

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the quarter ended 31 December 2013

The figures are unaudited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR YEAR ENDED 31 DECEMBER 2013**

	3 Months Ended 31 December		12 Months Ended 31 December	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	135,443	114,948	512,073	450,048
Operating profit	20,931	17,008	73,557	74,721
Interest expense	(244)	(772)	(1,095)	(2,938)
Interest income	637	992	2,846	4,481
Share of loss of associate	(11)	(17)	(212)	(17)
Profit before tax	21,313	17,211	75,096	76,247
Taxation	(6,957)	(3,776)	(21,593)	(19,793)
Profit for the period	14,356	13,435	53,503	56,454
Total profit attributable to: Owners of the Parent	14,356	13,435	53,503	56,454
Earnings per share ("EPS") attributable to Owners of the Parent (sen):				
Basic EPS	4.25	3.98	15.84	16.71
Diluted EPS	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

PARAMOUNT CORPORATION BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2013**

	3 Months Ended 31 December		12 Months Ended 31 December	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	14,356	13,435	53,503	56,454
Other comprehensive income	(350)	(125)	(1,006)	(79)
Total comprehensive income for the period	14,006	13,310	52,497	56,375
Total comprehensive income attributable to: Owners of the Parent	14,006	13,310	52,497	56,375

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the quarter ended 31 December 2013

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	As at 31/12/2013	As at 31/12/2012
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	317,491	315,293
Land held for property development	457,634	515,608
Investment properties	61,118	19,630
Intangible asset	15,674	15,674
Investment in associates	8,604	9,565
Other investments	342	342
Deferred tax assets	9,774	11,763
	870,637	887,875
Current assets		
Property development costs	131,628	29,828
Inventories	1,732	0
Trade receivables	105,382	101,752
Other receivables	22,325	15,438
Other current assets	17,777	12,542
Tax recoverable	4,818	5,249
Other investment	1,530	217
Cash and cash equivalents	110,544	121,911
	395,736	286,937
Assets held for sale	35,956	17,458
	431,692	304,395
Total assets	1,302,329	1,192,270
Current liabilities		
Borrowings	41,402	14,460
Trade payables	109,335	79,137
Other payables	77,746	76,290
Tax payable	3,195	4,115
Other current liabilities	49,132	59,960
	280,810	233,962
Net current assets	150,882	70,433
Non-current liabilities		
Borrowings	276,344	238,235
Deferred tax liabilities	18,077	20,136
	294,421	258,371
Total liabilities	575,231	492,333
Equity attributable to equity holders of the Company		
Share capital	168,906	168,906
Reserves	558,192	531,031
Total equity	727,098	699,937
Total equity and liabilities	1,302,329	1,192,270
Net assets (NA) per share (RM)	2.15	2.07

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the quarter ended 31 December 2013

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2013**

	Share Capital RM'000	Non Distributable Share Premium RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
As at 1 January 2012	168,906	41,631	1,480	459,971	671,988
Total comprehensive income	-	-	(79)	56,454	56,375
Realised upon deregistration of a subsidiary	-	-	(1,401)	-	(1,401)
Transactions with owners					
Dividends	-	-	-	(27,025)	(27,025)
As at 31 December 2012	168,906	41,631	-	489,400	699,937
As at 1 January 2013	168,906	41,631	-	489,400	699,937
Total comprehensive income	-	-	(1,006)	53,503	52,497
Transactions with owners					
Dividends	-	-	-	(25,336)	(25,336)
As at 31 December 2013	168,906	41,631	(1,006)	517,567	727,098

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

PARAMOUNT CORPORATION BERHAD

Interim Financial Report for the quarter ended 31 December 2013

The figures are unaudited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31 DECEMBER 2013**

	12 Months Ended	
	31/12/2013 RM'000	31/12/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	75,096	76,247
Adjustment for:		
Non-cash items	14,269	14,353
Non-operating items	(1,848)	(3,820)
Operating profit before working capital changes	87,517	86,780
(Increase)/decrease in receivables	(15,881)	61,224
Decrease/(increase) in development properties	23,518	(4,302)
Increase in inventories	(1,732)	-
Increase in payables	20,161	18,718
Cash generated from operations	113,583	162,420
Taxes paid	(22,152)	(23,405)
Interest paid	(12,915)	(9,601)
Net cash generated from operating activities	78,516	129,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in land held for development	(55,415)	(276,997)
Dividend received from associated company	-	402
Purchase of property, plant and equipment	(68,674)	(25,189)
Purchase of investment properties	(8,921)	(7,309)
Proceeds from disposal of property, plant and equipment	922	758
Proceeds from disposal of assets held for sale	957	698
Increase in other investment	(1,313)	(217)
Interest received	2,846	4,481
Net cash used in investing activities	(129,598)	(303,373)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(25,336)	(27,025)
Drawdown of term loan	31,303	131,397
Issuance of Islamic Medium Term Notes - Net	55,534	-
Repayment of borrowings	(21,786)	(14,700)
Net cash generated from financing activities	39,715	89,672
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,367)	(84,287)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	121,911	206,198
CASH AND CASH EQUIVALENTS AT END OF PERIOD	110,544	121,911
	31/12/2013	31/12/2012
	RM'000	RM'000
Cash and cash equivalents comprise:		
Cash and bank balances	45,816	28,505
Fixed deposits	64,728	93,406
	110,544	121,911
Cash and bank balances held in HDA accounts	30,646	18,399

