

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 31 December 2013 - unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31-Dec 2013	Preceding Corresponding Quarter Ended 31-Dec 2012	Current Period Ended 31-Dec 2013	Preceding Corresponding Period Ended 31-Dec 2012
Revenue	38,338	60,993	134,190	157,383
Cost of sales	(16,437)	(20,958)	(48,127)	(58,178)
Gross Profit	21,901	40,035	86,063	99,205
Other operating income	2,125	2,446	8,476	9,964
Operating expenses	(8,768)	(10,606)	(31,580)	(29,220)
Operating profit	15,258	31,875	62,959	79,949
Finance costs	(940)	(1,062)	(3,568)	(4,052)
Share of result in associate	-	-	-	-
Profit before tax	14,318	30,813	59,391	75,897
Taxation	(3,798)	(8,055)	(14,999)	(19,303)
Profit for the period	10,520	22,758	44,392	56,594
Other comprehensive income:				
Net (loss)/gain on available for sale financial assets				
Gain on fair value	10,415	(428)	32,047	1,274
Total comprehensive income	20,935	22,330	76,439	57,868
Profit for the period attributable to:				
Owners of the parent	5,675	15,888	26,080	38,057
Non-controlling interests	4,845	6,870	18,312	18,537
	10,520	22,758	44,392	56,594
Total comprehensive income for the period, net of tax attributable to:				
Owners of the parent	16,090	15,460	58,127	39,331
Non-controlling interests	4,845	6,870	18,312	18,537
	20,935	22,330	76,439	57,868
Earnings per share attributable to equity holders of the parent:				
EPS (sen)	5.67	15.89	26.08	38.06

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 FOURTH QUARTER ENDED 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the year ended 31 December 2013 - unaudited

	31-Dec 2013 RM'000	31-Dec 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	110,256	67,255
Port facilities	85,744	84,828
Investment properties	5,067	5,146
Land held for property development	14,658	14,658
Other investments	110,580	29,748
Intangible assets	23,811	23,811
	<u>350,116</u>	<u>225,446</u>
Current assets		
Property development costs	132,330	131,794
Inventories	7,729	6,331
Trade and other receivables	121,233	186,595
Other current assets	540	255
Pre-opening expenditure	968	-
Tax recoverable	1,061	1,530
Cash and bank balances	158,585	184,950
	<u>422,446</u>	<u>511,455</u>
Total assets	<u>772,562</u>	<u>736,901</u>
Equity and liabilities		
Current liabilities		
Borrowings	77,170	77,224
Trade and other payables	63,700	53,958
Tax payable	1,133	4,246
	<u>142,003</u>	<u>135,428</u>
Net current assets	<u>280,443</u>	<u>376,027</u>
Non-current liabilities		
Borrowings	25,245	30,419
Trade and other payables	5,060	4,912
Deferred tax liabilities	5,256	5,109
	<u>35,561</u>	<u>40,440</u>
Total liabilities	<u>177,564</u>	<u>175,868</u>
Net assets	<u>594,998</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	29,871	(2,176)
Retained earnings	216,454	197,848
	<u>519,095</u>	<u>468,442</u>
Non-controlling interests	75,903	92,591
Total equity	<u>594,998</u>	<u>561,033</u>
Total equity and liabilities	<u>772,562</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 FOURTH QUARTER ENDED 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 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	76,439	58,127	-	-	26,080	32,047	18,312
<u>Transactions with owners</u>							
Dividend paid	(7,475)	(7,475)	-	-	(7,475)	-	-
Dividend paid by a subsidiary to a non-controlling interest	(35,000)	-	-	-	-	-	(35,000)
At 31 December 2013	594,998	519,095	100,000	172,770	216,454	29,871	75,903
<u>12 months ended 31 December 2012</u>							
At 1 January 2012	520,416	431,362	100,000	172,770	162,042	(3,450)	89,054
Total comprehensive income	57,868	39,331	-	-	38,057	1,274	18,537
<u>Transactions with owners</u>							
Dividend paid	(2,250)	(2,250)	-	-	(2,250)	-	-
Dividend paid by a subsidiary to a non-controlling interest	(15,000)	-	-	-	-	-	(15,000)
At 31 December 2012	561,034	468,443	100,000	172,770	197,849	(2,176)	92,591

