

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the quarter ended 30 September 2010

The figures are unaudited

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR PERIOD ENDED 30 SEPTEMBER 2010**

	3 Months Ended 30 Sep		9 Months Ended 30 Sep	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	<b>98,288</b>	111,600	<b>329,344</b>	300,393
Operating profit	<b>26,837</b>	19,417	<b>81,493</b>	51,335
Interest expense	<b>(763)</b>	(640)	<b>(2,575)</b>	(1,583)
Interest income	<b>885</b>	513	<b>2,296</b>	1,406
Share of profit of associated companies	<b>4,791</b>	2,412	<b>8,846</b>	6,212
Profit before taxation	<b>31,750</b>	21,702	<b>90,060</b>	57,370
Taxation	<b>(10,157)</b>	(5,424)	<b>(27,053)</b>	(14,182)
Profit for the period	<b>21,593</b>	16,278	<b>63,007</b>	43,188
Total profit attributable to: Owners of the Parent	<b>21,593</b>	16,278	<b>63,007</b>	43,188
Earnings per share ("EPS") attributable to Owners of the Parent (sen):				
Basic EPS	<b>18.54</b>	15.00	<b>54.52</b>	39.91
Diluted EPS	<b>N/A</b>	14.77	<b>N/A</b>	39.29

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the quarter ended 30 September 2010

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR PERIOD ENDED 30 SEPTEMBER 2010**

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30 Sep</b>		<b>30 Sep</b>	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Profit for the period	<b>21,593</b>	16,278	<b>63,007</b>	43,188
Other comprehensive income	<b>389</b>	-	<b>651</b>	-
<b>Total comprehensive income for the period</b>	<b>21,982</b>	16,278	<b>63,658</b>	43,188
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	<b>21,982</b>	16,278	<b>63,658</b>	43,188

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the quarter ended 30 September 2010

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2010**

	AS AT 30/9/2010	AS AT 31/12/2009
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	211,184	202,259
Land held for property development	160,998	170,976
Investment properties	28,302	15,008
Intangible asset	15,674	15,674
Investments in associates	423	54,264
Other investments	485	485
Deferred tax assets	8,331	4,934
	<u>425,397</u>	<u>463,600</u>
<b>Current assets</b>		
Property development costs	42,757	56,287
Trade receivables	74,052	87,997
Due from customers on contracts	604	108
Other receivables	32,163	20,410
Tax recoverable	3,225	4,099
Cash and bank balances	235,374	207,535
	<u>388,175</u>	<u>376,436</u>
Assets held for sale	65,598	0
	<u>453,773</u>	<u>376,436</u>
<b>TOTAL ASSETS</b>	<u>879,170</u>	<u>840,036</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	120,647	110,339
Reserves	466,423	414,147
<b>Total equity</b>	<u>587,070</u>	<u>524,486</u>
<b>Non-current liabilities</b>		
Borrowings	50,593	85,551
Deferred tax liabilities	13,866	13,866
	<u>64,459</u>	<u>99,417</u>
<b>Current liabilities</b>		
Borrowings	5,370	1,813
Trade payables	114,643	109,592
Due to customers on contracts	18,573	28,014
Other payables	80,970	72,984
Tax payable	8,085	3,730
	<u>227,641</u>	<u>216,133</u>
<b>Total liabilities</b>	<u>292,100</u>	<u>315,550</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>879,170</u>	<u>840,036</u>
<b>Net assets per share (RM)</b>	<u>4.87</u>	<u>4.75</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the quarter ended 30 September 2010

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD ENDED 30 SEPTEMBER 2010**

	<-----Attributable to owners of the parent----->								
	< ----- Non Distributable ----- >								
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Share Option Reserve RM'000	Fair Value Adjustment Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non Controlling Interests RM'000	Total Equity RM'000
<b>As at 1 January 2009</b>	108,031	68,900	1,679	2,365	-	301,468	482,443	5	482,448
Total comprehensive income for the period	-	-	-	-	-	43,188	43,188	-	43,188
Acquisition of minority interest	-	-	-	-	-	-	-	(5)	(5)
Dividends	-	-	-	-	-	(21,203)	(21,203)	-	(21,203)
Share options granted under ESOS	-	-	-	79	-	-	79	-	79
Exercise of option under the ESOS	1,354	2,230	-	(889)	-	-	2,695	-	2,695
<b>As at 30 September 2009</b>	<b>109,385</b>	<b>71,130</b>	<b>1,679</b>	<b>1,555</b>	<b>-</b>	<b>323,453</b>	<b>507,202</b>	<b>-</b>	<b>507,202</b>
<b>As at 1 January 2010</b>	110,339	72,387	1,679	2,288	-	337,793	524,486	-	524,486
Effect arising from adoption of FRS 139	-	-	-	-	304	3,206	3,510	-	3,510
<b>As at 1 January 2010, as restated</b>	110,339	72,387	1,679	2,288	304	340,999	527,996	-	527,996
Total comprehensive income for the period	-	-	(23)	-	674	63,007	63,658	-	63,658
Dividends	-	-	-	-	-	(30,107)	(30,107)	-	(30,107)
Issue of ordinary shares pursuant to ESOS	10,308	17,503	-	(2,288)	-	-	25,523	-	25,523
<b>As at 30 September 2010</b>	<b>120,647</b>	<b>89,890</b>	<b>1,656</b>	<b>-</b>	<b>978</b>	<b>373,899</b>	<b>587,070</b>	<b>-</b>	<b>587,070</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009.

