

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the period ended 30 June 2014 - unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Jun 2014	Preceding Corresponding Quarter Ended 30-Jun 2013	Current Period Ended 30-Jun 2014	Preceding Corresponding Period Ended 30-Jun 2013
Revenue	35,883	28,540	58,498	60,813
Cost of sales	(13,851)	(8,150)	(20,137)	(18,169)
Gross Profit	22,032	20,390	38,361	42,644
Other operating income	1,325	2,112	2,933	3,949
Operating expenses	(9,995)	(8,088)	(21,659)	(16,012)
Operating profit	13,362	14,414	19,635	30,581
Finance costs	(704)	(786)	(2,450)	(1,712)
Share of result in associate	(170)	-	(182)	-
Profit before tax	12,488	13,628	17,003	28,869
Taxation	(2,159)	(3,457)	(4,617)	(7,389)
Profit for the period	10,329	10,171	12,386	21,480
Other comprehensive income:				
Net (loss)/gain on available for sale financial assets				
Gain on fair value	9,468	15,149	10,888	5,062
Total comprehensive income	19,797	25,320	23,274	26,542
Profit for the period attributable to:				
Owners of the parent	8,494	5,737	6,574	12,535
Non-controlling interests	1,835	4,434	5,812	8,945
	10,329	10,171	12,386	21,480
Total comprehensive income for the period, net of tax attributable to:				
Owners of the parent	17,962	20,886	17,462	17,597
Non-controlling interests	1,835	4,434	5,812	8,945
	19,797	25,320	23,274	26,542
Earnings per share attributable to equity holders of the parent:				
EPS (sen)	8.49	5.74	6.57	12.54

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 SECOND QUARTER ENDED 30 JUNE 2014  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
For the period ended 30 June 2014 - unaudited

	30-Jun 2014 RM'000	31-Dec 2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	105,572	109,529
Port facilities	91,742	86,539
Investment properties	5,027	5,067
Land held for property development	14,658	14,658
Investment in associates	12,168	-
Other investments	108,910	105,367
Intangible assets	23,811	23,811
	<u>361,888</u>	<u>344,971</u>
<b>Current assets</b>		
Property development costs	136,944	134,307
Inventories	16,341	7,946
Trade and other receivables	140,348	121,465
Other current assets	665	206
Tax recoverable	4,441	2,374
Cash and bank balances	134,029	158,619
	<u>432,768</u>	<u>424,917</u>
<b>Total assets</b>	<u>794,656</u>	<u>769,888</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Borrowings	85,657	77,170
Trade and other payables	53,943	55,227
Tax payable	5,614	1,332
	<u>145,214</u>	<u>133,729</u>
<b>Net current assets</b>	<u>287,554</u>	<u>291,188</u>
<b>Non-current liabilities</b>		
Borrowings	25,224	25,246
Trade and other payables	5,125	5,059
Deferred tax liabilities	6,106	6,142
	<u>36,455</u>	<u>36,447</u>
<b>Total liabilities</b>	<u>181,669</u>	<u>170,176</u>
<b>Net assets</b>	<u>612,987</u>	<u>599,712</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	100,000	100,000
Share premium	172,770	172,770
Fair value adjustment reserve	35,551	24,663
Retained earnings	223,421	216,847
	<u>531,742</u>	<u>514,280</u>
Non-controlling interests	81,245	85,432
<b>Total equity</b>	<u>612,987</u>	<u>599,712</u>
<b>Total equity and liabilities</b>	<u>794,656</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 SECOND QUARTER ENDED 30 JUNE 2014  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the period ended 30 June 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
<b>At 1 January 2014</b>	599,712	514,280	100,000	172,770	216,847	24,663	85,432
Total comprehensive income	23,274	17,462	-	-	6,574	10,888	5,812
<u>Transactions with owners</u>							
Dividend paid	-	-	-	-	-	-	-
Dividend paid by a subsidiary to a non-controlling interest	(9,999)	-	-	-	-	-	(9,999)
<b>At 30 June 2014</b>	612,987	531,742	100,000	172,770	223,421	35,551	81,245
<u>6 months ended 30 June 2013</u>							
<b>At 1 January 2013</b>	561,033	468,442	100,000	172,770	197,848	(2,176)	92,591
Total comprehensive income	26,542	17,597	-	-	12,535	5,062	8,945
<u>Transactions with owners</u>							
Dividend paid	-	-	-	-	-	-	-
Dividend paid by a subsidiary to a non-controlling interest	-	-	-	-	-	-	-
<b>At 30 June 2013</b>	587,575	486,039	100,000	172,770	210,383	2,886	101,536

