

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 For the period ended 30 September 2013 - unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Sep 2013	Preceding Corresponding Quarter Ended 30-Sep 2012	Current Period Ended 30-Sep 2013	Preceding Corresponding Period Ended 30-Sep 2012
Revenue	35,039	45,763	95,852	96,390
Cost of sales	(13,521)	(21,222)	(31,690)	(37,220)
Gross Profit	21,518	24,541	64,162	59,170
Other operating income	2,402	3,960	6,351	7,518
Operating expenses	(6,800)	(6,353)	(22,812)	(18,614)
Operating profit	17,120	22,148	47,701	48,074
Finance costs	(916)	(911)	(2,628)	(2,990)
Share of result in associate	-	-	-	-
Profit before tax	16,204	21,237	45,073	45,084
Taxation	(3,812)	(4,880)	(11,201)	(11,248)
Profit for the period	12,392	16,357	33,872	33,836
Other comprehensive income:				
Net (loss)/gain on available for sale financial assets				
Gain/(loss) on fair value	4,261	(1,066)	21,632	1,702
Total comprehensive income	16,653	15,291	55,504	35,538
Profit for the period attributable to:				
Owners of the parent	7,871	12,580	20,406	22,169
Non-controlling interests	4,521	3,777	13,466	11,667
	12,392	16,357	33,872	33,836
Total comprehensive income for the period, net of tax attributable to:				
Owners of the parent	12,132	11,514	42,038	23,871
Non-controlling interests	4,521	3,777	13,466	11,667
	16,653	15,291	55,504	35,538
Earnings per share attributable to equity holders of the parent:				
EPS (sen)	7.87	12.58	20.41	22.17

The above condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 For the period ended 30 September 2013 - unaudited

	30-Sep 2013 RM'000	31-Dec 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	95,023	67,255
Port facilities	85,638	84,828
Investment properties	5,087	5,146
Land held for property development	14,658	14,658
Other investments	100,151	29,748
Intangible assets	23,811	23,811
	<u>324,368</u>	<u>225,446</u>
Current assets		
Property development costs	131,342	131,794
Inventories	6,665	6,331
Trade and other receivables	135,351	186,595
Other current assets	-	255
Tax recoverable	1,426	1,530
Cash and bank balances	187,361	184,950
	<u>462,145</u>	<u>511,455</u>
Total assets	<u>786,513</u>	<u>736,901</u>
Equity and liabilities		
Current liabilities		
Borrowings	77,043	77,224
Trade and other payables	51,003	53,958
Tax payable	8,725	4,246
	<u>136,771</u>	<u>135,428</u>
Net current assets	<u>325,374</u>	<u>376,027</u>
Non-current liabilities		
Borrowings	30,451	30,419
Trade and other payables	5,010	4,912
Deferred tax liabilities	5,218	5,109
	<u>40,679</u>	<u>40,440</u>
Total liabilities	<u>177,450</u>	<u>175,868</u>
Net assets	<u>609,063</u>	<u>561,033</u>
Equity attributable to owners of the parent		
Share capital	100,000	100,000
Share premium	172,770	172,770
Fair value adjustment reserve	19,456	(2,176)
Retained earnings	210,780	197,848
	<u>503,006</u>	<u>468,442</u>
Non-controlling interests	106,057	92,591
Total equity	<u>609,063</u>	<u>561,033</u>
Total equity and liabilities	<u>786,513</u>	<u>736,901</u>

The above condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying notes attached to the interim financial statements.

PERAK CORPORATION BERHAD
 Company No: 210915-U
 (Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the period ended 30 September 2013 - unaudited

