

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the quarter ended 30 September 2016

The figures are unaudited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR PERIOD ENDED 30 SEPTEMBER 2016**

	3 Months Ended 30 September		9 Months Ended 30 September	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Revenue	134,777	147,717	393,412	427,975
Operating profit	24,111	24,118	78,814	79,919
Interest expense	(2,661)	(1,557)	(5,433)	(4,049)
Interest income	373	710	1,521	2,996
Share of profit/(loss) of associate	(133)	(35)	(227)	88
Profit before tax	21,690	23,236	74,675	78,954
Taxation	(5,361)	(6,094)	(17,913)	(21,303)
Profit for the period	16,329	17,142	56,762	57,651
Profit attributable to:				
Ordinary equity holders of the Company	11,159	15,530	44,761	52,780
Holder of private debt securities of the Company	5,170	1,612	12,001	4,871
	16,329	17,142	56,762	57,651
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):				
Basic EPS	2.64	3.68	10.59	12.50
Diluted EPS	2.58	N/A	10.33	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015.

PARAMOUNT CORPORATION BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR PERIOD ENDED 30 SEPTEMBER 2016**

	3 Months Ended 30 September		9 Months Ended 30 September	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period	16,329	17,142	56,762	57,651
Other comprehensive income	566	685	97	809
Total comprehensive income for the period	16,895	17,827	56,859	58,460
Total comprehensive income attributable to:				
Ordinary equity holders of the Company	11,725	16,215	44,858	53,589
Holder of private debt securities of the Company	5,170	1,612	12,001	4,871
	16,895	17,827	56,859	58,460

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015.

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the quarter ended 30 September 2016

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

	As at 30/9/2016	As at 31/12/2015
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	435,690	435,089
Land held for property development	858,598	837,395
Investment properties	173,989	154,040
Intangible asset	15,674	15,674
Investment in associates	10,065	10,153
Other investments	340	340
Deferred tax assets	24,353	27,228
	<u>1,518,709</u>	<u>1,479,919</u>
Current assets		
Property development costs	83,608	125,709
Inventories	31,372	953
Trade receivables	85,433	91,976
Other receivables	20,763	14,542
Other current assets	94,538	52,083
Tax recoverable	11,847	4,579
Other investments	285	279
Cash and bank balances	70,524	149,644
	<u>398,370</u>	<u>439,765</u>
Assets held for sale	6,666	10,539
	<u>405,036</u>	<u>450,304</u>
Total assets	<u>1,923,745</u>	<u>1,930,223</u>
Current liabilities		
Borrowings	139,844	102,187
Trade payables	58,763	78,464
Other payables	88,202	104,814
Tax payable	3,230	7,593
Other current liabilities	82,407	84,426
	<u>372,446</u>	<u>377,484</u>
Net current assets	<u>32,590</u>	<u>72,820</u>
Non-current liabilities		
Borrowings	437,207	447,430
Deferred tax liabilities	13,503	14,686
	<u>450,710</u>	<u>462,116</u>
Total liabilities	<u>823,156</u>	<u>839,600</u>
Equity		
Share capital	211,467	211,132
Reserves	689,335	679,704
Private debt securities	199,787	199,787
Total equity	<u>1,100,589</u>	<u>1,090,623</u>
Total equity and liabilities	<u>1,923,745</u>	<u>1,930,223</u>
Net assets (NA) per share (RM)	<u>2.13</u>	<u>2.11</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015.

PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the quarter ended 30 September 2016

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 SEPTEMBER 2016**

	<-----Non Distributable----->				Distributable	Private	Total
	Share Capital RM'000	Share Premium RM'000	Employee Share Reserve# RM'000	Translation Reserve RM'000	Retained Earnings RM'000	debt securities RM'000	Equity RM'000
As at 1 January 2016	211,132	91,149	1,907	(268)	586,916	199,787	1,090,623
Total comprehensive income	-	-	-	97	44,761	12,001	56,859
Transactions with owners							
Issuance of LTIP shares to employees	335	622	(957)	-	-	-	-
Private debt securities distribution	-	-	-	-	-	(12,001)	(12,001)
Dividends	-	-	-	-	(34,892)	-	(34,892)
Total transactions with owners	335	622	(957)	-	(34,892)	(12,001)	(46,893)
As at 30 September 2016	211,467	91,771	950	(171)	596,785	199,787	1,100,589
As at 1 January 2015	211,132	91,149	-	(1,129)	550,905	99,787	951,844
Total comprehensive income	-	-	-	809	52,780	4,871	58,460
Transactions with owners							
Issuance of private debt securities	-	-	-	-	-	100,000	100,000
Private debt securities distribution	-	-	-	-	-	(4,871)	(4,871)
Dividends	-	-	-	-	(31,670)	-	(31,670)
Total transactions with owners	-	-	-	-	(31,670)	95,129	63,459
As at 30 September 2015	211,132	91,149	-	(320)	572,015	199,787	1,073,763

- This represents reserve relating to fair valuation of restricted shares and performance shares under the long term incentive plan ("LTIP")

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015.