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 SECOND QUARTER ENDED 30 JUNE 2014  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the period ended 30 June 2014 - unaudited

	6 MONTHS ENDED	
	30-Jun 2014	30-Jun 2013
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash collection from trade/other receivables	55,728	88,283
Cash received from other income	197	608
Cash paid for other expenses	(16,464)	(12,253)
Cash paid to trade/other payables	(19,371)	(13,201)
Cash paid for tax	(7,599)	(7,333)
Net cash generated from operating activities	<u>12,491</u>	<u>56,104</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	1,778	2,416
Dividend received	120	2,120
Purchase of PPE	(4,176)	(308)
Purchase of Port	(4,972)	(3,017)
Purchase of shares	(5,000)	(944)
Proceeds from disposal of PPE	10	(101)
Development costs	(26,543)	(26,774)
Net cash used in investing activities	<u>(38,783)</u>	<u>(26,608)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash repayment from amounts borrowed	(139)	(3,107)
Cash receipt from issuance of shares	-	-
Dividends paid on ordinary shares	-	-
Dividends paid on ordinary shares to minority shareholders	(10,000)	-
Repayment of hire purchase principal	(89)	(116)
Cash paid for interest costs	(395)	(295)
(Placement)/uplift of fixed deposits	34,082	(1,879)
Uplift/(Placement) of deposits pledged	(4,970)	(18,488)
Receipt of advances from borrowings	8,723	-
Net cash used in financing activities	<u>27,212</u>	<u>(23,885)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	920	5,611
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>115,681</u>	<u>136,072</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>116,601</u>	<u>141,683</u>
Cash and cash equivalents comprise :		
Cash and bank balances	134,029	208,122
Bank balances and deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(17,428)	(66,439)
	<u>116,601</u>	<u>141,683</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 - SECOND QUARTER ENDED 30 JUNE 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 year except for :

a) On 30 June 2014, a subsidiary of the Company, PCB Development Sdn Bhd ("PCBD"), acquired the entire issued and paid up capital of Beyond Enigma Sdn Bhd ("BESB") and Empire Approach Sdn Bhd ("EASB") for a cash consideration of RM2.00 for each company. Upon acquisitions, BESB and EASB become a wholly-owned subsidiaries of PCBD.

## A5 Segmental Information

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30/6/14	30/6/13	30/6/14	30/6/13
	RM'000	RM'000	RM'000	RM'000
<b>Segment revenue</b>				
Infrastructure	19,433	22,585	38,813	44,988
Township development	11,317	3,310	12,372	9,940
Hotelier	2,400	-	4,065	8,649
Management services and others	11,717	5,178	22,265	5,726
Total revenue	44,867	31,073	77,515	69,303
Eliminations	(8,984)	(2,533)	(19,017)	(8,490)
	35,883	28,540	58,498	60,813
<b>Segment results</b>				
Infrastructure	7,554	12,119	17,041	23,141
Township development	976	650	721	2,347
Hotelier	(200)	(445)	(3,028)	2,099
Management services and others	4,328	3,804	12,451	3,782
	12,658	16,128	27,185	31,369
Eliminations	-	(2,500)	(10,000)	(2,500)
Share of results in associate	(170)	-	(182)	-
	12,488	13,628	17,003	28,869

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 2Qtr 2014 and 2Qtr 2013

#### **Group Summary**

The Group Revenue for the current financial quarter of RM35.9 million reported a increased by 26% as compared with RM28.5 million recorded in the corresponding quarter last year. The increased are mainly due to some land sales from township development segments.