**PARAMOUNT CORPORATION BERHAD**

Interim Financial Report for the quarter ended 30 September 2010

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR PERIOD ENDED 30 SEPTEMBER 2010**

	<b>9 Months Ended</b>	
	<b>30 Sep 2010</b>	<b>30 Sep 2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	<b>90,316</b>	64,938
Taxes paid	<b>(25,224)</b>	(10,697)
Interest paid	<b>(2,228)</b>	(2,941)
Net cash generated from operating activities	<b>62,864</b>	51,300
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in land held for development	<b>9,977</b>	46,294
Dividends received from associated companies	<b>2,097</b>	2,283
Purchase of property, plant and equipment	<b>(17,309)</b>	(3,828)
Purchase of shares from minority interest	<b>0</b>	(15,235)
Proceeds from disposal of property, plant and equipment	<b>347</b>	41
Proceeds from disposal of investment properties	<b>3,571</b>	458
Interest received	<b>2,278</b>	1,406
Net cash generated from investing activities	<b>961</b>	31,419
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	<b>25,523</b>	2,695
Dividends paid	<b>(30,107)</b>	(21,203)
Repayment of borrowings	<b>(31,402)</b>	(3,560)
Net cash used in financing activities	<b>(35,986)</b>	(22,068)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>27,839</b>	60,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<b>207,535</b>	123,329
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>235,374</b>	183,980
	<b>30 Sep 2010</b>	<b>30 Sep 2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	<b>60,324</b>	66,123
Fixed deposits	<b>175,050</b>	117,857
	<b>235,374</b>	183,980
HDA included in cash and bank balances	<b>56,860</b>	54,876

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009.

**PARAMOUNT CORPORATION BERHAD**  
**Interim Financial Report for the quarter ended 30 September 2010**

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 2009. 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 2009.

**A2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations with effect from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs:

FRSs, Amendments to FRSs and IC Interpretations

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (as revised in 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellation
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Improvement to FRSs 2009	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

## A2. Changes in accounting policies (cont'd.)

Other than for the application of FRS 8, FRS 101, FRS 117 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

### (a) FRS 8: Operating Segments

Prior to the adoption of FRS 8, the Group's segment reporting was based on a primary reporting format of business segments and a secondary reporting format of geographical segments. FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This FRS did not have any impact on the financial position and results of the Group.

### (b) FRS 101: Presentation of Financial Statements (revised)

The FRS 101 introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This FRS did not have any impact on the financial position and results of the Group.

### (c) Amendments to FRSs 'Improvements to FRSs (2009)' - FRS 117: Leases

FRS 117 clarifies on the classification of leases of land and buildings. The resulting effect of this FRS taking effect was the reclassification of prepaid leases on land back into property, plant and equipment, rather than being separately classified under prepaid lease payments on the consolidated statement of financial position, as disclosed below:

	<b>As previously stated RM'000</b>	<b>Restated RM'000</b>
<b>Statement of Financial Position</b>		
Non-current assets		
Property, plant & equipment	139,675	202,259
Investment properties	14,142	15,008
Prepaid land lease payments	63,450	0

### (d) FRS 139: Financial Instruments: Recognition and Measurement

The FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. This FRS did not have any significant impact on the financial position and results of the Group.

(d) **FRS 139: Financial Instruments: Recognition and Measurement (cont'd.)**

**Impact on the opening balances**

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

	<b>Previously stated RM'000</b>	<b>Effect of FRS 139 RM'000</b>	<b>As restated RM'000</b>
<b>Assets</b>			
Investment in associates	54,264	3,185	57,449
Trade receivables	87,997	(868)	87,129
<b>Liabilities</b>			
Trade payables	109,592	(1,193)	108,399
<b>Equity</b>			
Fair value adjustment reserve	0	304	304
Retained earnings	337,793	3,206	340,999

**A3. Audit report qualification**

The audit report for the financial year ended 31 December 2009 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**

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 as disclosed below, there were no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities.