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the quarter ended 30 September 2016

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 30 SEPTEMBER 2016**

	9 Months Ended	
	30/9/2016 RM'000	30/9/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	74,675	78,954
Adjustment for:		
Non-cash items	15,533	15,990
Non-operating items	(5,042)	246
Operating profit before working capital changes	85,166	95,190
(Increase)/decrease in receivables	(42,131)	12,624
Decrease in development properties	44,546	13,490
Increase in inventories	(30,419)	(1,227)
Decrease in payables	(38,331)	(42,918)
Cash generated from operations	18,831	77,159
Taxes paid	(27,854)	(21,049)
Interest paid	(20,300)	(14,299)
Net cash (used in)/generated from operating activities	(29,323)	41,811
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in land held for development	(9,873)	(253,036)
Subscription of shares in a joint venture company	(44)	-
Grants received	-	14,102
Purchase of property, plant and equipment	(15,529)	(20,613)
Purchase of investment properties	(19,461)	(33,606)
Proceeds from disposal of property, plant and equipment	498	1,173
Proceeds from disposal of assets held for sale	12,557	-
Movement in other investment	(6)	(1,185)
Interest received	1,521	2,995
Net cash used in investing activities	(30,337)	(290,170)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(34,892)	(31,670)
Proceeds from borrowings	37,100	220,310
Repayment of Islamic Medium Term Notes	-	(21,600)
PDS distribution	(12,001)	(4,871)
Placements in banks restricted for use	28	-
Repayment of borrowings	(33,595)	(70,378)
Net cash (used in)/generated from financing activities	(43,360)	191,791
NET DECREASE IN CASH AND CASH EQUIVALENTS	(103,020)	(56,568)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	144,153	192,270
CASH AND CASH EQUIVALENTS AT END OF PERIOD	41,133	135,702
	30/9/2016	30/9/2015
	RM'000	RM'000
Cash and cash equivalents comprise:		
Cash and bank balances	62,495	94,369
Fixed deposits	8,029	44,705
Cash and bank balances	70,524	139,074
Deposits restricted for use	(3,091)	-
Overdraft	(26,300)	(3,372)
	41,133	135,702
Cash and bank balances held in HDA accounts	34,674	50,980

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015.

PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the quarter ended 30 September 2016

The figures are unaudited

PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015. 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 financial position and performance of the Group since the year ended 31 December 2015.

A2. Changes in accounting policies

The new and revised FRSs, Amendments to FRS and IC Interpretations which are mandatory for companies with financial periods beginning on or after 1 January 2016 did not have any significant effects on the financial statements of the Group.

Standards issued but not yet effective

The directors expect that the adoption of the new FRS, Amendments to FRS and IC Interpretations which are issued but not yet effective for the financial year ending 31 December 2016 will not have any material impact on the financial statements of the Group and the Company in the period of initial application, other than as disclosed below:

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2013, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called **Transitioning Entities**).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for four years. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the definition of Transitioning Entities and have opted to defer the adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

A3. Audit report qualification

The audit report for the financial year ended 31 December 2015 was not subject to any qualification.

A4. Seasonal or cyclical factors

The operations of the Group were not materially affected by any factor of a seasonal or cyclical nature.

A5. Exceptional or unusual items

Save for items disclosed in Note A9, there were no items of an exceptional or unusual nature that have affected the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year to date.

A6. Changes in estimates of amounts reported previously

There were no significant changes in estimates in prior periods that have materially affected the current quarter and financial year to date results.

A7. Debt and equity securities

Save for item disclosed below, there were no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year to date.

Employee share scheme

- (i) On 14 March 2016, the Company made its second award of up to 6,063,200 Long Term Incentive Plan ("LTIP") shares, comprising the following:
 - (a) 2,362,600 Paramount Shares under the Restricted Share Incentive Plan (2016 RS Award) of the LTIP; and
 - (b) Up to 3,700,600 Paramount Shares under the Performance-based Share Incentive Plan (2016 PS Award)
- (ii) On 17 March 2016, the Company issued 669,100 ordinary shares of RM0.50 each to its eligible employees, pursuant to the first vesting of the 2015 RS Award that was granted on 13 March 2015.