#### **Infrastructure**

The infrastructure segment remained the Group's main source of revenue and profit before tax for the current quarter contributing 54% (30/6/13: 79%) and 60% (30/6/13: 89%) respectively.

It 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 (30/6/13 : RM22.6 million) decreased by 14% mainly as a result of decreased cargo throughput of 19% from LBT and LMT and no land sales recorded (30/6/13:RM0.6 million). This consequently resulted in an overall decrease in profit before tax of 38% amounting to RM7.5 million (30/6/13: RM12.1 million).

## A5 Segmental Information

The summary results are as follows:

Revenue	Current quarter		
	30/6/14 RM'000	30/6/13 RM'000	% change
Port Operations	19,433	21,941	-11%
Industrial land	-	644	>-100%
Total	19,433	22,585	-14%
<b>Profit before tax</b>			
Port Operations	7,603	12,081	-37%
Industrial land	(49)	38	>-100%
Total	7,554	12,119	-38%
<b>Throughput</b>	<b>metric tonnes</b>		<b>% change</b>
LMT	797,177	799,057	0%
LBT	1,731,463	2,128,593	-19%
Industrial land sold (acres)	-	2	0%

### Township development

This segment provided revenue and loss before tax of 32% (30/6/13 : 12%) and 8% (30/6/13: PBT 5%) respectively to the Group total revenue and profit 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 increased from RM3.3 million to RM11.3 million which was contributed by land sales : 88%, property development joint venture profit : 11% and 1% from ancillary services. The segment profit before tax amounted to RM1.0 million (30/6/13 : PBT RM0.6 million).

### Hotelier

This segment contributed revenue from hotel operation and rental income amounting to RM2.4 million (30/6/13: RMNil) for the quarter under review. The segment also contributed a loss before tax of RM0.2 million (30/6/13: PBT RM0.4 million ) for the quarter under review.

### Management services and others

This segment contributed revenue from rental income and dividends from quoted shares and subsidiaries amounting to RM11.7 million (30/6/13: RM5.2 million) for the quarter under review. The segment also contributed a profit before tax of RM4.3 million for the quarter under review as opposed to RM3.8 million same quarter last year.

### Comparison between 6 months ended 30 June 2014 and 30 June 2013

#### Group Summary

The Group Revenue for the current period has decreased by 4% of RM58.5 million from RM60.8 million recorded in the corresponding period last year. Profit before tax for the current period has correspondingly decreased by 41% as the results of due to decline in revenue from all segments which consequently resulted in an overall decrease in margins from all the segments.

#### Infrastructure

The infrastructure segment remained the Group's main source of revenue and profit before tax for the current period by contributing 66% (30/6/13: 74%) and 100% (30/6/13: 80%) of the Group's total revenue and profit before tax respectively.

## A5 Segmental Information

For the period under review, revenue decreased by 14% to RM38.8 million (30/6/13 : RM44.9 million) mainly as a result of 10% decrease cargo throughput at LBT. This consequently resulted in 26% overall decrease in profit before tax to RM17.0 million (30/6/13: RM23.1 million).

The summary results are as follows:

Revenue	6 months ended		
	30/6/14	30/6/13	% change
	RM'000	RM'000	
Port Operations	38,815	44,400	-13%
Industrial land	(2)	588	-100%
Total	38,813	44,988	-14%
<b>Profit before tax</b>			
Port Operations	17,177	23,019	-25%
Industrial land	(136)	122	>-100%
Total	17,041	23,141	-26%
<b>Throughput</b>			
		metric tonnes	% change
LMT	1,570,645	1,602,244	-2%
LBT	3,437,379	3,823,019	-10%
Industrial land sold (acres)	-	-	0%

### Township development

This segment provided revenue and profit before tax of 21% (30/6/13 : 16%) and 4% (30/6/13: 8%) respectively of the Group's total revenue and profit before tax during the period under review.

