

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the period ended 31 December 2014 - unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31-Dec 2014	Preceding Corresponding Quarter Ended 31-Dec 2013	Current Period Ended 31-Dec 2014	Preceding Corresponding Period Ended 31-Dec 2013
Revenue	30,053	38,134	169,708	133,986
Cost of sales	(14,856)	(14,876)	(62,411)	(46,566)
Gross Profit	15,197	23,258	107,297	87,420
Other operating income	4,912	2,114	9,357	8,465
Operating expenses	(3,615)	(9,884)	(40,276)	(32,696)
Operating profit	16,494	15,488	76,378	63,189
Finance costs	(1,273)	(933)	(3,757)	(3,561)
Share of result in associates	(1,475)	(5)	(1,758)	(5)
Profit before tax	13,746	14,550	70,863	59,623
Taxation	(3,182)	(4,108)	(18,034)	(15,309)
Profit for the period	10,564	10,442	52,829	44,314
Other comprehensive income:				
Net (loss)/gain on available for sale financial assets				
Gain on fair value	2,841	5,208	9,942	26,840
Total comprehensive income	13,405	15,650	62,771	71,154
Profit for the period attributable to:				
Owners of the parent	6,358	6,068	39,128	26,474
Non-controlling interests	4,206	4,374	13,701	17,840
	10,564	10,442	52,829	44,314
Total comprehensive income for the period, net of tax attributable to:				
Owners of the parent	9,199	11,276	49,070	53,314
Non-controlling interests	4,206	4,374	13,701	17,840
	13,405	15,650	62,771	71,154
Earnings per share attributable to equity holders of the parent:				
EPS (sen)	6.36	6.07	39.13	26.47

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 2014  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
For the period ended 31 December 2014 - unaudited

	31-Dec 2014 RM'000	31-Dec 2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	92,784	109,529
Port facilities	90,518	86,539
Investment properties	4,987	5,067
Land held for property development	24,038	14,658
Investment in associates	57,086	105,342
Other investments	25	25
Intangible assets	23,811	23,811
	<u>293,249</u>	<u>344,971</u>
<b>Current assets</b>		
Property development costs	135,776	134,307
Inventories	12,504	7,946
Trade and other receivables	155,269	121,465
Other current assets	266	206
Tax recoverable	7,535	2,374
Cash and bank balances	107,556	158,619
	<u>418,906</u>	<u>424,917</u>
Investment held for sale	107,938	-
<b>Total assets</b>	<u>820,093</u>	<u>769,888</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Borrowings	83,895	77,170
Trade and other payables	56,698	55,227
Tax payable	-	1,332
	<u>140,593</u>	<u>133,729</u>
<b>Net current assets</b>	<u>278,313</u>	<u>291,188</u>
<b>Non-current liabilities</b>		
Borrowings	21,029	25,246
Trade and other payables	-	5,059
Deferred tax liabilities	5,987	6,142
	<u>27,016</u>	<u>36,447</u>
<b>Total liabilities</b>	<u>167,609</u>	<u>170,176</u>
<b>Net assets</b>	<u>652,484</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	34,605	24,663
Retained earnings	255,975	216,847
	<u>563,350</u>	<u>514,280</u>
Non-controlling interests	89,134	85,432
<b>Total equity</b>	<u>652,484</u>	<u>599,712</u>
<b>Total equity and liabilities</b>	<u>820,093</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 FOURTH QUARTER ENDED 31 DECEMBER 2014  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the year ended 31 December 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	62,771	49,070	-	-	39,128	9,942	13,701
<u>Transactions with owners</u>							
Dividend paid	-	-	-	-	-	-	-
Dividend paid by a subsidiary to a non-controlling interest	(9,999)	-	-	-	-	-	(9,999)
<b>At 31 December 2014</b>	652,484	563,350	100,000	172,770	255,975	34,605	89,134
<u>12 months ended 31 December 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	71,154	53,314	-	-	26,474	26,840	17,840
<u>Transactions with owners</u>							
Dividend paid	(7,475)	(7,475)	-	-	(7,475)	-	-
Dividend paid by a subsidiary to a non-controlling interest	(25,000)	-	-	-	-	-	(25,000)
<b>At 31 December 2013</b>	599,712	514,281	100,000	172,770	216,847	24,664	85,431