A8. Dividends paid

	9 months ended	
	30/9/2016 RM'000	30/9/2015 RM'000
Final dividends		
2015 - 5.75 sen single tier (2014 - 5.00 sen single tier)	24,319	21,113
Interim dividends		
2016 - 2.50 sen single tier (2015 - 2.50 sen single tier)	10,573	10,557
	<hr/>	<hr/>
	34,892	31,670
	<hr/>	<hr/>

A9. Profit before tax

The following items have been included in arriving at profit before tax:

	3 months ended 30 September		9 months ended 30 September	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Depreciation of:				
- Property, plant and equipment	4,784	5,460	14,843	15,936
- Investment properties	487	7	605	21
Additions of allowance for impairment of trade and other receivables	(8)	78	87	203
Bad debts written off	34	1	50	10
Gain on disposal of:				
- Property, plant and equipment	(357)	(4)	(499)	(722)
- Assets held for sale	80	0	(8,683)	0
Reversal of allowance for impairment of trade and other receivables	(15)	158	(286)	(132)
Net derivative (gain)/loss on interest rate swap	177	(933)	1,003	(204)
Net foreign exchange (gain)/loss	(62)	(363)	(456)	(429)

Save for the items disclosed in the Income Statement and the note above, other items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

A10. Segment reporting for the current financial year to date

<u>Analysis by Business Segment</u>	Revenue		Profit before tax	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Property	278,835	317,530	55,681	64,905
Education	113,309	109,829	27,862	17,774
Investment & others	89,401	85,478	101,118	71,041
	<u>481,545</u>	<u>512,837</u>	<u>184,661</u>	<u>153,720</u>
Inter-segment elimination	(88,133)	(84,862)	(109,986)	(74,766)
	<u>393,412</u>	<u>427,975</u>	<u>74,675</u>	<u>78,954</u>

A11. Carrying amount of revalued assets

The valuations of property, plant and equipment and investment properties have been brought forward without amendments from the financial statements for the financial year ended 31 December 2015.

A12. Subsequent events

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial report except as disclosed in Note A13.

A13. Changes in composition of the Group

- (a) On 12 July 2016 and 8 September 2016, Paramount Projects Sdn Bhd and Paramount Global Assets Sdn Bhd, both are wholly owned subsidiaries have been placed under MembersqVoluntary Winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.
- (b) On 25 August 2016, the Company entered into a Joint Venture Agreement (the JVA) with Lasseters Properties Sdn Bhd (LPSB) and Lasseters Management (M) Sdn Bhd (LMSB) to jointly participate in the equity of Super Ace Resources Sdn Bhd (SAR), a joint venture vehicle to be used for the purpose of jointly developing and/or acquiring a building to be erected on a stratified title, to advise on the design and fit-out of the building suitable for use as a hotel and to identify and procure a hotel operator to manage and operate the hotel (the Proposed Hotel Project). On 20 September 2016, SAR increased its issued and paid-up capital to RM100,000.00 based on the proportion of LPSB (54%), LMSB (1%) and the Company (45%). As a result of this, SAR has ceased to be a subsidiary of the Company.

A14. Changes in contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities of the Group since the last annual reporting date.

A15. Capital commitment

The amount of commitments not provided for in the interim financial statements as at 30 September 2016 were as follows:

	RM'000
Approved and contracted for:-	
Investment properties	7,503
Property, plant & equipment	11,638
	<u>19,141</u>
Approved but not contracted for:-	
Investment properties	11,845
Property, plant & equipment	258,027
	<u>269,872</u>
	<u>289,013</u>

A16. Capital expenditure

The major additions and disposals to the property, plant and equipment during the current quarter and financial year to date were as follows:

	Current Quarter RM'000	Financial Year-to-date RM'000
Property, plant and equipment Additions	<u>8,614</u>	<u>15,529</u>

A17. Related party transactions**Financial
Year-to-date
RM'000**

Purchase of computers and peripherals from ECS ICT Bhd and its subsidiaries, a group of companies in which DatoqTeo Chiang Quan, a director of the Company, had substantial interests	33
Rental charges paid to Damansara Uptown One Sdn Bhd, a company in which a brother of DatoqTeo Chiang Quan has substantial interest	502
Advisory fees paid to Mr. Chuan Yeong Ming, an ex-director of a subsidiary	29
Sale of property to Mr. Jeffrey Chew Sun Teong, a director of the Company	992
Sale of property to Mr. Beh Chun Choong, a director of subsidiary	993
Sale of motor vehicle to Mr. Jeffrey Chew Sun Teong	133
Sale of motor vehicle to Mr. Beh Chun Choong	114
Sale of motor vehicle to Datin Teh Geok Lian, a director of subsidiary	126
	<hr/>
	2,922
	<hr/>