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 FOURTH QUARTER ENDED 31 DECEMBER 2013
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the period ended 31 December 2013 - unaudited

	12 MONTHS ENDED	
	31-Dec 2013 RM'000	31-Dec 2012 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash collection from trade/other receivables	145,476	119,659
Cash received from other income	4,077	10,027
Cash paid to employees	(15,509)	(10,132)
Cash paid for other expenses	(18,234)	(16,498)
Cash paid to suppliers	(10,154)	(7,334)
Cash paid to trade/other payables	(18,071)	(7,030)
Cash paid for tax	(19,883)	(14,479)
Net cash generated from operating activities	67,702	74,213
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	5,302	4,280
Dividend received	2,130	656
Purchase of PPE	(2,560)	(12,534)
Purchase of Port	(4,250)	(559)
Purchase of shares	(8,294)	(456)
Proceeds from disposal of PPE	16,777	7,904
Development costs	(61,368)	(22,622)
Net cash used in investing activities	(52,263)	(23,331)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash repayment from amounts borrowed	(853)	(19,717)
Cash receipt from issuance of shares	-	-
Dividends paid on ordinary shares	(7,475)	(2,250)
Dividends paid on ordinary shares to minority shareholders	(25,000)	(15,000)
Repayment of hire purchase principal	(214)	(190)
Cash paid for interest costs	(8,168)	(3,244)
(Placement)/uplift of fixed deposits	(757)	10,255
Uplift/(Placement) of deposits pledged	37,257	(34,572)
Receipt of advances from borrowings	-	12,000
Net cash used in financing activities	(5,210)	(52,718)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,229	(1,836)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	136,072	137,908
CASH AND CASH EQUIVALENTS AT END OF PERIOD	146,301	136,072
Cash and cash equivalents comprise :		
Cash and bank balances	158,585	184,950
Bank balances and deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(12,284)	(48,878)
	146,301	136,072

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)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FOURTH QUARTER ENDED 31 DECEMBER 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 report 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 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 financial statements of the Group.

Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10, MFRS 12 and MFRS 127, Investment in Entities
 Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities
 Amendments to MFRS 136, Recoverable Amount Disclosures from Non- Financial assets
 Amendments to MFRS 139, Novation of Derivatives and Continuation of Hedge Accounting
 IC Interpretation 21, Levies

A3 Changes in estimates

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

A4 Changes in Composition of the Group

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

A5 Segmental Information

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31/12/13 RM'000	31/12/12 RM'000	31/12/13 RM'000	31/12/12 RM'000
Segment revenue				
Infrastructure	20,842	38,460	87,252	98,326
Township development	6,125	22,018	29,167	54,163
Management services and others	46,404	15,547	62,577	40,246
Total revenue	73,371	76,025	178,996	192,735
Eliminations	(35,033)	(15,033)	(44,806)	(35,353)
	38,338	60,992	134,190	157,382
Segment results				
Infrastructure	10,335	18,579	44,852	47,933
Township development	312	12,513	8,378	23,801
Management services and others	38,671	14,721	44,911	29,163
	49,318	45,813	98,141	100,897
Eliminations	(35,000)	(15,000)	(38,750)	(25,000)
Share of results in associate	-	-	-	-
	14,318	30,813	59,391	75,897

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 4Qtr 2013 and 4Qtr 2012**Group Summary**

The Group Revenue for the current financial quarter of RM38.3 million reported a decreased by 37% as compared with RM60.9 million recorded in the corresponding quarter last year. The decreased are mainly due to from all the segments which consequently resulted in an overall decrease in profit before tax of 53.5% amounting to RM14.3 million (31/12/12: RM30.8 million).