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

PARAMOUNT CORPORATION BERHAD
Interim Financial Report for the quarter ended 31 December 2013

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 2012. 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 2012.

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 2013 did not have any significant effects on the financial statements of the Group, except for those discussed below:

FRS 12 Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group’s financial position or performance.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Standards issued but not yet effective

The directors expect that the adoption of the new FRSs, Amendments to FRSs and Interpretations which are issued but not yet effective for the financial year ended 31 December 2013 will not have any material impact on the financial statements of the Group in the period of initial application, other than as disclosed below:

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group’s financial assets but will potentially have no impact on classification and measurements of financial liabilities.

A2. Changes in accounting policies (cont'd)

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 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), 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 three years. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the definition of Transitioning Entities and accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2015. 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.

A3. Audit report qualification

The audit report for the financial year ended 31 December 2012 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

There were no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year to date, except the following:

- (i) On 28 June 2013 and 20 December 2013, KDU University College Sdn Bhd, a wholly owned subsidiary of the Company, made the issuance of RM39.0 million and RM18.0 million, respectively, in nominal value of Islamic Medium Term Notes with a seven (7) years tenure under the Sukuk Programme.
- (ii) On 6 February 2014, the Company made the first issuance of RM50.0 million in nominal value of Private Debt Securities (PDS) pursuant to the PDS Programme. The PDS are perpetual in nature and has a first call date on the 5th anniversary of the issue date.

A8. Dividends paid

	12 months ended	
	31/12/2013	31/12/2012
	RM'000	RM'000
Final dividends		
2012 - 5.00 sen single tier (2011 - 5.00 sen single tier)	16,891	16,891
Interim dividends		
2013 - 2.50 sen single tier (2012 - 3.00 sen single tier)	8,445	10,134
	<u>25,336</u>	<u>27,025</u>

A9. Profit before tax

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

	3 months ended		12 months ended	
	31 December		31 December	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- Property, plant and equipment	3,307	3,568	13,458	14,176
- Investment properties	84	141	335	315
Additions of allowance for impairment of trade and other receivables	(101)	(228)	184	16
Bad debts written off	164	83	164	83
Gain on disposal of:				
- Property, plant and equipment	(295)	(180)	(343)	(479)
- Assets held for sale	(9)	(356)	(155)	(356)
Gain on deregistration of a subsidiary	0	0	0	(1,401)
Reversal of allowance for impairment of trade and other receivables	(268)	(88)	(268)	(141)
Net derivative gain on interest rate swap	(100)	0	(100)	0
Net foreign exchange (gain)/loss	273	(315)	(346)	(1,511)

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Property development	218,533	207,128	45,641	54,576
Construction	313,537	221,071	5,153	519
Education	124,658	110,482	27,808	28,323
Investment & others	34,169	215,159	18,144	182,172
	<u>690,897</u>	<u>753,840</u>	<u>96,746</u>	<u>265,590</u>
Inter-segment elimination	(178,824)	(303,792)	(21,650)	(189,343)
	<u>512,073</u>	<u>450,048</u>	<u>75,096</u>	<u>76,247</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 2012.

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 A7(ii) and A13(iv).

A13. Changes in composition of the Group

- (i) On 21 March 2013, the Company acquired a newly incorporated company, Paramount Property (PG) Sdn Bhd (formerly known as Pearl Cove Development Sdn Bhd) with an issued and paid up capital of RM2.
- (ii) On 26 September 2013, Supreme Essence Sdn Bhd, a wholly-owned subsidiary company of the Company, has been placed under Members' Voluntary Winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.
- (iii) On 4 December 2013, the Company acquired a company, Carp Legacy Sdn. Bhd. with an issued and paid up share capital of RM2.
- (iv) On 27 January 2014, the Company acquired a company, Seamless Cartel Sdn. Bhd. with an issued and paid up share capital of RM2.