The directors are of the opinion that all the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The turnaround in business momentum that was experienced in 2Q2016 continued into 3Q2016, with improvement in the key indicators of property sales and student population. The number of units of property sold and sales value improved over the previous quarter. Within the property sales portfolio, Sejati Residences, a high-end landed residential development in Cyberjaya, saw an improvement in sales as did Bandar Laguna Merbok and Bukit Banyan, both landed residential mid-priced developments in the Northern region. The improved sales were, however, not reflected in the 3Q2016 results as sales were mainly from new launches, and, due to the early stages of construction, progressive billings were therefore minimal. On the education front, business remained competitive but total student population as at the end of 3Q2016 grew, albeit, marginally, attributable to the higher student population of KDU University College in Glenmarie, Shah Alam.

3Q2016 vs 3Q2015

Compared against 3Q2015, the Group's revenue for 3Q2016 declined by 9% to RM134.8 million (3Q2015: RM147.7 million) due to the lower contribution from the Property Division, which was offset by the marginally higher contribution from the Education Division. As a result of the lower revenue, the Group turned in a lower profit before tax (PBT) of RM21.7 million, a decline of 6% from RM23.2 million recorded in 3Q2015.

The Property Division recorded a lower revenue of RM96.7 million, a decrease of 13% from the preceding year quarter (3Q2015: RM111.4 million). This was attributable to lower progressive billings from Sekitar26 Business and Utropolis Glenmarie, both located in Shah Alam. PBT for the Property Division, however, increased marginally by 2% to RM19 million (3Q2015: RM18.7 million) due to finalisation of accounts for projects under the Kemuning Utama development.

Revenue for the Education Division (comprising the primary & secondary schools and the tertiary education units) was marginally higher at RM37.3 million (3Q2015: RM36.3 million) attributable to the higher revenue recorded by KDU University College in Utropolis and the college in Petaling Jaya. PBT of RM4.6 million was, however, lower by 16% (3Q2015: RM5.5 million) due to the lower contribution from KDU Penang University College, which, in turn, was due to the full impact of higher operating costs from its conversion to university college status in October 2015.

9M2016 vs 9M2015

Group revenue for 9M2016 decreased by 8% to RM393.4 million (9M2015: RM428 million) with the lower contribution from the Property Division marginally offset by the higher contribution from the Education Division. Group PBT decreased marginally by 5% to RM74.7 million (9M2015: RM79 million) attributable to a lower contribution from the Property Division offset by the substantially higher contribution from the Education Division.

Revenue from the Property Division was RM278.8 million, a decrease of 12% from 9M2015 (9M2015: RM317.5 million) due to lower sales recorded and lower progressive billings on the Utropolis and Sekitar26 Business developments. As a result of the lower revenue, PBT for the division decreased by 14% to RM55.7 million (9M2015: RM64.9 million).

Revenue for the Education Division grew marginally by 3% to RM113.3 million (9M2015: RM109.8 million) due to a higher contributions across the business units within the division. As a result of the higher revenue and a gain of RM8.7 million recognised on the sale of student accommodation apartments, PBT jumped 57% to RM27.9 million (9M2015: RM17.8 million).

B2. Material changes in Profit Before Tax for the quarter reported on as compared with the immediate preceding quarter

Group PBT for 3Q2016 of RM21.7 million was lower compared with the preceding quarter's PBT of RM32.9 million, attributable to the gains recognised on the sale of the student accommodation apartments in the first and second quarters of 2016.

B3. Prospects

The Group remains cautiously optimistic about its performance for the rest of the year. There are positive signs with demand in good locations remaining steady while demand for mid-priced and affordable homes has increased. Commercial and industrial properties are also seeing an increase in demand as astute investors seek long term income-generating assets.

Prospects for the Property division are expected to hold steady on the back of good sales momentum for 2Q2016 continuing into 3Q2016. The recent launch of 196 units of retail lots in Utropolis Batu Kawan Penang with a GDV of RM162 million saw a take up rate of 95 units with a gross development value (GDV) of RM80 million. Other planned launches for the Group's commercial developments - Sekitar26 Enterprise commercial shophots (GDV: RM117 million) and Greenwoods Salak Perdana shophouses (GDV: RM30 million) are expected to meet with favourable demand.