	Attributable to Equity Holders of the Parent -						
	Equity total RM'000	Equity RM'000	Non-distributable Share Capital RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	Distributable Fair value Adjustment RM'000	Non- Controlling Interest RM'000
At 1 January 2013	561,034	468,443	100,000	172,770	197,849	(2,176)	92,591
Total comprehensive income	55,504	42,038	-	-	20,406	21,632	13,466
<u>Transactions with owners</u>							
Dividend paid	(7,475)	(7,475)	-	-	(7,475)	-	-
Dividend paid by a subsidiary to a non-controlling interest	-	-	-	-	-	-	-
At 30 September 2013	609,063	503,006	100,000	172,770	210,780	19,456	106,057
<u>9 months ended 30 September 2012</u>							
At 1 January 2012	520,416	431,362	100,000	172,770	162,042	(3,450)	89,054
Total comprehensive income	35,538	23,871	-	-	22,169	1,702	11,667
<u>Transactions with owners</u>							
Dividend paid	(2,250)	(2,250)	-	-	(2,250)	-	-
Dividend paid by a subsidiary to a non-controlling interest	(5,000)	-	-	-	-	-	(5,000)
At 30 September 2012	548,704	452,983	100,000	172,770	181,961	(1,748)	95,721

The above condensed consolidated statements of comprehensive income should be read in conjunction accompanying notes attached to the with the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the period ended 30 September 2013 - unaudited

	9 MONTHS ENDED	
	30-Sep 2013 RM'000	30-Sep 2012 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash collection from trade/other receivables	104,871	97,081
Cash received from other income	1,302	849
Cash paid to employees	(10,474)	(7,926)
Cash paid for other expenses	(4,954)	(13,760)
Cash paid to suppliers	(6,630)	(7,613)
Cash paid to trade/other payables	(22,741)	(7,193)
Cash paid for tax	(15,131)	(12,607)
Net cash generated from operating activities	<u>46,243</u>	<u>48,831</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	3,910	3,549
Dividend received	2,120	820
Purchase of PPE	(810)	(216)
Purchase of Port	(3,017)	(559)
Purchase of shares	(8,295)	(421)
Proceeds from disposal of PPE	14,229	7,904
Development costs	(41,115)	(20,552)
Net cash used in investing activities	<u>(32,978)</u>	<u>(9,475)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash repayment from amounts borrowed	(1,434)	(13,764)
Dividends paid on ordinary shares	(7,475)	(2,250)
Dividends paid on ordinary shares to minority shareholders	-	(5,000)
Repayment of hire purchase principal	(177)	(165)
Cash paid for interest costs	(1,780)	(2,946)
Uplift/(Placement) of fixed deposits	6,047	(1,126)
Uplift/(Placement) of deposits pledged	-	9,244
Receipt of advances from borrowings	-	12,000
Net cash used in financing activities	<u>(4,819)</u>	<u>(4,007)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,446	35,349
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	136,072	137,908
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>144,518</u>	<u>173,257</u>
Cash and cash equivalents comprise :		
Cash and bank balances	187,361	189,353
Bank balances and deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(42,843)	(16,096)
	<u>144,518</u>	<u>173,257</u>

The above condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - THIRD QUARTER ENDED 30 SEPTEMBER 2013

A1 Basis of Preparation

The interim financial report has been prepared in accordance with MFRS134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial report except that the Company has prepared the statements of cashflows using the direct method. The Company decided to continue using the direct method in the preparation of its statements of cash flows.

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 Company and its subsidiaries ("the Group") since the year ended 31 December 2012.

A2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the year ended 31 December 2012, except for the adoption of the following new/revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations:

Effective for annual periods beginning on or after 1 July 2012

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

Effective for annual periods beginning on or after 1 January 2013

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

MFRS 3 Business Combination (IFRS 3 Business Combinations issued by IASB in March 2004)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 Employee Benefits

MFRS 128 Investments in Associates and Joint Ventures

MFRS127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)

Amendment to the IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements 2009-2011 Cycle

Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance

Amendments to MFRS 11: Joint Arrangements: Transition Guidance

Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance

The adoptions of the above standards are not expected to have any material impact on the interim

A3 Changes in estimates

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

A4 Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial period.

A5 Segmental Information

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30/9/13 RM'000	30/9/12 RM'000	30/9/13 RM'000	30/9/12 RM'000
Segment revenue				
Infrastructure	21,422	17,166	66,410	59,866
Township development	13,102	25,302	23,042	32,145
Management services and others	1,798	13,549	16,173	24,699
Total revenue	36,322	56,017	105,625	116,710
Eliminations	(33)	(10,254)	(9,773)	(20,320)
	36,289	45,763	95,852	96,390
Segment results				
Infrastructure	11,376	8,126	34,517	29,354
Township development	5,719	8,528	8,066	11,288
Management services and others	359	4,583	6,240	14,442
	17,454	21,237	48,823	55,084
Eliminations	-	-	(3,750)	(10,000)
Share of results in associate	-	-	-	-
	17,454	21,237	45,073	45,084

All inter-segment transactions have been entered into in the normal course of business and have been established on negotiated terms.