Infrastructure

The infrastructure segment remained the Group's main source of revenue and profit before tax for the current quarter contributing 54% (31/12/12: 63%) and 72% (31/12/12: 60%) 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 RM20.8 million (31/12/12 : RM38.5 million) decreased by 46% mainly as a result of decreased cargo throughput of 8% from LBT, LMT port of 8% and no land sales of recorded (31/12/12:RM17.0 million). This consequently resulted in an overall decrease in profit before tax of 44% amounting to RM10.3 million (31/12/12: RM18.6 million).

The summary results are as follows:

Revenue	Current quarter		
	31/12/13 RM'000	31/12/12 RM'000	% change
Port Operations	20,841	21,463	-3%
Industrial land	-	16,997	-100%
Total	20,841	38,460	-46%
Profit before tax			
Port Operations	10,337	8,353	24%
Industrial land	(3)	10,226	-100%
Total	10,334	18,579	-44%

Throughput	metric tonnes		% change
LMT	850,224	788,058	8%
LBT	1,981,404	1,830,626	8%
Industrial land sold (acres)	-	35	-100%

Township development

This segment provided revenue and profit before tax of 16% (31/12/12 : 36%) and 2.6% (31/12/12: 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 72% to RM6.1 million (31/12/12:RM21.8 million) which was contributed by land sales : 74%, property development joint venture profit : 22% and the zero from ancillary services. The segment profit before tax amounted to RM0.3 million (31/12/12 : PBT RM12.5 million).

Management services and others

This segment contributed revenue from rental income and no sale of land (after eliminations) RM11.3 million (31/12/12:RM0.5 million) for the quarter under review. The segment also contributed a profit before tax of RM3.7 million for the quarter under review.

Comparison between 12 months ended 31 December 2013 and 31 December 2012

Group Summary

The Group Revenue for the current period of RM134.2 million decreased by 15% as compared with RM157.4 million recorded in the corresponding period last year. This was contributed by all the segments consequently resulted in profit before tax decreased by 22%.

Infrastructure

The infrastructure segment remained the Group's main source of revenue and profit before tax for the current period contributing 65% (31/12/12: 62%) and 76% (31/12/12: 63%) respectively.

For the period under review, revenue of RM87.3 million (31/12/12 : RM98.3 million) decreased by 11% mainly due to the performance from both the ports and few lands were not enough to cover total expenses from all segments business units. This consequently resulted in an overall decrease in profit before tax of 6% amounting to RM44.9 million (31/12/12: RM47.9 million).

The summary results are as follows:

Revenue	12 months ended		
	31/12/13	31/12/12	% change
	RM'000	RM'000	
Port Operations	84,334	75,334	12%
Industrial land	2,918	22,992	-87%
Total	87,252	98,326	-11%
Profit before tax			
Port Operations	43,121	33,914	27%
Industrial land	1,730	14,019	-88%
Total	44,851	47,933	-6%
Throughput	metric tonnes		% change
LMT	3,200,130	3,139,270	2%
LBT	7,656,979	7,020,423	9%
Industrial land sold (acres)	5	46	-89%

Township development

This segment provided revenue and profit before tax of 17% (31/12/12 : 34%) and 14% (31/12/12:31%) respectively to the Group for the period under review.

For the period under review, the revenue decreased by 57% to RM23.2 million (31/12/12:RM54.2 million) which was contributed by land sales : 83%, property development joint venture profit : 11% and the balance from ancillary services. The segment profit before tax amounted to RM8.4 million (31/12/12 : RM23.8 million).

Management services and others

This segment contributed revenue from rental income, dividend from quoted shares and dividend from subsidiaries (after elimination) of RM23.7 million (31/12/12: RM4.9 million) for the period under review. The segment also contributed a profit before tax of RM6.2 million (profit before tax 4.2 million) for the 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 12 months ended	
	31/12/13 RM'000	31/12/12 RM'000	31/12/13 RM'000	31/12/12 RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	1,517	1,864	5,788	5,929
Interest expense	(940)	(1,062)	(3,568)	(4,052)
Depreciation and amortisation	(791)	(779)	(3,720)	(3,408)
Allowance of impairment loss in receivables	-	(3,425)	(1,200)	(3,425)
Impairment loss in receivables	-	-	-	-
Gain/(Loss) on disposal of property, plant & equipment	-	(1,949)	-	11
Dividend income from quoted investment	-	-	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/year as well as in the preceding corresponding quarter/year.

