

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2014 - unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31-Mar 2014	Preceding Corresponding Quarter Ended 31-Mar 2013	Current Period Ended 31-Mar 2014	Preceding Corresponding Period Ended 31-Mar 2013
Revenue	22,615	32,273	22,615	32,273
Cost of sales	(6,286)	(10,019)	(6,286)	(10,019)
Gross Profit	16,329	22,254	16,329	22,254
Other operating income	1,608	1,837	1,608	1,837
Operating expenses	(11,664)	(7,924)	(11,664)	(7,924)
Operating profit	6,273	16,167	6,273	16,167
Finance costs	(1,746)	(926)	(1,746)	(926)
Share of result in associate	(122)	-	(122)	-
Profit before tax	4,405	15,241	4,405	15,241
Taxation	(2,458)	(3,932)	(2,458)	(3,932)
Profit for the period	1,947	11,309	1,947	11,309
Other comprehensive income:				
Net (loss)/gain on available for sale financial assets				
Gain on fair value	1,420	(10,087)	1,420	(10,087)
Total comprehensive income	3,367	1,222	3,367	1,222
Profit for the period attributable to:				
Owners of the parent	(2,030)	6,798	(2,030)	6,798
Non-controlling interests	3,977	4,511	3,977	4,511
	1,947	11,309	1,947	11,309
Total comprehensive income for the period, net of tax attributable to:				
Owners of the parent	(610)	(3,289)	(610)	(3,289)
Non-controlling interests	3,977	4,511	3,977	4,511
	3,367	1,222	3,367	1,222
Earnings per share attributable to equity holders of the parent:				
EPS (sen)	(2.03)	6.80	(2.03)	6.80

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 FIRST QUARTER ENDED 31 MARCH 2014
 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 For the period ended 31 March 2014 - unaudited

	31-Mar 2014 RM'000	31-Dec 2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	113,168	109,529
Port facilities	88,622	86,539
Investment properties	8,186	5,067
Land held for property development	14,658	14,658
Investment in associates	12,222	-
Other investments	99,442	105,367
Intangible assets	23,811	23,811
	<u>360,109</u>	<u>344,971</u>
Current assets		
Property development costs	143,908	134,307
Inventories	8,548	7,946
Trade and other receivables	122,354	121,465
Other current assets	235	206
Tax recoverable	3,347	2,374
Cash and bank balances	134,738	158,619
	<u>413,130</u>	<u>424,917</u>
Total assets	<u>773,239</u>	<u>769,888</u>
Equity and liabilities		
Current liabilities		
Borrowings	77,125	77,170
Trade and other payables	65,540	55,227
Tax payable	2,291	1,332
	<u>144,956</u>	<u>133,729</u>
Net current assets	<u>268,174</u>	<u>291,188</u>
Non-current liabilities		
Borrowings	25,244	25,246
Trade and other payables	5,100	5,059
Deferred tax liabilities	4,859	6,142
	<u>35,203</u>	<u>36,447</u>
Total liabilities	<u>180,159</u>	<u>170,176</u>
Net assets	<u>593,080</u>	<u>599,712</u>
Equity attributable to owners of the parent		
Share capital	100,000	100,000
Share premium	172,770	172,770
Fair value adjustment reserve	26,083	24,663
Retained earnings	214,817	216,847
	<u>513,670</u>	<u>514,280</u>
Non-controlling interests	79,410	85,432
Total equity	<u>593,080</u>	<u>599,712</u>
Total equity and liabilities	<u>773,239</u>	<u>769,888</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 FIRST QUARTER ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the period ended 31 March 2014 - 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 2014	599,712	514,280	100,000	172,770	216,847	24,663	85,432
Total comprehensive income	3,367	(610)	-	-	(2,030)	1,420	3,977
<u>Transactions with owners</u>							
Dividend paid	-	-	-	-	-	-	-
Dividend paid by a subsidiary to a non-controlling interest	(9,999)	-	-	-	-	-	(9,999)
At 31 March 2014	593,080	513,670	100,000	172,770	214,817	26,083	79,410
<u>3 months ended 31 March 2013</u>							
At 1 January 2013	561,033	468,442	100,000	172,770	197,848	(2,176)	92,591
Total comprehensive income	1,222	(3,289)	-	-	6,798	(10,087)	4,511
<u>Transactions with owners</u>							
Dividend paid	-	-	-	-	-	-	-
Dividend paid by a subsidiary to a non-controlling interest	-	-	-	-	-	-	-
At 31 March 2013	562,255	465,153	100,000	172,770	204,646	(12,263)	97,102

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

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the period ended 31 March 2014 - unaudited

