PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the period ended 31 March 2017

The figures are unaudited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR PERIOD ENDED 31 MARCH 2017

	3 Months Ended 31 March		3 Months Ended 31 March	
	2017 RM'000	2016 RM'000	**2017 RM'000**	2016 RM'000
Revenue	**142,940**	113,329	**142,940**	113,329
Operating profit	**19,644**	19,875	**19,644**	19,875
Interest expense	**(2,396)**	(1,318)	**(2,396)**	(1,318)
Interest income	**1,093**	1,602	**1,093**	1,602
Share of loss of associate	**(39)**	(44)	**(39)**	(44)
Profit before tax	**18,302**	20,115	**18,302**	20,115
Taxation	**(5,030)**	(5,223)	**(5,030)**	(5,223)
Profit for the period	**13,272**	14,892	**13,272**	14,892
Profit attributable to:				
Ordinary equity holders of the Company	**8,292**	9,690	**8,292**	9,690
Holder of private debt securities of the Company	**4,980**	5,202	**4,980**	5,202
	13,272	14,892	**13,272**	14,892
Earnings per share ("EPS") attributable to Ordinary equity holders of the Company (sen):				
Basic EPS	**1.96**	2.29	**1.96**	2.29
Diluted EPS	**1.89**	2.24	**1.89**	2.24

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2016.

PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the period ended 31 March 2017

The figures are unaudited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR PERIOD ENDED 31 MARCH 2017

	3 Months Ended 31 March		**12 Months Ended 31 March**	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Profit for the period	**13,272**	14,892	**13,272**	14,892
Other comprehensive income	**448**	(436)	**448**	(436)
Total comprehensive income for the period	**13,720**	14,456	**13,720**	14,456
Total comprehensive income attributable to:				
Ordinary equity holders of the Company	**8,740**	9,254	**8,740**	9,254
Holder of private debt securities of the Company	**4,980**	5,202	**4,980**	5,202
	13,720	14,456	**13,720**	14,456

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2016.

PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the period ended 31 March 2017

The figures are unaudited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	As at 31/3/2017	As at 31/12/2016
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	**440,659**	436,186
Land held for property development	**834,372**	870,967
Investment properties	**178,769**	177,750
Intangible asset	**15,674**	15,674
Investment in associates	**10,621**	10,220
Investment in joint ventures	**45**	45
Other investments	**340**	340
Deferred tax assets	**23,333**	22,611
	1,503,813	1,533,793
Current assets		
Property development costs	**120,199**	76,957
Inventories	**15,941**	28,789
Trade receivables	**51,882**	54,259
Other receivables	**27,611**	16,550
Other current assets	**157,009**	143,269
Tax recoverable	**11,570**	8,964
Other investments	**0**	288
Cash and bank balances	**137,511**	149,176
	521,723	478,252
Assets held for sale	**6,600**	6,666
	528,323	484,918
Total assets	**2,032,136**	2,018,711
Current liabilities		
Borrowings	**223,861**	207,864
Trade payables	**55,582**	80,670
Other payables	**82,392**	103,536
Tax payable	**2,519**	1,994
Other current liabilities	**81,509**	56,631
	445,863	450,695
Net current assets	**82,460**	34,223
Non-current liabilities		
Borrowings	**438,599**	428,690
Deferred tax liabilities	**4,511**	4,903
	443,110	433,593
Total liabilities	**888,973**	884,288
Equity		
Share capital	**212,148**	211,467
Reserves	**731,228**	723,169
Private debt securities	**199,787**	199,787
Total equity	**1,143,163**	1,134,423
Total equity and liabilities	**2,032,136**	2,018,711
Net assets (NA) per share (RM)	**2.22**	2.21

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2016.

PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the period ended 31 March 2017

The figures are unaudited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 31 MARCH 2017

	<---------------Non Distributable--------------->						
	Share Capital RM'000	Share Premium RM'000	Employee Share Reserve# RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000	Private debt securities RM'000	Total Equity RM'000
As at 1 January 2017	211,467	91,771	4,271	87	627,040	199,787	1,134,423
Total comprehensive income	-	-	-	448	8,292	4,980	13,720
Transactions with owners							
Vesting of LTIP shares	681	1,270	(1,951)	-	-	-	-
Private debt securities distribution	-	-	-	-	-	(4,980)	(4,980)
Total transactions with owners	**681**	**1,270**	**(1,951)**	**-**	**-**	**(4,980)**	**(4,980)**
As at 31 March 2017	**212,148**	**93,041**	**2,320**	**535**	**635,332**	**199,787**	**1,143,163**
As at 1 January 2016	211,132	91,149	1,907	(268)	586,916	199,787	1,090,623
Total comprehensive income	-	-	-	(436)	9,690	5,202	14,456
Transactions with owners							
Vesting of LTIP shares	335	622	(957)	-	-	-	-
Private debt securities distribution	-	-	-	-	-	(5,202)	(5,202)
Total transactions with owners	**335**	**622**	**(957)**	**-**	**-**	**(5,202)**	**(5,202)**
As at 31 March 2016	**211,467**	**91,771**	**950**	**(704)**	**596,606**	**199,787**	**1,099,877**

- 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 2016.

PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the period ended 31 March 2017

The figures are unaudited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 31 MARCH 2017

	3 Months Ended	
	31/3/2017	31/3/2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**18,302**	20,115
Adjustment for:		
Non-cash items	**5,098**	4,983
Non-operating items	**1,173**	(2,618)
Operating profit before working capital changes	**24,573**	22,480
Increase in receivables	**(22,425)**	(13,513)
(Increase)/decrease in development properties	**(5,372)**	4,462
Decrease in inventories	**12,848**	543
Decrease in payables	**(21,347)**	(16,947)
Cash used in operations	**(11,723)**	(2,975)
Taxes paid	**(8,224)**	(12,283)
Interest paid	**(6,707)**	(7,220)
Net cash used in operating activities	**(26,654)**	(22,478)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease/(increase) in land held for development	**2,917**	(11,117)
Purchase of property, plant and equipment	**(9,177)**	(3,541)
Purchase of investment properties	**(1,365)**	(8,062)
Proceeds from disposal of property, plant and equipment	**96**	8
Proceeds from disposal of assets held for sale	**211**	-
Movement in other investment	**288**	(2)
Interest received	**1,093**	1,602
Net cash used in investing activities	**(5,937)**	(21,112)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**18,856**	14,992
Issuance of Islamic Medium Term Notes - Net	**29,052**	-
PDS distribution	**(4,980)**	(5,202)
Placements in banks restricted for use	**(353)**	65
Repayment of borrowings	**(26,146)**	(15,517)
Net cash generated from/(used in) financing activities	**16,429**	(5,662)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(16,162)**	(49,252)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**114,445**	144,153
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**98,283**	94,901

	31/3/2017	31/3/2016
	RM'000	RM'000
Cash and cash equivalents comprise:		
Cash and bank balances	**120,131**	41,175
Fixed deposits	**17,380**	67,145
Cash and bank balances	**137,511**	108,320
Cash and bank balances restricted for use	**(6,104)**	(3,055)
Overdraft	**(33,124)**	(10,364)
	98,283	94,901
Cash and bank balances held in HDA accounts	**93,726**	18,395

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 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 2016.

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 2017 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 2017 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 ōTransitioning Entitiesö).

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 2016 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.

(a) Employee share scheme

(i) On 13 March 2017, the Company made its third award of up to 7,456,600 Long Term Incentive Plan ("LTIP") shares, comprising the following:

(i.i) 2,440,400 Paramount Shares under the Restricted Share Incentive Plan (2017 RS Award) of the LTIP; and

(i.ii) Up to 5,016,200 Paramount Shares under the Performance-based Share Incentive Plan (2017 PS Award)

(ii) On 20 March 2017, the Company issued 613,600 and 748,900 ordinary shares respectively to its eligible employees, pursuant to the second vesting of the 2015 RS Award and first vesting of the 2016 RS Award, which were granted on 13 March 2015 and 14 March 2016.