All activities of the Group's operations are carried out in Malaysia.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

Comparison between 3Qtr 2013 and 3Qtr 2012

Group Summary

The Group Revenue for the current quarter of RM35.0 million decreased by 23% as compared with RM45.8 million recorded in the corresponding quarter last year. The increased contribution from infrastructure segment could not cover lower contribution from other segments which consequently resulted in an overall decrease in profit before tax of 24% amounted to RM16.2 million (30/9/12: RM21.2 million).

Infrastructure

The infrastructure segment remained the Group's main source of revenue and profit before tax for the current quarter contributing 61% (30/9/12: 38%) and 70% (30/9/12: 38%) respectively.

Its revenue comprise mainly of revenue from port operations for the provision of port facilities and ancillary services at Lumut Maritime Terminal (LMT) and contractual revenue under the operation and maintenance of Lekir Bulk Terminal besides the revenue from sales and rental of LMT port related industrial land. For the quarter under review, the revenue of RM21.4 million (30/9/12 : RM17.2 million) increased by 25% mainly as a result of increased cargo throughput of 12% from LBT, LMT port of 14% and land sales of 100% to RM2.3 million (30/9/12:RM0). This consequently resulted in an overall increase in profit before tax of 51% amounting to RM9.1 million (30/9/12: RM6.0 million).

Revenue

	Current quarter		
	30/9/13 RM'000	30/9/12 RM'000	% change
Port Operations	19,094	17,166	11%
Industrial land	2,329	-	100%
Total	21,423	17,166	25%
Profit before tax			
Port Operations	9,765	8,203	19%
Industrial land	1,612	(77)	-2194%
Total	11,377	8,126	40%

Throughput	metric tonnes		% change
	LMT	747,663	751,293
LBT	1,853,556	1,537,494	21%
Industrial land sold (acres)	4	-	100%

Township development

This segment provided revenue and profit before tax of 37% (30/9/12 : 55%) and 35% (30/9/12: (40%)) respectively to the Group for the quarter under review.

It derives revenue mainly from sales of development land, profits from property development joint ventures and other ancillary services. For the quarter under review, the revenue decreased by 48% to RM13.1 million (30/9/12:RM25.3 million) which was contributed by land sales only : 100%, property development joint venture profit : 0% and the zero from ancillary services. The segment profit before tax amounted to RM5.7 million (30/9/12 : PBT RM8.5 million).

Management services and others

This segment contributed revenue from rental income and sale of land (after eliminations) of RM0.5 million (30/9/12:RM3.3 million) for the quarter under review. The segment also contributed a loss before tax of RM0.9 million for the quarter under review.

Comparison between 9 months ended 30 September 2013 and 30 September 2012

Group Summary

The Group Revenue for the current financial period of RM95.8 million decreased slightly as compared with RM96.3 million recorded in the corresponding period last year. This was contributed by all the segments. Profit before tax increased by 3% due to higher margins from the infrastructure segments.

Infrastructure

The infrastructure segment remained the Group's main source of revenue and profit before tax for the current financial period contributing 69% (30/9/12: 62%) and 77% (30/9/12: 65%) respectively.

For the financial period under review, revenue of RM66.4 million (30/9/12 : RM60.0 million) increased by 11% mainly as a result of increased cargo throughput of 14% from LBT, 27% from LMT and contribution of 4% from land sales. This consequently resulted in an overall increase in profit before tax of 17% amounted to RM34.5 million (30/9/12: RM29.4 million).