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 FOURTH QUARTER ENDED 31 DECEMBER 2014  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the year ended 31 December 2014 - unaudited

	12 MONTHS ENDED	
	31-Dec 2014 RM'000	31-Dec 2013 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash collection from trade/other receivables	135,374	110,345
Cash received from other income	574	1,302
Cash paid for other expenses	(35,197)	(25,428)
Cash paid to trade/other payables	(73,434)	(32,371)
Cash paid for tax	(22,572)	(18,186)
Net cash generated from operating activities	<u>4,745</u>	<u>35,662</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	3,767	5,312
Dividend received	2,367	2,130
Purchase of property plant & equipment	(7,350)	(14,640)
Purchase of port facilities	(6,403)	(4,385)
Purchase of investment in associate	(5,000)	(7,350)
Proceeds from disposal of property plant & equipment	2,860	32
Development costs	(37,397)	(7,779)
Net cash used in investing activities	<u>(47,156)</u>	<u>(26,680)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash repayment from amounts borrowed	(148)	(5,000)
Dividends paid on ordinary shares	-	(7,475)
Dividends paid on ordinary shares to minority shareholders	(10,000)	(25,000)
Repayment of hire purchase principal	(150)	(326)
Cash paid for interest costs	(3,030)	(3,561)
(Placement)/uplift of fixed deposits	24,577	11,989
Receipt of advances from borrowings	7,844	-
Net cash generated from/(used in) financing activities	<u>19,093</u>	<u>(29,373)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(23,318)	(20,391)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	115,681	136,072
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>92,363</u>	<u>115,681</u>
Cash and cash equivalents comprise :		
Cash and bank balances	107,556	158,618
Bank balances and deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(15,193)	(42,937)
	<u>92,363</u>	<u>115,681</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)**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**- FOURTH QUARTER ENDED 31 DECEMBER 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 cash flows 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 year 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 wholly-owned subsidiaries of PCBD.

## A5 Segmental Information

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31/12/14	31/12/13	31/12/14	31/12/13
	RM'000	RM'000	RM'000	RM'000
<b>Segment revenue</b>				
Infrastructure	23,005	20,842	81,991	87,252
Township development	3,102	5,922	73,439	28,084
Hotelier	3,523	10,856	10,248	19,505
Management services and others	6,049	25,547	34,934	33,951
Total revenue	35,679	63,167	200,612	168,792
Eliminations	(5,626)	(25,033)	(30,904)	(34,806)
	30,053	38,134	169,708	133,986
<b>Segment results</b>				
Infrastructure	11,763	10,385	38,420	44,902
Township development	(369)	2,001	34,149	9,489
Hotelier	(1,178)	3,625	(4,794)	5,295
Management services and others	9,654	23,541	19,362	28,694
	19,870	39,552	87,137	88,380
Eliminations	(4,649)	(24,997)	(14,516)	(28,757)
Share of results in associates	(1,475)	(5)	(1,758)	-
	13,746	14,550	70,863	59,623

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 2014 and 4Qtr 2013

#### **Group Summary**

The Group Revenue for the current financial quarter of RM30.1 million reported a decreased by 21% as compared with RM38.1 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 become the Group's main source of revenue and profit before tax for the current financial quarter contributing 76% (31/12/13: 76%) and 86% (31/12/13: 80%) 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 RM23.0 million (31/12/13 : RM20.8 million) increased by 10% mainly as a result of increased cargo throughput of 10% from LBT and LMT and no land sales recorded (31/12/13:RMNil million). This consequently resulted in an overall increase in profit before tax of 15% amounting to RM11.9 million (31/12/13: RM10.4 million).

The summary results are as follows:

	Current quarter		% change
	31/12/14	31/12/13	
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	
Port Operations	23,008	20,841	10%
Industrial land	-	-	0%
<b>Total</b>	<b>23,008</b>	<b>20,841</b>	<b>10%</b>
<b>Profit before tax</b>			
Port Operations	11,931	10,388	15%
Industrial land	(7)	(3)	0%
<b>Total</b>	<b>11,924</b>	<b>10,385</b>	<b>15%</b>
			<b>% change</b>
<b>Throughput</b>	<b>metric tonnes</b>		
LMT	709,180	850,224	-17%
LBT	2,371,709	1,981,404	20%
Industrial land sold (acres)	-	-	0%

#### **Township development**

This segment provided revenue and loss before tax of 10% (31/12/13: 15%) and 2% (31/12/13: PBT 14%) respectively to the Group total revenue and profit before tax for the current financial quarter under review.