A8 Taxation

The taxation charge for the Group comprises:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31/12/13 RM'000	31/12/12 RM'000	31/12/13 RM'000	31/12/12 RM'000
Current tax	(3,758)	(8,098)	(14,851)	(19,158)
Deferred tax	(40)	42	(148)	(145)
	<u>(3,798)</u>	<u>(8,056)</u>	<u>(14,999)</u>	<u>(19,303)</u>

The Group effective tax rate for the current quarter/year 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/year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the quarter/year by the Company.

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31/12/13	31/12/12	31/12/13	31/12/12
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	<u>5,675</u>	<u>22,757</u>	<u>26,080</u>	<u>38,057</u>
Weighted average number of ordinary shares in issue ('000)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Basic earnings per share (sen) for:	<u>5.67</u>	<u>22.76</u>	<u>26.08</u>	<u>38.06</u>

A10 Intangible assets

There were no changes in estimates of the amounts reported on 31 December 2012 and current year ended 31 December 2013.

A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 31/12/13 RM'000	As at 31/12/12 RM'000
Cash and bank balances	158,585	184,950
Less: Pledged	(12,284)	(48,878)
Cash and cash equivalents	<u>146,301</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
31 December 2013				
Available for sale financial assets				
Equity shares	103,205	103,205	-	-
Financial liabilities				
Borrowings (non-current)	25,000	25,000	-	-
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 year were as follows:

	As at 31/12/13 RM'000	As at 31/12/12 RM'000
(a) <u>Short term borrowings (current)</u>		
Secured :		
Hire purchase and lease	170	224
Revolving credits	12,000	12,000
Bai Bithaman Ajil Islamic Debt Securities	5,000	5,000
	<u>17,170</u>	<u>17,224</u>
Unsecured :		
Revolving credits	60,000	60,000
	<u>77,170</u>	<u>77,224</u>

(b) Long term borrowings (non-current)

Secured :

Hire purchase and lease	245	419
Bai Bithaman Ajil Islamic Debt Securities	25,000	30,000
	<u>25,245</u>	<u>30,419</u>
Total borrowings	<u>102,415</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 year.

A14 Debt and Equity securities

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

A15 Dividends

The directors do not recommend a payment of dividend by the Company in respect of the current financial year.

A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities not provided for as at 31 December 2013 is as follows:

	As at 31/12/13 RM'000	As at 31/12/12 RM'000
i) Authorised but not contracted for		
Property, plant and equipment	419	10
Port facilities	15,434	10,757
Other investment	22,053	22,980
Land and building	-	2,537
Renovations on building	250	2,816
	<u>38,156</u>	<u>39,100</u>
ii) Authorised and contracted for		
Property, plant and equipment	25	0
Port facilities	3785	22
Other investment	927	0
Land and building	41,253	66,753
	<u>45,990</u>	<u>66,775</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 year 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 31/12/13 RM'000	3 months ended 31/12/12 RM'000	12 months ended 31/12/13 RM'000	12 months ended 31/12/12 RM'000
Ultimate Holding Corporation ("UHC")				
Advances received/(paid)	216	2,336	(701)	4,900
Disbursement	-	12	37	12
Management fees	200	200	800	800
Project expenditure	200	200	800	800
Rental payable	(17)	85	352	352
Project management income	-	(1,005)	879	(90)
Rental income	(503)	(503)	(2,024)	(2,024)
Transfer of debts	-	16,998	-	16,998
Purchase of land	-	-	-	-
Repayment of advances	-	2,851	-	2,489
Fellow subsidiaries of the UHC				
Interest income	(72)	(708)	(366)	(954)
Advances received/(paid)	(1,745)	(4,182)	(4,622)	(3,379)
Management fees	1,080	-	1,080	(360)
Repayment of advances	-	5,295	40,451	4,937
Rental expenses	-	(31)	-	(31)