For the period under review, the revenue increased by 5% to RM12.4 million (30/6/13:RM9.1 million) which was contributed by land sales, property development joint venture profit and ancillary services. The segment profit before tax amounted to RM0.7 million (30/6/13 : RM2.3 million).

### Hotelier

This segment contributed revenue from hotel operation and rental income amounting to RM4.1 million (30/6/13: RM8.6 million from land sales) for the period under review. The segment also contributed a loss before tax of RM3.0 million (30/6/13: PBT RM2.0 million ) for the period under review.

### Management services and others

This segment contributed revenue from rental income and sale of land of RM8.9 million (30/6/13: RM3.6 million) for the period under review. The segment also contributed a loss before tax of RM0.3 million (30/6/2013: PBT RM1.7 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		Cumulative quarter	
	3 months ended		6 months ended	
	30/6/14	30/6/13	30/6/14	30/6/13
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	935	1,607	1,966	2,581
Interest expense	(704)	(786)	(2,450)	(1,712)
Depreciation and amortisation	(1,437)	(1,038)	(2,948)	(2,053)
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	2,720	2,130	2,720	2,130

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		Cumulative quarter	
	3 months ended		6 months ended	
	30/6/14	30/6/13	30/6/14	30/6/13
	RM'000	RM'000	RM'000	RM'000
Current tax	2,195	3,420	4,700	7,315
Deferred tax	(36)	37	(83)	74
	<u>2,159</u>	<u>3,457</u>	<u>4,617</u>	<u>7,389</u>

The Group effective tax rate for the current period was higher than the statutory tax rate of 25% (2013: 25%) principally due to losses incurred by certain subsidiaries, 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		Cumulative quarter	
	3 months ended		6 months ended	
	30/6/14	30/6/13	30/6/14	30/6/13
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	<u>8,494</u>	<u>5,737</u>	<u>6,574</u>	<u>12,535</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>8.49</u>	<u>5.74</u>	<u>6.57</u>	<u>12.54</u>

**A10 Intangible assets**

There were no changes in estimates of the amounts reported on 30 June 2014 and current period ended 30 June 2013.

**A11 Cash and cash equivalents**

Cash and cash equivalents comprised the following amounts:

	As at 30/6/14 RM'000	As at 31/12/13 RM'000
Cash and bank balances	134,029	158,619
Less: Pledged	(17,428)	(42,938)
Cash and cash equivalents	<u>116,601</u>	<u>115,681</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
<b>30 June 2014</b>				
<b>Available for sale financial assets</b>				
Equity shares	108,885	108,885	-	-
<b>Financial liabilities</b>				
Borrowings (non-current)	25,000	25,000	-	-
<b>31 December 2013</b>				
<b>Available for sale financial assets</b>				
Equity shares	97,997	97,997	-	-
<b>Financial liabilities</b>				
Borrowings (non-current)	25,000	25,000	-	-

**A13 Borrowings**

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

	As at 30/6/14 RM'000	As at 31/12/13 RM'000
(a) <u>Short term borrowings (current)</u>		
Secured :		
Hire purchase and lease	73	170
Revolving credits	12,000	12,000
Bai Bithaman Ajil Islamic Debt Securities	5,000	5,000
	<u>17,073</u>	<u>17,170</u>
Unsecured :		
Revolving credits	60,000	60,000
	<u>77,073</u>	<u>77,170</u>

**A13 Borrowings**

	As at 30/6/14 RM'000	As at 31/12/13 RM'000
(b) <u>Long term borrowings (non-current)</u>		
Secured :		
Hire purchase and lease	224	246
Revolving credits	8,584	-
Bai Bithaman Ajil Islamic Debt Securities	25,000	25,000
	<u>33,808</u>	<u>25,246</u>
Total borrowings	<u>110,881</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 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**