These will be complemented by the launch of several residential developments to maintain the Group's business strategy of having an array of products at different price points and locations. These include Sejati Residences semi-detached units in Cyberjaya (GDV RM77 million), as well as more attractively priced bungalows, semi-detached, double storey link homes and shophots in Bukit Banyan, Sg Petani (GDV: RM122 million).

Unbilled sales as at 30 September 2016 stood at RM327 million, on the back of 9M2016 sales of 244 units with a sales value of RM211 million.

The Education Division will continue to face challenges, as business remained very competitive and increasingly price-sensitive, especially in the tertiary segment where providers are offering promotions and discounts. Sri KDU's excellent reputation, its strong value proposition, and its consistent enrolment, which is on track with budget, is expected to drive the performance of Paramount Education in 2016.

Barring any unforeseen circumstances, the Group is expected to deliver a comparable set of results for 2016.

B4. Profit forecast or profit guarantee

There were no profit forecast or profit guarantee for the current quarter and financial year to date.

B5. Taxation

The taxation charge included the following:

	Current Quarter RM'000	Financial Year-to-date RM'000
Income tax	5,613	25,366
Real property gain tax	0	403
Deferred tax	(252)	(7,856)
	<u>5,361</u>	<u>17,913</u>

The effective tax rate for the current quarter and financial year to date was lower than the statutory income tax rate in Malaysia due to certain income received was subject to lower tax rate.

B6. Corporate proposal

As at 16 November 2016, there were no corporate proposals announced but not completed.

B7. Borrowings and debts securities

The Group's borrowings and debts securities as at 30 September 2016 were as follows:

	RM'000
<u>Short-term borrowings</u>	
Bank overdraft - Secured	11,829
Bank overdraft - Unsecured	14,471
Revolving credit - Unsecured	10,000
Current portion of long term loans - Secured	103,544
	<hr/> 139,844 <hr/>
<u>Long-term borrowings (Secured)</u>	
Term loans	337,472
Islamic Medium Term Notes	99,735
	<hr/> 437,207 <hr/>

B8. Realised and unrealised profits

The breakdown of retained profits as at 30 September 2016 and 30 September 2015 on a group basis, into realised and unrealised profits, were as follows:

	30/9/2016 RM'000	30/9/2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	763,290	783,590
- Unrealised	10,152	(1,484)
	<hr/> 773,442 <hr/>	<hr/> 782,106 <hr/>
Total share of loss from associate		
- Realised	(710)	(438)
Less: Consolidation adjustments	(175,947)	(209,653)
Total Group retained profits	<hr/> 596,785 <hr/>	<hr/> 572,015 <hr/>

B9. Derivative financial instrument

The outstanding interest rate swap contracts as at 30 September 2016 were as follows:

	Contract amount	Net Fair value Assets/ (Liabilities)
	RM'000	RM'000
Interest rate swap*		
- More than 3 years	94,620	(977)
	<hr/> 94,620 <hr/>	<hr/> (977) <hr/>

* The contracts effectively swapped the Group's floating interest rate to fixed interest rate to hedge against interest rate fluctuation.

B10. Fair value gain/(loss)

	Current Quarter RM'000	Financial Year-to-date RM'000
Interest rate swap	(177)	(1,003)

Basis of fair value measurement: The differences between floating and fixed interest rates.

Reason for loss: The floating interest rate has moved unfavourably against the Group from the last measurement date.

B11. Changes in material litigation

As at 16 November 2016, there were no changes in material litigation, including the status of pending litigation since the last annual reporting date of 31 December 2015.

B12. Dividends payable

The Board does not recommend the payment of any dividend for the current financial quarter ended 30 September 2016.

B13. Earnings per share

(a) Basic EPS

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Current Quarter	Financial Year-to-date
Profit attributable to equity holders of the Company (RM'000)	11,159	44,761
Weighted average number of ordinary shares ('000)	422,933	422,822
	<hr/>	<hr/>
Basic EPS (sen)	2.64	10.59
	<hr/>	<hr/>

(b) Diluted EPS

Profit attributable to equity holders of the Company (RM'000)	11,159	44,761
Weighted average number of ordinary shares ('000)	422,933	422,822
Effect of dilution ('000)	10,378	10,378
	<hr/>	<hr/>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	433,311	433,200
	<hr/>	<hr/>
Diluted EPS (sen)	2.58	10.33
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