

CRESCENDO CORPORATION BERHAD

(Company No. : 359750-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.1.17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.1.16 RM'000	CURRENT YEAR TO DATE 31.1.17 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.1.16 RM'000
Revenue	84,403	61,399	254,359	194,570
Cost of sales	(63,969)	(42,692)	(183,687)	(135,721)
Gross profit	20,434	18,707	70,672	58,849
Other income	2,661	2,766	52,902	14,436
Administration expenses	(12,643)	(12,149)	(33,957)	(31,105)
Finance costs	(2,372)	(1,800)	(8,403)	(5,810)
Profit before tax	8,080	7,524	81,214	36,370
Tax expenses	4,147	(3,069)	(6,973)	(12,408)
Profit for the period	12,227	4,455	74,241	23,962
Other comprehensive income, net of tax				
Net movement on cash flow hedges	4,776	(4,251)	4,549	7,806
Tax relating to cash flow hedges	(1,146)	1,020	(1,092)	(1,873)
Total other comprehensive income for the period, net of tax	3,630	(3,231)	3,457	5,933
Total comprehensive income for the period	15,857	1,224	77,698	29,895
Profit attributable to:				
Owners of the Company	11,459	3,173	70,306	17,690
Non-controlling interests	768	1,282	3,935	6,272
	12,227	4,455	74,241	23,962
Total comprehensive income attributable to:				
Owners of the Company	15,071	(32)	73,757	23,640
Non-controlling interests	786	1,256	3,941	6,255
	15,857	1,224	77,698	29,895
Earnings per share attributable to owners of the Company:				
Basic (sen)	4.10	1.39	25.16	7.78

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.1.17 RM'000	AS AT 31.1.16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	167,587	137,728
Land use rights	5,986	5,912
Biological assets	1,148	1,210
Investment properties	286,696	245,209
Other investment	19,730	7,035
Land held for property development	567,227	569,585
Deferred tax assets	22,095	12,411
Derivative financial assets	22,433	18,192
	<u>1,092,902</u>	<u>997,282</u>
Current assets		
Property development costs	94,695	39,194
Inventories	78,473	69,393
Trade and other receivables	81,648	48,196
Other current assets	22,345	16,074
Tax recoverable	1,845	1,121
Cash and bank balances	58,447	58,760
	<u>337,453</u>	<u>232,738</u>
TOTAL ASSETS	<u>1,430,355</u>	<u>1,230,020</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	280,462	280,462
Share premium	19,110	19,110
Treasury shares	(3,115)	(3,094)
Other reserves	85,767	82,316
Retained earnings	528,357	471,661
	<u>910,581</u>	<u>850,455</u>
Non-controlling interests	<u>44,369</u>	<u>35,089</u>
Total equity	<u>954,950</u>	<u>885,544</u>
Non-current liabilities		
Loans and borrowings	284,408	188,078
Deferred tax liabilities	17,563	14,849
Derivative financial liabilities	2,140	2,448
	<u>304,111</u>	<u>205,375</u>
Current liabilities		
Trade and other payables	121,797	77,325
Due to customers on contracts	55	119
Loans and borrowings	45,547	58,135
Tax payable	3,895	3,522
	<u>171,294</u>	<u>139,101</u>
Total liabilities	<u>475,405</u>	<u>344,476</u>
TOTAL EQUITY AND LIABILITIES	<u>1,430,355</u>	<u>1,230,020</u>
Net assets per share (RM)	<u>3.26</u>	<u>3.04</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →								
	← Non-distributable →					← Distributable →			
	Total Equity RM'000	Total RM'000	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	ICULS (Equity Component) RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Non- Controlling Interests RM'000
Year ended 31 January 2017									
Balance as at 1 February 2016	885,544	850,455	280,462	19,110	82,316	-	471,661	(3,094)	35,089
Total comprehensive income	77,698	73,757	-	-	3,451	-	70,306	-	3,941
Transactions with owners									
Purchase of treasury shares	(21)	(21)	-	-	-	-	-	(21)	-
Issue of shares to non-controlling interest	7,500	-	-	-	-	-	-	-	7,500
Dilution of interest in subsidiary	-	361	-	-	-	-	361	-	(361)
Dividend paid to non-controlling interest	(1,800)	-	-	-	-	-	-	-	(1,800)
Dividends	(13,971)	(13,971)	-	-	-	-	(13,971)	-	-
Total transactions with owners	(8,292)	(13,631)	-	-	-	-	(13,610)	(21)	5,339
Balance as at 31 January 2017	954,950	910,581	280,462	19,110	85,767	-	528,357	(3,115)	44,369
Year ended 31 January 2016									
Balance as at 1 February 2015	871,881	842,744	228,487	19,110	76,366	43,788	478,054	(3,061)	29,137
Total comprehensive income	29,895	23,640	-	-	5,950	-	17,690	-	6,255
Transactions with owners									
Purchase of treasury shares	(33)	(33)	-	-	-	-	-	(33)	-
Issuance of shares to non-controlling interests	49	-	-	-	-	-	-	-	49
Dilution of interest in subsidiaries	-	26	-	-	-	-	26	-	(26)
Dividend paid to non-controlling interests	(326)	-	-	-	-	-	-	-	(326)
Conversion of ICULS	-	-	51,975	-	-	(43,788)	(8,187)	-	-
Dividends	(15,922)	(15,922)	-	-	-	-	(15,922)	-	-
Total transactions with owners	(16,232)	(15,929)	51,975	-	-	(43,788)	(24,083)	(33)	(303)
Balance as at 31 January 2016	885,544	850,455	280,462	19,110	82,316	-	471,661	(3,094)	35,089

