigorously contest the case to defend our interest.

23.3 Arbitration proceedings against contract client

On 17 November 2017, NESB commenced arbitration proceedings against the Ministry Of Education ("MOE") as the 1st respondent and Sebiro Holdings Sdn. Bhd. (In Liquidation) ("Sebiro") as the 2nd respondent. The proceedings were to seek resolution on contractual disputes covering claims in relation to the payments for the work done including variation and the release of retention sum in connection with the contracts entered into between NESB, Sebiro and MOE for the Cadangan Program Pembinaan, Penaiktarafan dan Pembaikpulihan Sekolah-Sekolah dan Asrama di Negeri Sarawak ("School Project"). The various schools under the School Project were completed on various dates and Certificates of Practical Completion as well as Certificates Making Good Defect were issued. The total sum involved in the arbitration, including the retention sum, is estimated to be around RM14,344,350.54. There is no operational impact arising from the arbitration, as the projects have been completed.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

24. Breakdown of realised and unrealised profits or losses

	31 December 2017 RM'000	31 December 2016 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	751,451	813,170
- unrealised	11,987	30,257
	763,438	843,427
Share of retained earnings from:		
- associates	85,378	188,972
- joint ventures	5,615	3,106
	854,431	1,035,505
Less: Consolidation adjustments	(38,485)	(50,817)
Total group retained earnings as per consolidated statement of changes in equity	815,946	984,688
	=====	=====

The determination of realised and unrealised profits or losses is based on Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

25. Auditors' report on preceding annual financial statements

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

26. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 February 2018.