The summary results are as follows:

Revenue

	9 months ended		% change
	30/9/13 RM'000	30/9/12 RM'000	
Port Operations	63,493	53,871	18%
Industrial land	2,918	5,995	-51%
Total	66,411	59,866	11%
Profit before tax			
Port Operations	32,787	25,562	28%
Industrial land	1,733	3,792	-54%
Total	34,520	29,354	18%

Throughput

	metric tonnes		% change
	LMT	2,349,906	2,351,213
LBT	5,675,575	5,189,797	9%
Industrial land sold (acres)	5	11	-51%

Township development

This segment provided revenue and profit before tax of 24% (30/9/12 : 33%) and 18% (30/9/12:25%) respectively to the Group for the current financial period under review.

For the current financial period under review, the revenue decreased by 28% to RM23.0 million (30/9/12:RM32.1 million) which was contributed by land sales : 91%, property development joint venture profit : 3% and the balance from ancillary services. The segment profit before tax amounted to RM8.1 million (30/9/12 : RM11.3 million).

Management services and others

This segment contributed revenue from rental income and sale of land (after eliminations) of RM6.4 million (30/9/12: RM4.4 million) for the period under review. The segment also contributed a profit before tax of RM2.5 million (profit before tax 4.4 million) for the financial period under review.

A6 Comments about Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal and cyclical factors. However, there is a compensating effect on its results due to the performance of the various segmental activities of the Group.

A7 Profit for the period

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30/9/13 RM'000	30/9/12 RM'000	30/9/13 RM'000	30/9/12 RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	1,676	2,672	4,271	4,065
Interest expense	(999)	(2,120)	(2,628)	(2,990)
Depreciation and amortisation	(1,055)	(980)	(2,929)	(2,629)
Allowance of impairment loss in receivables	-	-	(1,200)	-
Impairment loss in receivables	-	-	-	-
Gain/(Loss) on disposal of property, plant & equipment	-	-	-	1,960
Dividend income from quoted investment	-	820	2,130	874

Save as disclosed above, foreign exchange gain or loss is not applicable and there were no gain/loss on disposal of the quoted investment, during the current quarter/period as well as in the preceding corresponding quarter/period.

A8 Taxation

The taxation charge for the Group comprises:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30/9/13 RM'000	30/9/12 RM'000	30/9/13 RM'000	30/9/12 RM'000
Current tax	3,778	4,818	11,093	11,061
Deferred tax	34	62	108	187
	<u>3,812</u>	<u>4,880</u>	<u>11,201</u>	<u>11,248</u>

The Group effective tax rate for the current quarter/period was higher than the statutory tax rate of 25% (2012: 25%) principally due to losses incurred by certain subsidiaries, certain expenses being disallowed for tax purposes and certain income not being taxable.

A9 Earnings Per Share

Basic earnings per share is calculated by dividing profit for the quarter/period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the quarter/period by the Company.

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30/9/13	30/9/12	30/9/13	30/9/12
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	<u>7,871</u>	<u>12,580</u>	<u>20,406</u>	<u>22,169</u>

Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen) for:	7.87	12.58	20.41	22.17

A10 Intangible assets

There were no changes in estimates of the amounts reported on 31 December 2012 and current financial period ended 30 September 2013.

A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 30/9/13 RM'000	As at 31/12/12 RM'000
Cash and bank balances	187,361	184,950
Less: Pledged	(42,843)	(48,878)
Cash and cash equivalents	<u>144,518</u>	<u>136,072</u>

A12 Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs that are based on observable market data, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
30 September 2013				
Available for sale financial assets				
Equity shares	92,790	92,790	-	-
Financial liabilities				
Borrowings (non-current)	30,000	30,000	-	-
31 December 2012				
Available for sale financial assets				
Equity shares	29,732	29,732	-	-
Financial liabilities				
Borrowings (non-current)	30,000	30,000	-	-

A13 Borrowings

The Group's borrowings at the end of the current financial period were as follows:

	As at 30/9/13 RM'000	As at 31/12/12 RM'000
(a) <u>Short term borrowings (current)</u>		
Secured :		
Hire purchase and lease	43	224
Revolving credits	12,000	12,000
Bai Bithaman Ajil Islamic Debt Securities	5,000	5,000
	<u>17,043</u>	<u>17,224</u>
Unsecured :		
Revolving credits	60,000	60,000
	<u>77,043</u>	<u>77,224</u>

(b) Long term borrowings (non-current)

Secured :

Hire purchase and lease	451	419
Bai Bithaman Ajil Islamic Debt Securities	30,000	30,000
	<u>30,451</u>	<u>30,419</u>
Total borrowings	<u>107,494</u>	<u>107,643</u>

(c) Currency

None of the Group borrowings is denominated in foreign currency.