(b) RM200 Million Sukuk Ijarah Programme

On 29 March 2017, KDU University College (PG) Sdn Bhd, a wholly owned subsidiary of the Company issued RM30.0 Million in nominal value of Islamic Medium Term Notes under its RM200.0 million SUKUK Ijarah Programme

A8. Dividends paid

There was no dividend paid during the current quarter and financial year to date.

A9. Profit before tax

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

	3 months ended 31 March		3 months ended 31 March	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Depreciation of:				
- Property, plant and equipment	4,627	4,976	4,627	4,976
- Investment properties	467	7	467	7
Additions/(reversal) of allowance for impairment of trade and other receivables	25	0	25	0
Impairment of asset held for sale	0	0	0	0
Bad debts written off	0	16	0	16
(Gain)/loss on disposal of:				
- Property, plant and equipment	(23)	(8)	(23)	(8)
- Assets held for sale	(145)	(2,370)	(145)	(2,370)
Additions/(reversal) of allowance for impairment of trade and other receivables	(15)	(76)	(15)	(76)
Net derivative (gain)/loss on interest rate swap	15	779	15	779
Net foreign exchange (gain)/loss	(166)	(337)	(166)	(337)

Save for the items disclosed in the Income Statement and the note above, other items pursuant to Appendix 9B Note16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

A10. Segment reporting for the current financial year to date

Analysis by Business Segment	Revenue		Profit before tax	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property	104,860	74,531	13,895	12,084
Education	38,049	38,642	6,922	10,221
Investment & others	10,437	53,218	(1,367)	46,522
	153,346	166,391	19,450	68,827
Inter-segment elimination	(10,406)	(53,062)	(1,148)	(48,712)
	142,940	113,329	18,302	20,115

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 2016.

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 expect as disclosed in Note A13.

A13. Changes in composition of the Group

On 11 January 2017, the Company entered into a Share Purchase Agreement (SPA) with Character First Sdn Bhd (Character First) for the proposed acquisition of 7,136,580 ordinary shares of RM1.00 each in R.E.A.L Education Group Sdn Bhd (R.E.A.L Education), representing 66% of the issued and paid-up share capital of R.E.A.L Education from Character First for a total cash purchase consideration of RM183 million. The acquisition is deemed completed on 11 April 2017, after the payment of the 90% of the purchase consideration of RM164.7 million.

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 31 March 2017 were as follows:

	RM'000
Approved and contracted for:-	
Investment properties	571
Property, plant & equipment	91,895
	92,466
Approved but not contracted for:-	
Investment properties	16,832
Property, plant & equipment	128,734
	145,566
	238,032

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	9,177	9,177

A17. Related party transactions

	Financial Year-to-date RM'000
Rental charges paid to Damansara Uptown One Sdn Bhd, a company in which a brother of DatoôTeo Chiang Quan has substantial interest	215
Advisory fees paid to Mr. Chuan Yeong Ming, an ex-director of a subsidiary	14
Sale of motor vehicle to Ms. Tay Lee Kong	96
	325

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 Group commenced FY2017 on a steady note to deliver a significantly higher revenue and a comparable pre-tax profit from operations for 1Q2017 against the corresponding quarter last year. Paramount Property recorded strong sales of RM244 million during the quarter, in particular from its recently launched Utropolis Batu Kawan development as well as the Sejati Residences and Greenwoods Salak Perdana developments. Its other ongoing developments - Bukit Banyan and Bandar Laguna Merbok in Sungai Petani, as well as Utropolis Glenmarie and Sekitar 26 Business in Shah Alam – also recorded steady sales. Unbilled sales as at 31 March 2017 stood at RM506 million (31 December 2016: RM407 million). Paramount Property launched properties with a GDV of RM354 million in 1Q2017, comprising 61% condominiums, 26% landed residential and the balance in commercial properties. The Group’s other business in primary and secondary schools and tertiary institutions, Paramount Education, turned in a satisfactory set of results, despite unabated stiff competition in the tertiary sector, underpinned by the stable performance of the primary and secondary school segment and drive for cost efficiencies within the tertiary segment.