A18 Related party transactions

Related parties	3 months ended 31/12/13 RM'000	3 months ended 31/12/12 RM'000	12 months ended 31/12/13 RM'000	12 months ended 31/12/12 RM'000
Companies in which a director of subsidiary, has subs				
Port services payable	-	-	-	-
Fixed monthly charges	-	27	-	81
Port services receivable	9,037	8,301	34,691	24,414

Account balances with significant related parties of the Group at the current financial period/year ended 31 December 2013 and 31 December 2012 are as follows:

	As at 31/12/13 RM'000	As at 31/12/12 RM'000
<u>Account balance with UHC</u>		
Receivables	20,400	20,356
Payables	(6,418)	(632)
<u>Account balances with fellow subsidiaries</u>		
Receivables	73,346	110,017
Payables	-	(31)

Account balances with related parties

Receivables	11,096	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, a subsidiary of the Company, 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.

(d) On 4 December 2013, a subsidiary of the Company, PCB Development Sdn Bhd ("PCBD"), entered into two separate Sale and Purchase Agreement with The Red Snapper (M) Sdn Bhd ("RSSB") to acquire two properties consists of 44 parcels of leasehold lands together with 2 blocks of double storey timber chalets, all in Mukim of Lumut, District of Manjung and a parcel of freehold vacant land at Mukim of Hulu Kinta, District of Kinta, Perak, for a total consideration of RM12.5 million. Refer to the announcements made on 4 December 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 financial year

There were no material events subsequent to the end of the current financial year that have not been reflected in this interim financial report, made up to the latest practicable date, except as disclosed in notes B5.

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 RM14.3 million in the current financial quarter ended 31 December 2013 as compared to a profit before taxation of RM16.2 million for the immediate preceding quarter ended 30 September 2013. The decrease of 12% in PBT is mainly due to lower land sales by subsidiaries.

B3 Commentary on Prospects

The group may be able to achieve satisfactory results for the financial year ending 31 December 2014. Although infrastructure segment shall expect a growth of its throughput during the year but its results shall be partially offset by lower sales of industrial lands due to depleting industrial landbank at Lumut Port Industrial Park. Business activities at Bandar Meru Raya are expected to increase during the year and the group is embarking on long-term strategies for township development segment which is expected to result in lower land sales in the short and immediate term.

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 year.

B5 Corporate Proposals

There are no corporate proposals announced and not completed as at the date of this announcement except for the following:

On 6 January 2014, the Company received an offer letter from its holding corporation, Perbadanan Kemajuan Negeri Perak together with Fast Continent Sdn Bhd, Cherry Blossom Sdn Bhd and Perak Equity Sdn Bhd (collectively referred to as the "Non-Entitled Shareholders") requesting the Company to undertake a proposed selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("Proposed SCR") which will result in the Non-Entitled Shareholders collectively holding the entire issued and paid-up share capital of the Company upon the completion of the Proposed SCR.

On 15 January 2014, the Board of Directors of the Company announced that, save for the interested Directors, the Board had resolved to table the Proposed SCR for the consideration of the shareholders of the Company (save for the Non-Entitled Shareholders) at a forthcoming Extraordinary General Meeting ("EGM"). To-date, the EGM has yet to be convened.

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 year.

B8 Rationale for entering into derivatives

The Group did not enter into any derivatives during the year ended 31 December 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 31 December 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 31 December 2013 and 31 December 2012.

B11 Realised and unrealised profit/losses

	As at 31/12/13 RM'000	As at 31/12/12 RM'000
Current financial period/year:		
Total retained profit of the Company and its subsidiaries		
-realised	371,580	334,514
-unrealised	(5,257)	(5,108)
	<u>366,323</u>	<u>329,406</u>
Consolidation adjustments	(149,869)	(131,557)
Total Group retained profits	<u>216,454</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, amounting to a dividend payable of approximately RM7.475 million which was paid on 17 July 2013.