	No. of shares issued	Exercise price
	'000	RM
Exercise of ESOS granted on 15 September 2005	2,719	2.01
Exercise of ESOS granted on 15 September 2006	199	1.66
Exercise of ESOS granted on 15 September 2007	777	2.20
Exercise of ESOS granted on 15 September 2008	278	1.97
Exercise of ESOS granted on 15 September 2009	2,259	2.20
Exercise of ESOS granted on 1 April 2010	2,800	3.07
Exercise of ESOS granted on 18 June 2010	1,276	3.06
	<u>10,308</u>	

## A8. Dividends paid

	9 months ended	
	30/9/2010	30/9/2009
	RM'000	RM'000
Final dividends		
2009 - 9.0% less 25% income tax (2008 - 8.0% less 25% income tax)	7,930	6,485
Special dividends		
2009 - 6.0% less 25% income tax (2008 - 5.0% less 25% income tax)	5,287	4,053
Interim dividends		
2010 - 11.0% tax exempt and 4.0% less 25% income tax (2009 - 8.0% less 25% income tax)	16,890	6,563
Special dividends		
(2009 - 5.0% less 25% income tax)	0	4,102
	<u>30,107</u>	<u>21,203</u>

## A9. Segment reporting for the current financial year to date

<u>Analysis by Business Segment</u>	Revenue		Profit before tax	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Property development	205,850	195,377	57,447	30,915
Construction	137,709	107,299	7,992	4,092
Education	72,823	72,563	18,555	17,425
Investment & others	65,962	14,377	63,413	4,938
	<u>482,344</u>	<u>389,616</u>	<u>147,407</u>	<u>57,370</u>
Inter-segment elimination	(153,000)	(89,223)	(57,347)	0
	<u>329,344</u>	<u>300,393</u>	<u>90,060</u>	<u>57,370</u>

#### **A10. 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 2009.

#### **A11. 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 other than those mentioned in Note B8(ii).

#### **A12. Changes in composition of the Group**

On 31 May 2010, the Company purchased a shelf company, Omni Assets Sdn Bhd (OASB). OASB has an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each and an issued and paid up share capital of RM2.

#### **A13. Changes in contingent assets and contingent liabilities**

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

#### **A14. Capital commitment**

There amount of commitments not provided for in the interim financial statements as at 30 September 2010 is as follows:

	<b>RM'000</b>
Approved and contracted for:-	
Property, plant & equipment	73,301
Land held for property development	70,581
Approved but not contracted for:-	
Property, plant & equipment	7,000
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	150,882
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#### **A15. 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:

	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Property, plant and equipment Additions	5,164	17,309
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**A16. 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 Dato' Teo Chiang Quan, a director of the Company, has substantial interests	925
Insurance premiums charged by Jerneh Insurance Berhad, an associated company	1,033
Rental charges paid to Damansara Uptown One Sdn Bhd, a company in which a brother of Dato' Teo Chiang Quan, has substantial interest	435
Rental charges paid to Uptown Conference Centre Sdn Bhd, a company in which a brother of Dato' Teo Chiang Quan, has substantial interest	20
Sale of properties to directors of subsidiary companies	1,695
Rental charges paid to Mr. Edmund Ewe Thean Teik, the spouse of Dr. Chia Chee Fen, who is a director of a subsidiary company.	18
Rental charges paid to Mr. Pang Hai Chet, the brother in law of Dr. Chia Chee Fen, who is a director of a subsidiary company.	9
	<hr/>
	4,135
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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.

**A17. Comparatives**

Certain comparatives have been reclassified to conform with the current financial period's presentation.

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

### **B1. Review of performance**

The Group's revenue for the quarter under review was RM98.3 million compared with RM111.6 million recorded in the corresponding period last year due to lower progressive billings. Profit before tax (PBT) for the same period was RM31.7 million compared with RM21.7 million recorded in the corresponding period last year due to higher profit margins and contribution from a new development, Surian Industrial Park.

Revenue for the nine months to 30 September 2010 increased by 9.6% to RM329.3 million from RM300.4 million recorded in the corresponding period last year while PBT increased by 57% to RM90.1 million from RM57.4 million recorded in the corresponding period last year. The better performance was attributed to the overwhelming response to sales and higher progressive billings from property development. The construction and educational services businesses also contributed positively to the better performance.

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

The Group's PBT for the current quarter of RM31.7 million represented a decrease of 12.4% compared with RM36.2 million recorded in preceding quarter due mainly to lower profit contribution from the Surian Industrial Park project.

### **B3. Prospects**

The Group's prospects for the remaining quarter of the year are expected to be good given the buoyant property market and the lock-in unbilled sales brought forward. In addition, the gain from the proposed disposal of the Group's 20% equity interest in Jerneh Insurance Berhad is expected to be realised in the said quarter.

Overall, the performance of the Group for the year will be better than that of the previous year.

### **B4. Profit forecast or profit guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and shortfall in profit guarantee are not applicable.