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR ENDED	
	31.1.17	31.1.16
	RM' 000	RM' 000
Cash flows from operating activities		
Cash receipts from customers	258,747	211,485
Cash paid to suppliers and employees	(261,883)	(208,712)
Cash (used in)/generated from operations	<u>(3,136)</u>	<u>2,773</u>
Deposit interest received	1,096	2,982
Interest paid	(13,789)	(11,265)
Tax paid	(15,386)	(20,867)
Net cash used in operating activities	<u>(31,215)</u>	<u>(26,377)</u>
Cash flows from investing activities		
Acquisition of biological assets, land use rights and property, plant and equipment	(31,794)	(25,645)
Acquisition of investment properties	(129)	(4,726)
Acquisition of other investment	(14,135)	(1,641)
Capital realisation from investment	1,440	1,440
Withdrawal/(Pledge) of time deposits	642	(8)
Proceeds from disposal of plant and equipment	69	133
Net cash used in investing activities	<u>(43,907)</u>	<u>(30,447)</u>
Cash flows from financing activities		
Acquisition of treasury shares	(21)	(33)
Proceeds from loans and borrowings	122,620	24,500
Repayment of loans and borrowings	(45,263)	(28,232)
Dividend paid	(13,971)	(15,922)
Dividend paid to non-controlling interest	(1,800)	(326)
Proceeds from issuance of shares to non-controlling interest	7,500	49
ICULS interest paid	-	(1,949)
Net cash from/(used in) financing activities	<u>69,065</u>	<u>(21,913)</u>
Net decrease in cash and cash equivalents	(6,057)	(78,737)
Cash and cash equivalents at the beginning of the financial year	47,132	125,869
Cash and cash equivalents at the end of the financial year	<u>41,075</u>	<u>47,132</u>
Cash and cash equivalents at the end of the financial year		
Deposits with licensed banks and other financial institution	7,497	9,138
Cash and bank balances	50,950	49,621
Bank overdrafts	(12,782)	(6,396)
	<u>45,665</u>	<u>52,363</u>
Time deposits pledged	(4,590)	(5,231)
	<u>41,075</u>	<u>47,132</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to the interim financial statements.

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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2016.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those of the annual financial statements for the year ended 31 January 2016 except for the adoption of the following new and amended FRSs and Issues Committee ("IC") Interpretations relevant to the current operations of the Group with effect from 1 February 2016.