(d) There was no borrowing default or breach of any borrowings agreement by the Group during the current financial period.

A14 Debt and Equity securities

There were no issuance and repayment of debt securities, share buy-backs and share cancellations in the current financial period.

A15 Dividends

No interim dividend has been paid or recommended during or for the current financial period (30 September 2012:Nil).

A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities not provided for as at 30 September 2013 is as follows:

	As at 30/9/13 RM'000	As at 31/12/12 RM'000
i) Authorised but not contracted for		
Property, plant and equipment	-	10
Port facilities	7,740	10,757
Other investment	26,938	28,333
	<u>34,678</u>	<u>39,100</u>
ii) Authorised and contracted for		
Land and building	<u>38,765</u>	<u>66,975</u>

A17 Changes in Contingent Liabilities and Contingent Assets

The group does not have any material contingent liabilities nor contingent assets during the current financial period except that the Company has issued a corporate guarantee of RM30.0 million to a financial institution as part of collateral for a secured revolving credit facility of RM30.0 million to the Company's wholly owned subsidiary on 8 August 2012. To date, the said subsidiary has only utilised RM12.0 million of the said collateral.

A18 Related party transactions

The following table provides information on the transactions which have been entered into with related parties :

Transactions with:	3 months ended 30/9/13 RM'000	3 months ended 30/9/12 RM'000	9 months ended 30/9/13 RM'000	9 months ended 30/9/12 RM'000
Ultimate Holding Corporation ("UHC")				
Advances received/(paid)	(2,694)	1,866	(917)	2,564
Disbursement	-	-	37	-
Management fees	200	200	600	600
Project expenditure	200	200	600	600
Rental payable	123	90	369	267
Project management income	-	-	879	(915)
Rental income	(507)	(507)	(1,521)	(1,521)
Transfer of debts	-	-	-	-
Purchase of land	-	-	-	-
Repayment of advances	-	(1,225)	-	(362)

Fellow subsidiaries of the UHC

Interest income	(65)	(238)	(294)	(246)
Advances received/(paid)	206	(858)	(2,877)	803
Management fees	-	(360)	-	(360)
Repayment of advances	-	(358)	40,451	(358)

	3 months ended 30/9/13 RM'000	3 months ended 30/9/12 RM'000	9 months ended 30/9/13 RM'000	9 months ended 30/9/12 RM'000
Related parties				
Companies in which a director of subsidiary, has substantial interests:				
Port services payable	-	-	-	-
Fixed monthly charges	-	27	-	81
Port services receivable	8,823	8,301	25,654	24,414

Account balances with significant related parties of the Group as at 30 September 2013 and 31 December 2012 are as follows:

	As at 30/9/13 RM'000	As at 31/12/12 RM'000
<u>Account balance with UHC</u>		
Receivables	20,405	20,356
Payables	(6,327)	(632)
<u>Account balances with fellow subsidiaries</u>		
Receivables	72,609	110,017
Payables	-	(31)
<u>Account balances with related parties</u>		
Receivables	13,108	13,011
Payables	(333)	(333)

A19 Significant event

(a) The Company had on 28 February 2012 (entered into a conditional Settlement Agreement ("Settlement Agreement") with Perak Equity Sdn Bhd ("PESB") to partially settle the total debt of RM104.62 million owing as at 31 December 2011 by PESB to the Company by way of set-off against the total purchase consideration of RM70.27 million for two (2) properties to be acquired by the Company from PESB ("Proposed Settlement"). On 26 July 2012, the Proposed Settlement and Proposed Acquisitions have been duly approved by the Shareholders at an Extraordinary General Meeting. As at the reporting date, the Settlement Agreement has yet to be completed as certain conditions precedent have not been fulfilled.