### **B5. Taxation**

The taxation charge included the following:

	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Current year provision	14,324	30,485
Under provided in prior year	(35)	(35)
Deferred tax	(4,132)	(3,397)
	<u>10,157</u>	<u>27,053</u>

The effective tax rate for the financial year was higher than the statutory income tax rate in Malaysia due to 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. Sale of unquoted investments and/or properties

	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Gain on disposal of investment properties	1,671	1,730
Gain on disposal of unquoted investment	68	68
	<u>1,739</u>	<u>1,798</u>

## B7. Quoted securities

- (i) There were no purchases and disposals of quoted securities by the Group for the current quarter and financial year to date.
- (ii) There were no investments in quoted securities as at 30 September 2010.

## B8. Corporate proposal

- (i) On 3 November 2009, the Company entered into a conditional Sale Agreement (SA) with The Titular Superior of the Brothers of Saint Gabriel, for the acquisition of a piece of freehold vacant land measuring in area approximately 21.7 acres forming part of the land held under Geran 48178, Lot 1179, Mukim Damansara, Daerah Petaling, Negeri Selangor (the Master Title) for a total cash consideration calculated at the rate of RM66/- per sq. ft. and estimated at a total sum of RM62,386,632 only subject to the sub-division of the Master Title and on the terms and conditions as contained in the SA. The Company has submitted the application for sub-division and it is pending State Exco approval.
- (ii) On 20 November 2009, the Company made an application to Bank Negara Malaysia (BNM) for the commencement of preliminary negotiations for the acquisition by interested parties of its wholly owned subsidiary, Paramount Global Assets Sdn Bhd's (PGA) entire 20% equity interest in Jerneh Insurance Berhad (JIB). The application was approved on 1 December 2009.

On 18 May 2010, the Company submitted an application to BNM for the approval of the Minister of Finance pursuant to Section 67 of the Insurance Act 1996, to enter into an agreement with a potential buyer for the proposed disposal of the Group's 20% equity interest in JIB to the said potential buyer. The application was approved on 14 September 2010.

On 7 October 2010, PGA entered into a conditional share purchase agreement with ACE INA International Holdings, Ltd for the disposal of its entire 20% equity interest in JIB for a total cash consideration of RM130.8 million. The disposal is pending shareholders' approval.

- (iii) On 1 June 2010, OASB, a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement (SPA) with Cyberview Sdn Bhd as a proprietor and Setia Haruman Sdn Bhd as a vendor, for the proposed acquisition of a piece of freehold residential land measuring in area approximately 50.01 acres identified as Block 17 within the Cyberjaya Flagship Zone, Mukim Dengkil, Daerah Sepang, Negeri Selangor Darul Ehsan for a total cash consideration of RM78,423,681.60 on the terms and conditions as contained in the SPA. The Foreign Investment Committee has approved the sale. The disposal is pending the issuance of a separate title from the Land Office.

## B9. Borrowings and debts securities

The Group's borrowings and debts securities as at 30 September 2010 were as follows:

	RM'000
<u>Short-term borrowings (Secured)</u>	
Current portion of long term loan	5,370
<u>Long-term borrowings (Secured)</u>	
Term loans	50,593

## B10. Derivative financial instruments

There were no derivative financial instruments for the current financial quarter ended 30 September 2010.

## B11. Gains and Losses arising from fair value changes of financial liabilities

There were no financial liabilities measured at fair value through profit or loss for the current financial quarter ended 30 September 2010. All financial liabilities are measured at the amortised cost effective interest method. Hence, no gains or losses were recognised for changes in the fair values of these liabilities.

## B12. Changes in material litigation

Berkeley Sdn Bhd ("BSB"), a wholly owned subsidiary, had appealed against the decision of the High Court dismissing BSB's claim against Consolidated Plantations Bhd ("CPB"), inter alia, for RM34,152,136.00 arising from CPB's breach of a contract dated 5 September 1973 with respect to the purchase from CPB of a portion of land held under Lot 11811 (Lot 3903) Grant 23893, Mukim Bukit Raja, Kelang, Selangor. BSB's appeal was dismissed by the Court of Appeal on 4 February 2010.

BSB decided to appeal to the Federal Court but our application for leave to appeal was dismissed.

The dismissal will not have any adverse material effect on the financial position of the Group.

As at 11 November 2010, there were no changes in material litigation, including the status of pending litigation since the last annual balance sheet date of 31 December 2009.

## B13. Dividends payable

The Board does not recommend the payment of any dividend for the current financial quarter ended 30 September 2010.

#### B14. 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.

	<b>Current Quarter</b>	<b>Financial Year-to-date</b>
Profit for the period (RM'000)	21,593	63,007
Weighted average number of ordinary shares ('000)	116,497	115,562
Basic EPS (sen)	<u>18.54</u>	<u>54.52</u>

(b) Diluted EPS

Not applicable to the Group.