	3 MONTHS ENDED	
	31-Mar 2014 RM'000	31-Mar 2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash collection from receivables	31,069	41,323
Cash received from other income	81	117
Cash paid for other expenses	(9,788)	(4,271)
Cash paid to payables	(8,035)	(15,223)
Cash paid for tax	(4,295)	(3,797)
Net cash generated from operating activities	<u>9,032</u>	<u>18,149</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	984	995
Dividend received	-	-
Purchase of PPE	(5,404)	(212)
Purchase of Port	(3,814)	(745)
Purchase of shares	(5,000)	(927)
Proceeds from disposal of PPE	-	-
Development costs	(9,635)	(5,578)
Net cash used in investing activities	<u>(22,869)</u>	<u>(6,467)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid on ordinary shares to minority shareholders	(10,000)	-
Repayment of hire purchase principal	(44)	(66)
Cash paid for interest costs	(150)	(874)
(Placement)/uplift of fixed deposits	30,444	(757)
Uplift/(Placement) of deposits pledged	(4,818)	-
Receipt of advances from borrowings	-	-
Net cash used in financing activities	<u>15,432</u>	<u>(1,697)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,595	9,985
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>115,715</u>	<u>136,072</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>117,310</u>	<u>146,057</u>
Cash and cash equivalents comprise :		
Cash and bank balances	134,738	195,039
Bank balances and deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(17,428)	(48,982)
	<u>117,310</u>	<u>146,057</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)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2014

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 2013 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 2013.

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 2013, 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 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 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 and Cumulative quarter 3 months ended	
	31/3/14 RM'000	31/3/13 RM'000
Segment revenue		
Infrastructure	19,380	22,403
Township development	1,055	6,630
Hotelier	1,665	-
Management services and others	10,548	9,197
Total revenue	32,648	38,230
Eliminations	(10,033)	(5,957)
	<u>22,615</u>	<u>32,273</u>
Segment results		
Infrastructure	9,487	11,022
Township development	(255)	1,697
Hotelier	(2,828)	2,544
Management services and others	8,123	(22)
	<u>14,527</u>	<u>15,241</u>
Eliminations	(10,000)	-
Share of results in associate	(122)	-
	<u>4,405</u>	<u>15,241</u>

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 1Qtr 2014 and 1Qtr 2013

Group Summary

The Group Revenue for the current financial quarter of RM22.6 million reported a decrease by 30% as compared with RM32.3 million recorded in the corresponding quarter last year. The decrease was mainly due to a general decline in revenue from all segments which consequently resulted in an overall decrease in profit before tax of 71% amounting to RM4.4 million (31/3/13: RM15.2 million).

Infrastructure

The infrastructure segment remained the Group's main source of revenue and profit before tax for the current quarter contributing 86% (31/3/13: 69%) and 65% (31/3/13: 72%) respectively.

Its revenue comprises 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 RM19.4 million (31/3/13 : RM22.4 million) decreased by 13% mainly as a result of decreased cargo throughput of 4% from LBT, LMT port increased by 1% and no land sales recorded (31/3/13:RMNil million). This consequently resulted in an overall decrease in profit before tax of 14% amounting to RM9.5 million (31/3/13: RM11.0 million).

A5 Segmental Information

The summary results are as follows:

Revenue

	Current quarter		
	31/3/14	31/3/13	
	RM'000	RM'000	% change
Port Operations	19,382	22,459	-14%
Industrial land	(2)	(56)	-96%
Total	19,380	22,403	-13%

Profit before tax

Port Operations	9,574	10,938	-12%
Industrial land	(87)	84	-204%
Total	9,487	11,022	-14%

Throughput

	metric tonnes		% change
LMT	773,468	803,187	-4%
LBT	1,705,916	1,694,426	1%
Industrial land sold (acres)	-	-	0%

Township development

This segment provided revenue and loss before tax of 5% (31/3/13 : 21%) and 2% (31/3/13: PBT 11%) respectively to the Group's total revenue and loss before tax 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 from RM6.6million to RM1.1 million which was contributed by land sales : nil%, property development joint venture profit : 100% and the zero from ancillary services. The segment loss before tax amounted to RM0.3 million (31/3/13 : PBT RM1.7 million).

Management services and others

This segment contributed revenue from rental income and no sale of land (after eliminations) RM0.5 million (31/3/13:RM0.5 million) for the quarter under review. The segment also contributed a loss before tax of RM1.8 million for the quarter 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 and Cumulative quarter 3 months ended	
	31/3/14 RM'000	31/3/13 RM'000
Profit for the period is arrived at after crediting/(charging):		
Interest income	983	1,337
Interest expense	(1,746)	(874)
Depreciation and amortisation	(1,511)	(1,014)
Allowance of impairment loss in receivables	-	(1,200)
Impairment loss in receivables	15	-
Gain/(Loss) on disposal of property, plant & equipment	-	-
Dividend income from quoted investment	-	-

A7 Profit for the period

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 as well as in the preceding corresponding quarter.

A8 Taxation

The taxation charge for the Group comprises:

	Current quarter and Cumulative quarter 3 months ended	
	31/3/14 RM'000	31/3/13 RM'000
Current tax	2,505	3,895
Deferred tax	(47)	37
	<u>2,458</u>	<u>3,932</u>

The Group effective tax rate for the current quarter was higher than the statutory tax rate of 25% (2012: 25%) principally due to losses incurred by certain subsidiaries and certain expenses being disallowed for tax purposes.