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 December 2013 is as follows:

	RM'000
Approved and contracted for:-	
Property, plant & equipment	129,589
Investment properties	83,050
Approved but not contracted for:-	
Property, plant & equipment	92,369
Investment properties	17,013
	<u>322,021</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>29,608</u>	<u>68,674</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 Dato' Teo Chiang Quan, a director of the Company, has substantial interests	412
Rental charges paid to Damansara Uptown One Sdn Bhd, a company in which a brother of Dato' Teo Chiang Quan has substantial interest	617
Sale of properties to Dato' Teo Chiang Quan	3,023
Sale of property to spouse of Dato' Teo Chiang Quan	577
Sale of properties to a child of Dato' Teo Chiang Quan	3,019
Sale of property to a child of Mr Ong Keng Siew, a director of the Company	553
Sale of property to Mr Ong Keng Siew and his children	553
Sale of properties to Dato' Liew Yin Chew, Mr Foong Poh Seng, Mr Wang Chong Hwa, Datin Teh Geok Lian, Ms Selvarajoo Esther Majella, directors of subsidiaries	3,248
Sale of property to Mr Ooi Hun Peng, a director of subsidiary, and his spouse	548
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	12,550
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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.

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

B1. Review of performance

4Q13 vs 4Q12

Group revenue for 4Q13 increased by 18% to RM135.4 million (4Q12: RM114.9) while profit before tax (PBT) increased by 24% to RM21.3 million (4Q12: RM17.2 million) on the back of an improved performance by both the Property Division and Education Division.

Within the Property Division, revenue for the property development segment improved by 16% to RM58.6 million (4Q12: RM50.6 million) while the construction segment improved by 69% to RM96.8 million (4Q12: RM57.2 million). Higher progressive billings from newly launched projects, namely Sejati Residences in Cyberjaya, Utropolis in Glenmarie, Shah Alam and Sekitar26 Business in Shah Alam, contributed to the improved performance of the property development segment, while construction activities on these multiple development projects as well as higher progressive billings from external projects, as they near completion, boosted the performance of the construction segment.

As a result of the higher progressive billings recorded from the newly launched development projects, PBT for the property development segment increased by 35% to RM13.5 million (4Q12: RM10.0 million) while that of the construction segment improved by 283% to RM2.3 million (4Q12: RM0.6 million).

The education division recorded marginally higher revenue of 6% to RM33.1 million for 4Q13 (4Q12: RM31.2 million) mainly due to the stellar performance of the primary and secondary school segment following higher student enrolment.

The education division's PBT improved by 9% to RM8.7 million (4Q12: RM8.0 million) due to higher PBT recorded by the primary and secondary school segment.

2013 vs 2012

Group revenue for 2013 increased by 14% to RM512.1 million (2012: RM450.0 million) due to higher contribution by both the Property and Education Divisions that accounted to 75% and 25%, respectively, of total revenue. PBT, however, decreased marginally, by 2% to RM75.1 million (2012: RM76.2 million) due to lower contribution from both the Property and Education Divisions that accounted to 65% and 35%, respectively, of total PBT.

Within the Property Division, revenue for the property development segment increased marginally by 6% to RM218.5 million (2012: RM207.1 million) mainly due to contribution from new developments, namely Sejati Residences and Utropolis, and higher progressive billings from Bukit Banyan in Sungai Petani. Revenue for the construction segment increased by 42% to RM313.5 million (2012: RM221.1 million) due to higher progressive billings from the abovementioned new developments and external projects as they near completion.

As a result of the higher revenue, the construction segment registered a higher PBT of RM5.1 million (2012: RM0.5 million). The property development segment, however, registered a decline in PBT by 16% to RM45.6 million (2012: RM54.6 million). The lower PBT registered by the property development division was mainly due to a high composition of low margin products from the Kemuning Utama development, lower margins from start-up of new developments and higher staff costs due to new hires required following the move into integrated development.

Revenue for the education division increased by 13% to RM124.7 million (2012: RM110.5 million) due to higher revenue registered by the primary and secondary school segment.

PBT for the education division declined marginally by 2% to RM27.8 million (2012: RM28.3 million). The lower PBT was mainly due to the higher LBT registered by the University College stemming from lower revenue and higher operating costs, which was mitigated by higher profits recorded by the primary and secondary school segment and the college in Penang.

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

For 4Q13, Group PBT increased by 22% to RM21.3 million (3Q13: RM17.5 million).

B3. Prospects

In the near term, the various measures taken by the Government to discourage excessive speculative buying in order to stem property prices, particularly those in urban markets, from spiralling to dizzy heights will undoubtedly have a dampening effect on the property market. These corrective measures will, however, help ensure a more stable and sustainable property market in the mid to long term.