Amendments to FRS 10, FRS 12 and FRS128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116 and FRS138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Annual Improvements to FRSs 2012-2014 Cycle	

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

The Group has not elected for early adoption of the following new and amended FRSs and IC Interpretations relevant to the current operations of the Group, which were issued but not yet effective for the financial year ending 31 January 2017:

		Effective for financial periods beginning on or after
Amendments to FRS 107	Disclosure Initiative	1 Jan 2017
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
Annual Improvements to FRSs 2014-2016 Cycle		
(i) Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	1 Jan 2018
(ii) Amendments to FRS 12	Disclosure of Interests in Other Entities	1 Jan 2017
(iii) Amendments to FRS 128	Investments in Associates and Joint Ventures	1 Jan 2018
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions	1 Jan 2018
FRS 9	Financial Instruments	1 Jan 2018
Amendments to FRS 140	Transfers of Investment Property	1 Jan 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 Jan 2018
Amendments to FRS 10 and FRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

These new and amended FRSs are not expected to have any significant impact on the financial statements of the Group and the Company upon their initial application other than:

Malaysia Financial Reporting Standards (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 2012, with the exception of entities that are within the scope of MFRS 141, Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including its parent, significant investor and joint venture (herein called "Transitioning Entities"). Generally, Transitioning Entities are entities involved in the real estate and agriculture industries that had been given the option to continue applying the FRS Framework.

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On 8 September 2015, MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. As a result, the effective date for Transitioning Entities to apply the MFRS framework will also be deferred to annual periods beginning on or after 1 January 2018.

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For the real estate industry, MFRS 15 is expected to enable property developers to recognise revenue progressively. MFRS 15 includes new disclosures (quantitative and/or qualitative information) to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The new comprehensive disclosures are in response to investors' comments that companies present revenue in isolation which make it difficult for them to relate to the entity's financial position.

The Group expect to present their first set of MFRS financial statements from the financial year ending 31 January 2019. In presenting its first MFRS financial statements, the Group 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.

A2 Audit qualification

The auditor's report of the preceding annual financial statements of the Group did not contain any qualification.

A3 Seasonal or cyclical factors

There were no significant seasonal factors affecting the operations of the Group. However, the economic cyclical factors will have an impact on property development and construction sector.

A4 Unusual items

There were no unusual items that have material effects on the assets, liabilities, equity, net income or cash flows for the current financial year.

A5 Material changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the year ended 31 January 2017 except for repurchase of 13,800 ordinary shares of RM1 each of its issued share capital from the open market for a total consideration of RM20,788 at an average price of RM1.51 per share.

A7 Dividends paid

The dividend paid during the year ended 31 January 2017 was as follows:

- (i) A final single tier dividend of 3 sen per ordinary share in respect of financial year 2016, paid on 29 August 2016.
- (ii) An interim single tier dividend of 2 sen per ordinary share in respect of financial year 2017, paid on 21 November 2016.

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A8 Segmental information

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	Year ended		Year ended	
	31.1.17	31.1.16	31.1.17	31.1.16
	RM' 000	RM' 000	RM' 000	RM' 000
Property development and construction	188,511	109,774	45,389	36,696
Manufacturing and trading	64,509	86,326	6,108	10,631
Property investment	1,420	619	42,184	(298)
Management services and others	21,941	14,592	10,564	7,698
	<u>276,381</u>	<u>211,311</u>	<u>104,245</u>	<u>54,727</u>
Inter-segment eliminations	<u>(22,022)</u>	<u>(16,741)</u>	<u>(9,774)</u>	<u>(8,460)</u>
	<u>254,359</u>	<u>194,570</u>	<u>94,471</u>	<u>46,267</u>
Unallocated expenses			(4,854)	(4,087)
Finance costs			<u>(8,403)</u>	<u>(5,810)</u>
			<u>81,214</u>	<u>36,370</u>

A9 Valuation of non-current assets

The investment properties of the Group have been revalued in the current financial year by an independent valuer on an open market value basis. The fair value gain, net of tax, arising during the financial year amounting to RM39.3 million.