<u>1Q2017 vs 1Q2016</u>
For 1Q2017, the Group recorded a significantly higher revenue of RM142.9 million, up 26% from the revenue of RM113.3 million recorded in 1Q2016, with the higher contribution from the property division ameliorating the marginally lower contribution from the education division. The Group’s profit before tax (PBT), however, was lower at RM18.3 million, a decrease of 9% from the corresponding quarter last year (1Q2016: RM20.1 million), as the 1Q2016 PBT had included a gain of RM2.3 million arising from the disposal of apartments that were no longer required.

Paramount Property’s revenue increased by 41% to RM104.9 million (1Q2016: RM74.5 million) attributable to higher sales and progressive billings from the Utropolis Batu Kawan, Sejati Residences and Greenwoods Salak Perdana developments. As a result of the higher revenue, PBT for the division increased by 16% to RM13.9 million (1Q2016: RM12.0 million) with higher contributions from these same three developments offsetting the higher losses from the Utropolis Marketplace retail mall and lower contribution from the construction business, which had finalised all its external project accounts by 1Q2016.

Revenue for Paramount Education, comprising the primary and secondary school and the tertiary institutions, was marginally lower at RM38.0 million (1Q2016: RM38.6 million). Revenue from KDU University College in Utropolis, Glenmarie (KDU UC) grew by 7% while the revenues for KDU Penang University College and Sri KDU declined by 10% and 3%, respectively. PBT for the division was lower at RM6.9 million, a decline of 32% compared with 1Q2016’s PBT of RM10.2 million due in part to the recognition of a gain of RM2.3 million recognised on the sale of apartments in 1Q2016.

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

Group PBT for 1Q2017 of RM18.3 million was lower compared with the preceding quarter’s PBT of RM37.8 million due to the higher progressive billings recorded in 4Q2016.

B3. Prospects

The weak consumer sentiment experienced in 2016 is expected to continue into 2017. In the property sector, stringent lending policies amongst banks are not expected to ease anytime soon and without any near-term broad cooling measures to boost the property market, 2017 is expected to continue to be competitive. We expect a cautious market, with more homebuyers, upgraders and astute investors looking for properties in good locations, in particular townships/integrated developments that are affordably priced and innovatively conceptualised.

Under this scenario, Paramount Property's performance will be underpinned by the breadth of its product portfolio, which includes both affordably-priced properties and innovatively conceptualised developments. The current portfolio consisting of Sejati Residences in Cyberjaya, Utropolis Glenmarie in Shah Alam, Bukit Banyan in Sungai Petani, Greenwoods Salak Perdana in Sepang and the newly-launched integrated mixed development, Utropolis Batu Kawan in Penang, is expected to well serve market demand.

On the education front, Paramount Education will continue to face challenges, particularly in the tertiary segment where competition is intense and highly price-sensitive. Education institutions have gone into a price war in an attempt to hold their respective market positions and compete for new students. In the primary and secondary school segments, competition is also stepping up, with the rapid opening of new schools over the last few years, the accelerated increase in capacity of new schools and even established schools giving discounts, fee rebates, waivers and scholarships.

Against this scenario, the tertiary education segment is stepping up its marketing efforts to reach new markets within Malaysia, whilst improving on its strategies for international marketing and relationship building with recruitment agencies. This is being further supported with the introduction of new programmes and articulation into universities worldwide to provide more options for students wishing to continue their studies overseas. Efforts are also being invested into building Unique Selling Propositions (USP's) for selected flagship schools to raise their profiles, as well as the value and quality of programmes. The tertiary unit is placing increased focus on a structured entrepreneurship programme as a key attribute of KDU graduates. Cost management and consolidation, as well as improving work efficiencies to reduce cost of operations continue to be focus areas.