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 30 June 2014 are as follows:

	As at 30/6/14 RM'000	As at 31/12/13 RM'000
i) Authorised but not contracted for		
Property, plant and equipment	851	30
Port facilities	6,527	8,584
Other investment	5,856	22,980
Land and building	2,500	6,850
Renovations on building	25,320	6,483
	<u>41,054</u>	<u>44,927</u>
ii) Authorised and contracted for		
Property, plant and equipment	707	0
Port facilities	6,494	260
Other investment	4,296	0
Land and building	3,480	11,250
	<u>14,977</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 for :

a) 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.

b) On 10 July 2014, a subsidiary of the Company, PCB Development Sdn Bhd ("PCBD"), has provided a corporate guarantees of RM50.0 million to a financial institution for a syndicate loan facilities granted to Animation Theme Park Sdn Bhd ("ATP"), a 49% owned associate company of PCBD. To date, the loan facilities has yet to utilised.

c) the Company has issued a corporate guarantee of RM8.9 million to a financial institution as part of collateral for a secured revolving credit facility of RM8.9 million to the Company's wholly owned subsidiary on 7 April 2014. To-date, the said facility has been fully utilised.

#### 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 30/6/14 RM'000	3 months ended 30/6/13 RM'000	6 months ended 30/6/14 RM'000	6 months ended 30/6/13 RM'000
<b>Ultimate Holding Corporation ("UHC")</b>				
Advances received/(paid)	(234)	2,817	122	1,777
Disbursement	-	37	-	37
Management fees	-	200	200	400
Project expenditure	-	200	200	400
Rental payable	-	123	89	246
Project management income	-	879	(507)	879
Rental income	-	(507)	(2)	(1,014)
Transfer of debts	-	-	-	-
Purchase of land	-	-	-	-
Repayment of advances	-	-	-	-
<b>Fellow subsidiaries of the UHC</b>				
Interest income	(80)	(58)	(155)	(229)
Advances received/(paid)	(929)	(2,244)	(1,715)	2,671
Repayment of advances	-	-	-	-
Rental expenses	-	1	16	40,451
	<b>3 months ended 30/6/14 RM'000</b>	<b>3 months ended 30/6/13 RM'000</b>	<b>6 months ended 30/6/14 RM'000</b>	<b>6 months ended 30/6/13 RM'000</b>
<b>Related parties</b>				
Companies in which a director of subsidiary, has substantial interests:				
Port services receivable	8,691	8,792	17,121	16,831

#### A18 Related party transactions

Account balances with significant related parties of the Group at the current financial period ended 30 June 2014 and 30 June 2013 are as follows:

	As at 30/6/14 RM'000	As at 31/12/13 RM'000
<u>Account balance with UHC</u>		
Receivables	1,674	20,399
Payables	(7,840)	(6,286)
<u>Account balances with fellow subsidiaries</u>		
Receivables	75,643	73,806
<u>Account balances with related parties</u>		
Receivables	8,779	11,217
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.

**A19 Significant event**

(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 been completed, refer to announcement made on 12 August 2014.

**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 period that have not been reflected in this interim financial report, 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 RM12.5 million in the current financial quarter ended 30 June 2014 as compared to a profit before taxation of RM4.4 million for the immediate preceding quarter ended 31 March 2014. The increase by triple in PBT is mainly due to land sales and dividend received 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 30 June 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 30 June 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 30 June 2014 and 31 December 2013.

**B11 Realised and unrealised profit/losses**

	As at 30/6/14 RM'000	As at 31/12/13 RM'000
Current financial period/year:		
Total retained profit of the Company and its subsidiaries		
-realised	211,396	199,093
-unrealised	1,363	1,280
	<u>212,759</u>	<u>200,373</u>
Consolidation adjustments	10,662	16,473
Total Group retained profits	<u>223,421</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.