A10 Material subsequent events

As at 24 March 2017, there were no subsequent material events that have not been reflected in the financial statements for the current financial period except for Unibase Construction Sdn. Bhd. ("UCSB"), a wholly-owned subsidiary of the Company and Unibase Concrete Industries Sdn. Bhd. ("UCISB"), a 60% owned subsidiary of UCSB, had on 1 March 2017 acquired from Dato' Tan Sui Hou 7,500 and 1,500 ordinary shares fully paid in Unibase Resources Sdn. Bhd. ("URSB"), previously a 79.12% owned subsidiary of UCSB, at the price of RM251 per share for a total cash consideration of RM1,882,500 and RM376,500 respectively. As a result of the acquisition, UCSB and UCISB own 87.36% and 1.65% equity interest in URSB respectively.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current year including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations except for Crescendo International School Sdn. Bhd. ("CIS"), a wholly-owned subsidiary of Crescendo Education Sdn. Bhd. ("CESB"), which in turn is a wholly-owned subsidiary of the Company, had on 29 August 2016 allotted and issued (i) 6,750,000 ordinary shares of RM1.00 each and 10,500,000 preference shares of RM1.00 each at par fully paid in cash to CESB; and (ii) 3,000,000 ordinary shares of RM1.00 each and 4,500,000 preference shares of RM1.00 each at par fully paid in cash to HELP Education Services Sdn. Bhd.. As a result of the allotment and issuance of shares, CIS has become a 70%-owned subsidiary of CESB.

A12 Contingent liabilities

The contingent liabilities of the Group as at 24 March 2017 which comprise Bankers' guarantees issued by financial institutions in favour of third parties are as follows:-

	RM' 000
Secured	31,292
Unsecured	-
	<u>31,292</u>

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PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Performance review

The Group's revenue for the current quarter ended 31 January 2017 and the current financial year ended 31 January 2017 increased 37% to RM84.4 million and 31% to RM254.4 million respectively as compared to RM61.4 million and RM194.6 million respectively for the corresponding periods in last year. The increase was mainly contributed by higher properties sales.

By excluding the gain from fair value adjustment on investment properties amounting RM41.4 million recognised in the second quarter of current financial year and also gain realised from transfer of property development to investment properties amounting RM0.9 million recognised in the first quarter of last financial year, the Group's profit before tax ("PBT") for the current quarter and the current financial year increased 8% to RM8.1 million and 12% to RM39.8 million respectively as compared to RM7.5 million and RM35.4 million respectively for the corresponding periods in last year mainly contributed by higher properties sales.

By excluding the gain from fair value adjustment on investment properties, the Group's profit after tax for the current financial year was RM34.9 million.

Performance analysis of the Group's operating segments are as follows:

	Revenue			
	Quarter ended		Year ended	
	31.1.17 RM' 000	31.1.16 RM' 000	31.1.17 RM' 000	31.1.16 RM' 000
Property development and construction	67,877	43,293	188,511	109,774
Manufacturing and trading	16,241	16,593	64,509	86,326
Property investment	417	232	1,420	619
Management services and others	7,619	4,822	21,941	14,592
	<u>92,154</u>	<u>64,940</u>	<u>276,381</u>	<u>211,311</u>

	Operating profit			
	Quarter ended		Year ended	
	31.1.17 RM' 000	31.1.16 RM' 000	31.1.17 RM' 000	31.1.16 RM' 000
Property development and construction	14,076	12,857	45,389	36,696
Manufacturing and trading	(103)	(388)	6,108	10,631
Property investment	167	39	42,184	(298)
Management services and others	1,521	681	10,564	7,698
	<u>15,661</u>	<u>13,189</u>	<u>104,245</u>	<u>54,727</u>

Property development and construction operation

For the current quarter and the financial year 2017, the revenue increased 57% and 72% respectively mainly contributed by higher properties sales.

For the financial year 2017, the decrease in profit margin was mainly due to change in sales mix of industrial properties and decline in construction margin.

Manufacturing and trading operation

For the financial year 2017, the decreases in revenue and operating profit were mainly due to slower market demand in concrete products.

Property investment operation

For the financial year 2017, the increase in operating profit was mainly contributed by net gain from fair value adjustment of investment properties amounting to RM41.4 million recognised in the second quarter.

Management services and others

For the financial year 2017, the increases in revenue and operating profit were in line with property development and construction segment as the management fees are charged according to the sales turnover of this operating segment.