With the enlarged K-12 segment, comprising Sri KDU and, more recently, the R.E.A.L Education Group, offering premium and more affordably priced alternative private and international schools respectively, Paramount Education is now able to reach a wider segment of the K-12 market. Sri KDU's excellence in quality education continues to be reinforced. Following the success of PISA in 2012, Sri KDU International School achieved the International School Quality Mark (ISQM) Gold Award this year, the first in Malaysia and third in Asia to procure this award.

With these efforts, Paramount Education's prospects remain good. Additionally the division's pursuit of an asset-lite strategy to improve the utilisation of its real estate assets will enhance returns to capital employed and create long term shareholder value.

Barring any unforeseen circumstances, the Group is expected to deliver a comparable set of results for 2017.

Sejati Residences—40-acre development comprising three storey super-links, semi-detached units, courtyard villas and bungalows, all anchored by the 2016 FIABCI award-winning Chengal House clubhouse boasts of being one of the developments in Cyberjaya offering the "best value for money". Utropolis Glenmarie's innovative university metropolis concept, anchored by the 10-acre KDU University College is being enhanced with the opening of a 120,000 sq ft retail centre and co-working cum incubator. A 4-star hotel, currently in the pipeline, will complete the self-sustaining eco-system of the development.

Bukit Banyan and Greenwoods Salak Perdana both offer affordably-priced homes while Utropolis Batu Kawan mirrors the very successful university metropolis concept in Glenmarie, offering a mix of affordably-priced commercial and residential apartments for those seeking to live in Penang's third satellite city.

This will be further supported by the rolling out of another innovative concept development in 2017, Sekitar26 Enterprise, a neighbourhood community retail centre designed for a myriad of uses, and anchored by Paramount Property's new development office.

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	5,658	5,658
Deferred tax	(628)	(628)
	5,030	5,030

The effective tax rate for the financial period was higher than the statutory income tax rate in Malaysia due to the losses of certain subsidiaries that were not available for full set off against taxable profits of other subsidiaries and certain expenses which were not deductible for tax purposes.

B6. Corporate proposal

There were no corporate proposals announced but not completed as at 16 May 2017.

B7. Borrowings and debts securities

The Group's borrowings and debts securities as at 31 March 2017 were as follows:

	RM'000
<u>Short-term borrowings</u>	
Bank overdraft - Secured	9,531
Bank overdraft - Unsecured	23,593
Revolving credit - Secured	19,200
Revolving credit - Unsecured	50,000
Current portion of long term loans - Secured	121,537
	223,861
<u>Long-term borrowings (Secured)</u>	
Term loans	309,753
Islamic Medium Term Notes	128,846
	438,599

B8. Realised and unrealised profits

The breakdown of retained profits as at 31 March 2017 and 31 March 2016 on a group basis, into realised and unrealised profits, were as follows:

	31/3/2017 RM'000	31/3/2016 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	800,807	782,320
- Unrealised	19,247	17,473
	820,054	799,793
Total share of loss from associate		
- Realised	(809)	(526)
Less: Consolidation adjustments	(183,913)	(202,661)
Total Group retained profits	635,332	596,606

B9. Derivative financial instrument

The outstanding interest rate swap contracts as at 31 March 2017 were as follows:

	Contract amount	Net Fair value Assets/ (Liabilities)
	RM'000	RM'000
Interest rate swap*		
- More than 3 years	88,250	(407)

* 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	(15)	(15)

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 May 2017, there were no changes in material litigation, including the status of pending litigation since the last annual reporting date of 31 December 2016.

B12. Dividends payable

The Board does not recommend the payment of any dividend for the current financial quarter ended 31 March 2017.

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)	8,292	8,292
Weighted average number of ordinary shares ('000)	423,388	423,274
Basic EPS (sen)	1.96	1.96

(b) Diluted EPS

	Current Quarter	Financial Year-to-date
Profit attributable to equity holders of the Company (RM'000)	8,292	8,292
Weighted average number of ordinary shares ('000)	423,388	423,274
Effect of dilution ('000)	16,213	16,213
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	439,601	439,487
Diluted EPS (sen)	1.89	1.89