A9 Earnings Per Share

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

	Current quarter and Cumulative quarter 3 months ended	
	31/3/14	31/3/13
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	<u>(2,030)</u>	<u>6,798</u>
Weighted average number of ordinary shares in issue ('000)	<u>100,000</u>	<u>100,000</u>
Basic earnings per share (sen) for:	<u>(2.03)</u>	<u>6.80</u>

A10 Intangible assets

There were no changes in estimates of the amounts reported on 31 March 2014 and current period ended 31 March 2013.

A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 31/3/14 RM'000	As at 31/3/13 RM'000
Cash and bank balances	134,738	195,039
Less: Pledged	(17,428)	(48,982)
Cash and cash equivalents	<u>117,310</u>	<u>146,057</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 March 2014				
Available for sale financial assets				
Equity shares	99,417	99,417	-	-
Financial liabilities				
Borrowings (non-current)	25,000	25,000	-	-
31 December 2013				
Available for sale financial assets				
Equity shares	97,997	97,997	-	-
Financial liabilities				
Borrowings (non-current)	25,000	25,000	-	-

A13 Borrowings

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

	As at 31/3/14 RM'000	As at 31/12/13 RM'000
(a) <u>Short term borrowings (current)</u>		
Secured :		
Hire purchase and lease	125	170
Revolving credits	12,000	12,000
Bai Bithaman Ajil Islamic Debt Securities	5,000	5,000
	<u>17,125</u>	<u>17,170</u>
Unsecured :		
Revolving credits	60,000	60,000
	<u>77,125</u>	<u>77,170</u>
(b) <u>Long term borrowings (non-current)</u>		
Secured :		
Hire purchase and lease	244	246
Bai Bithaman Ajil Islamic Debt Securities	25,000	25,000
	<u>25,244</u>	<u>25,246</u>
Total borrowings	<u>102,369</u>	<u>102,416</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 period.

A15 Dividends

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

A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 31 March 2014 are as follows:

	As at 31/3/14 RM'000	As at 31/12/13 RM'000
i) Authorised but not contracted for		
Property, plant and equipment	880	30
Port facilities	8,777	8,584
Other investment	6,560	22,980
Land and building	2,500	6,850
Renovations on building	26,452	6,483
	<u>45,169</u>	<u>44,927</u>
ii) Authorised and contracted for		
Property, plant and equipment	24	-
Port facilities	4,244	260
Other investment	5,000	-
Land and building	-	11,250
Renovations on building	2,348	-
	<u>11,616</u>	<u>11,510</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 31/3/14 RM'000	3 months ended 31/3/13 RM'000
Ultimate Holding Corporation ("UHC")		
Advances received/(paid)	356	(1,040)
Management fees	200	200
Project expenditure	200	200
Rental payable	89	123
Rental income	(507)	(507)
Repayment of advances	(2)	-

A18 Related party transactions

Fellow subsidiaries of the UHC

Interest income	(75)	(708)
Advances received/(paid)	(786)	(4,182)
Repayment of advances	16	5,295
Rental expenses	-	(31)

Related parties

Companies in which a director of subsidiary, has substantial interests:

	3 months ended 31/3/14 RM'000	3 months ended 31/3/13 RM'000
Port services receivable	8,430	8,039

Account balances with significant related parties of the Group at the current financial period/year ended 31 March 2014 and 31 March 2013 are as follows:

	As at 31/3/14 RM'000	As at 31/3/13 RM'000
<u>Account balance with UHC</u>		
Receivables	20,420	20,793
Payables	(2,362)	(5,644)

Account balances with fellow subsidiaries

Receivables	74,279	70,037
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Account balances with related parties

Receivables	7,034	11,874
Payables	(333)	(495)

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 Agreements 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 announcement 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 period

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

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 RM4.4 million in the current financial quarter ended 31 March 2014 as compared to a profit before taxation of RM14.3 million for the immediate preceding quarter ended 31 December 2013. The decrease of 69% in PBT is mainly due to no 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 period.

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 period.

B8 Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 31 March 2014 or the previous financial year ended 31 December 2013.

B9 Risks and policies of derivatives

The Group did not enter into any derivatives during the current financial period ended 31 March 2014 or the previous financial year ended 31 December 2013.

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 March 2014 and 31 December 2013.

B11 Realised and unrealised profit/losses

	As at 31/3/14 RM'000	As at 31/12/13 RM'000
Current financial period/year:		
Total retained profit of the Company and its subsidiaries		
-realised	200,993	199,093
-unrealised	(5,062)	1,280
	<u>195,931</u>	<u>200,373</u>
Consolidation adjustments	18,886	16,473
Total Group retained profits	<u>214,817</u>	<u>216,846</u>

B12 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2013 was not qualified.

B13 Dividend paid

No final dividend in respect of the financial year ended 31 December 2013 has been paid.