(b) On 22 January 2013, the Company had received approval from the shareholders for the Proposed Final Debt Settlement with PESB to acquire 25,300,543 ordinary shares of RM1.00 each representing 8.41% equity interest in Integrax Bhd from PESB for a total consideration of RM40.48 million to be settled by way of set off against the PESB debt ("Proposed Final Debt Settlement"). The transaction has been completed on 27 February 2013, henceforth the balance debt is reduced by RM40.48 million.

(c) On 22 March 2013, a subsidiary of the Company, PCB Development Sdn Bhd ("PCBD"), entered into a Joint Venture Agreement and a Shareholders' Agreement with Sanderson Project Development (M) Sdn Bhd (SPDM) and the special purpose joint venture company, Animation Theme Park ("ATP"), to formalise and regularise the rights and obligations of the respective contracting parties to facilitate the implementation of the development as detailed below. On the same date, PCBD also entered into a Lease Agreement and a Sale and Purchase Agreement with ATP pertaining to the lease of certain parcels of land at BioD City, Bandar Meru Raya, intended for the construction and operation of the animation theme park incorporating BioD concept and the sale of another parcel of land at BioD City for the development of the resort hotel and serviced apartments. Refer to the announcements made on 22 March 2013 and 26 March 2013 ("Proposed Projects").

On 15 July 2013, PCBD has entered into a fresh agreement with SPDM and/or ATP to vary the terms and conditions for the implementation of the Proposed Project in a more viable and efficient manner. The agreements are a Supplemental Agreement to the Joint Venture Agreement, Supplemental Agreement to the Shareholders' Agreement, two deeds of revocation in respect of the Lease Agreement and Sale and Purchase Agreement and a fresh Sale and Purchase Agreement. Refer to the announcements made on 15 July 2013 and 18 July 2013. As at the reporting date, the agreements have yet to be completed as certain conditions precedent have not been fulfilled.

A20 Material events subsequent to the end of the current quarter

There were no material events subsequent to the end of the current financial period that have not been reflected in these interim financial statements, made up to the latest practicable date.

Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

B1 Performance Review

Explanatory comments on the performance of each the Group's business activities is provided in Note A5.

B2 Comment on Material Change in Profit Before Taxation

The Group made a profit before taxation (PBT) of RM16.2 million in the current quarter ended 30 September 2013 as compared to a profit before taxation of RM13.6 million for the immediate preceding quarter ended 30 June 2013. The increase of 19% in PBT is mainly due the better performance of the property development segment.

B3 Commentary on Prospects

The Group may be able to achieve satisfactory results for the financial year ending 31 December 2013 though overall results may be affected by the global economic slowdown. This is due to the Group's long term strategies which shall hold good for the Group's future prospects and growth. The infrastructure segment shall expect a moderate growth of its throughput. The township development segment shall build on its increased business activities in Bandar Meru Raya resulting from the enhancement of the value of its land bank which shall provide higher profits upon future sales of development land.

B4 Profit Forecast or Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the current financial period.

B5 Corporate Proposals

There are no corporate proposals announced and not completed as at the date of this announcement.

B6 Changes in Material Litigation

There were no pending material litigations as at the latest practicable date.

B7 Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

B8 Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 30 September 2013 or the previous financial year ended 31 December 2012.

B9 Risks and policies of derivatives

The Group did not enter into any derivatives during the current financial period ended 30 September 2013 or the previous financial year ended 31 December 2012.

B10 Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 September 2013 and 31 December 2012.

B11 Realised and unrealised profit/losses

Current financial period/year:	As at 30/9/13 RM'000	As at 31/12/12 RM'000
Total retained profit of the Company and its subsidiaries		
-realised	361,020	334,514
-unrealised	(5,217)	(5,108)
	<u>355,803</u>	<u>329,406</u>
Consolidation adjustments	(145,023)	(131,557)
Total Group retained profits	<u>210,780</u>	<u>197,849</u>

B12 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2012 was not qualified.

B13 Dividend paid

At the Annual General Meeting held on 26 June 2013, the shareholders approved a final dividend of 8.5% per share less 25% taxation and a tax exempt dividend of 1.1 sen per share in respect of the following year ended 31 December 2012, amounted to a payout of approximately RM7.475 million which made on 17 July 2013.