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B2 Comparison of profit before tax for the quarter reported on with the immediate preceding quarter

The PBT for current quarter decreased 37% to RM8.1 million as compared to RM12.9 million for the preceding quarter mainly due to drop in concrete products sales and higher costs.

B3 Prospects

Financial year 2018 remains challenging with uncertain global economic scenario, tightening credit control by banks and increase in cost of doing business. The Group will be cautious in its launches to avoid holding high level of stock. Despite the above uncertainties, there is still a demand for affordable housing, landed medium cost residential, industrial and commercial property market for strategically located project with the right pricing.

With a committed sales in hand and unbilled revenue of RM158 million as at 24 March 2017 for the property development operation, the Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2018.

B4 Variance of actual profit from forecast profit and shortfall in profit guarantee

Not applicable.

B5 Tax

	CURRENT QUARTER 31.1.17 RM' 000	CURRENT YEAR 31.1.17 RM' 000
Current tax		
Current year	3,720	14,720
Prior years under provision	315	315
Deferred tax:		
Relating to origination and reversal of temporary difference	(8,176)	(7,869)
Prior years over provision	(6)	(193)
	<u>(4,147)</u>	<u>6,973</u>

The effective income tax rates for the current quarter and financial year were lower than the statutory tax rate mainly due to tax incentive enjoyed by a subsidiary, and certain income recognised in the second quarter of current financial year which is not subject to income tax.

B6 Status of corporate proposals

There were no corporate proposals announced but not completed as at 24 March 2017.

B7 Group borrowings and debt securities

Group loans and borrowings as at 31 January 2017 were as follows:

	RM' 000
(a) Secured loans and borrowings	<u>329,955</u>
(b) Current	
- Overdrafts	12,782
- Revolving credit	18,800
- Term Loans	<u>13,965</u>
	<u>45,547</u>
Non-current	
- Term loans	<u>284,408</u>
	<u>284,408</u>
	<u>329,955</u>

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(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development and property development costs for the current financial year ended 31 January 2017 is RM5.56 million.

B8 Material litigation

As at 24 March 2017, there is no material litigation against the Group.

B9 Dividend

(a) The Board is pleased to recommend a final single tier dividend for the financial year ended 31 January 2017 subject to shareholders' approval at the forthcoming 21st Annual General Meeting as follows:-

- (i) amount per share : 3 sen single tier;
- (ii) previous corresponding period : 3 sen single tier;
- (iii) date of payment is 29 August 2017; and
- (iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 11 August 2017.

(b) Total dividend for the current financial year : 5 sen single tier per share.

B10 Earnings per share ("EPS")

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	CURRENT QUARTER 31.1.17	CURRENT YEAR 31.1.17
Profit net of tax attributable to owners of the Company (RM'000)	11,459	70,306
Weighted average number of ordinary shares in issue ('000)	279,426	279,430
Basic earnings per share (Sen)	4.10	25.16

B11 Notes to the statement of comprehensive income

	CURRENT QUARTER 31.1.17 RM' 000	CURRENT YEAR 31.1.17 RM' 000
(a) Interest income	465	1,376
(b) Other income including investment income	2,111	51,372
(c) Interest expenses	(2,372)	(8,403)
(d) Depreciation and amortisation	(1,033)	(3,501)
(e) Provision for and (write off) / write back of receivables	101	578
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain or (loss)	85	154
(j) Gain or (loss) on derivatives	4,776	4,549
(k) Exceptional items	-	-

Other income for the financial year is inclusive of net gain from fair value adjustment of investment properties amounting to RM41.4 million.

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B12 Gains / Losses arising from fair value changes of financial liabilities

The Group has no financial liabilities measured at fair value through profit or loss for the current quarter and current year.

B13 Realised and unrealised retained earnings

The breakdown of the retained earnings of the Group into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	AS AT 31.1.17 RM' 000	AS AT 31.1.16 RM' 000
Total retained earnings of the Company and its subsidiaries		
Realised	547,860	529,968
Unrealised	<u>135,387</u>	<u>88,493</u>
	683,247	618,461
Less: Consolidated adjustments	<u>(154,890)</u>	<u>(146,800)</u>
Total Group retained earnings	<u>528,357</u>	<u>471,661</u>