With a strong carried forward lock-in sales that were boosted by the coming onstream of the new developments in 2012 and 2013, namely Bukit Banyan, Sejati Residences, Paramount Utropolis and Sekitar26 Business and its offerings of a wide array of products from affordable to premium residential properties and semi detached industrial properties, the property development segment is confident of weathering the perennial challenges associated with this moderated market environment and will continue to perform well in 2014.

The construction segment, after completing the balance two external projects in 2014, will switch its focus to internal projects. With the increased activities on the new developments, the construction segment is expected to record higher progressive billings in 2014.

The Property Division will continue to source for strategically located development land while exploring joint venture opportunities to enhance its performance and provide sustainable growth in an increasingly competitive landscape.

2014 will continue to be challenging for the Education Division. Unresolved issues arising from the implementation of the Education Malaysia Global Services (EMGS) and its impact on overseas recruitment have led private tertiary institutions to shift their focus on local recruitment and introduction of aggressive pricing strategies that could be detrimental to the industry in the long term. The primary and secondary school market is today flooded with new private/international schools, and the rush to build even more remains unabated. This has resulted in the market, particularly Klang Valley, facing excess capacity.

Despite these challenges, the primary and secondary school, with its strong value proposition and brand name, will continue to perform well and drive the performance of the Education Division. The school has continuously added facilities to increase capacity to meet overwhelming demand.

The tertiary education segment is presently working on several initiatives that would provide the value proposition and differentiation to remain competitive. The University College is developing a strong suite of new programmes including a Bachelor in Accounting that offers an accelerated pathway into the ACCA qualification and is currently in the midst of working closely with its overseas university partners to offer programmes that are industry relevant and in line with future trends. As the completion date of the new flagship KDU University College campus in Glenmarie draws near, marketing efforts have intensified to enrol students for this new campus. In line with its impending elevation to University College status, KDU College Penang is upgrading its facilities and resources to meet the standards required of a University College and developing proprietary programmes for approval and ready for launching when its status is elevated. Although all these initiatives will put a stress on already squeezed margins, such necessities are key in boosting student enrolment in the long term.

Overall, barring any unforeseen circumstances, the Group will continue to perform well in 2014.

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
Current year provision	8,059	22,498
Over provided in prior year	(458)	(835)
Deferred tax	(644)	(70)
	<u>6,957</u>	<u>21,593</u>

The effective tax rate for the financial year 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

As at 26 February 2014, there were no corporate proposals announced but not completed.

B7. Borrowings and debts securities

The Group's borrowings and debts securities as at 31 December 2013 were as follows:

	RM'000
<u>Short-term borrowings (Secured)</u>	
Current portion of long term loans	41,402
<u>Long-term borrowings (Secured)</u>	
Term loans	220,798
Islamic Medium Term Notes	55,546
	<u>276,344</u>

B8. Realised and unrealised profits

The breakdown of retained profits as at 31 December 2013 and 31 December 2012 on a group basis, into realised and unrealised profits, is as follows:

	31/12/2013 RM'000	31/12/2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	655,250	625,330
- Unrealised	(9,495)	(8,095)
	<u>645,755</u>	<u>617,235</u>
Total share of retained profits/(loss) from associate		
- Realised	(201)	11
Less: Consolidation adjustments	(127,987)	(127,846)
Total Group retained profits	<u>517,567</u>	<u>489,400</u>

B9. Derivative financial instrument

The outstanding interest rate swap contracts as at 31 December 2013 are as follows:

	Contract amount	Fair value Assets/ (Liabilities)
	RM'000	RM'000
Interest rate swap*		
- More than 3 years	62,700	149
- More than 3 years	39,000	(49)
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* 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	Financial Year-to-date
	RM'000	RM'000
Interest rate swap	100	100
	<hr/>	<hr/>

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

Reason for gain/(loss): The floating interest rate has moved favourably for the Group from the transaction date

B11. Changes in material litigation

As at 26 February 2014, there were no changes in material litigation, including the status of pending litigation since the last annual reporting date of 31 December 2012.

B12. Dividends payable

- (i) A proposed single tier final dividend of 5.50 sen, for the financial year ended 31 December 2013 has been recommended by the directors;
- (ii) Amount per share - single tier 5.50 sen;
- (iii) Previous corresponding period - a single tier final dividend of 5.00 sen per share;
- (iv) Date payable - 27 June 2014; and
- (v) Date for entitlement to dividend:-
 - (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 13 June 2014 in respect of ordinary transfers.
 - (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

The total dividend for the current financial year to date is 8.00 sen per share, single tier. (2012: 8.00 sen per share, single tier)

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 for the period (RM'000)	14,356	53,503
Weighted average number of ordinary shares ('000)	337,812	337,812
Basic EPS (sen)	<u>4.25</u>	<u>15.84</u>

(b) Diluted EPS

Not applicable to the Group.