It derives revenue mainly from sales of development land, profits from property development joint ventures and other ancillary services. For the current financial quarter under review, the revenue decreased from RM5.9 million to RM3.1 million of which 95% contributed by development joint venture project and 5% from ancillary services. The segment loss before tax amounted to RM0.3 million (31/12/13 : PBT RM2.0 million).

**Hotelier**

This segment contributed revenue from hotel operation and rental income amounting to RM3.5 million (31/12/13: RM10.9 from land sales) for the current financial quarter under review. The segment also contributed a loss before tax of RM1.2 million (31/12/13: PBT RM3.6 million) for the current financial quarter under review.

**Management services and others**

This segment contributed revenue from land sales, rental income and dividends from quoted shares and subsidiaries amounting to RM6.0 million (31/12/13: RM25.5 million) for the current financial quarter under review. The segment also contributed a profit before tax of RM9.7 million for the current financial quarter under review as opposed to RM23.5 million (received from dividend income) same quarter last year.

**Comparison between 12 months ended 31 December 2014 and 31 December 2013****Group Summary**

The Group Revenue for the current financial year has increased by 26% of RM169.7 million from RM133.9 million recorded in the corresponding year last year. Profit before tax for the current financial year has correspondingly increased by 19% as the results of increased in revenue from township development segment and infrastructure segment.

**Infrastructure**

The infrastructure segment become the Group's main source of revenue and profit before tax for the current financial year by contributing 48% (31/12/13: 65%) and 54% (31/12/13: 75%) of the Group's total revenue and profit before tax respectively.

For the current financial year under review, revenue decreased by 6% to RM81.9 million (31/12/13: RM87.2 million) mainly as a result of marginal decrease in combined cargo throughput at LBT and LMT. This consequently resulted in 14% overall decrease in profit before tax to RM38.4 million (31/12/13: RM44.9 million).



The summary results are as follows:

	Current year		% change
	31/12/14	31/12/13	
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	
Port Operations	81,993	84,334	-3%
Industrial land	(2)	2,918	0%
<b>Total</b>	<b>81,991</b>	<b>87,252</b>	<b>-6%</b>
<b>Profit before tax</b>			
Port Operations	38,590	43,172	-11%
Industrial land	(169)	1,730	0%
<b>Total</b>	<b>38,421</b>	<b>44,902</b>	<b>-14%</b>
<b>Throughput</b>	<b>metric tonnes</b>		<b>% change</b>
LMT	3,009,073	3,200,130	-6%
LBT	7,898,067	7,656,979	3%
Industrial land sold (acres)	-	5	0%

#### **Township development**

This segment provided revenue and profit before tax of 43% (31/12/13: 21%) and 47% (31/12/13: 16%) respectively of the Group's total revenue and profit before tax during the current financial year under review.

For the current financial year under review, the revenue increased by three folds to RM73.4 million (31/12/13: RM28.1 million) which was contributed by land sales, property development joint venture profit and ancillary services. The segment profit before tax amounted to RM34.1 million (31/12/13: RM9.5 million).

#### **Hotelier**

This segment contributed revenue from hotel operation and rental income amounting to RM10.2 million (31/12/13: RM19.5 million from land sales) for the current financial year under review. The segment also contributed a loss before tax of RM4.8 million (31/12/13: PBT RM5.3 million) for the current financial year under review.

#### **Management services and others**

This segment contributed revenue from rental income and sale of land of RM34.9 million (31/12/13: RM33.9 million) for the current financial year under review. The segment also contributed a profit before tax of RM19.4 million (31/12/2013: PBT RM28.7 million) for the current financial year 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**

	3 months ended		12 months ended	
	31/12/14	31/12/13	31/12/14	31/12/13
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	2,530	1,450	5,756	5,721
Interest expense	(2,335)	(933)	(4,822)	(3,561)
Depreciation and amortisation	(2,109)	(1,193)	(7,083)	(4,122)
Allowance of impairment loss in receivables	-	-	-	(1,200)
Impairment loss in receivables	-	-	15	-
Gain/(loss) on disposal PPE	3,324	-	3,324	-
Dividend income from quoted	-	-	2,367	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 financial year as well as in the preceding corresponding quarter.

**A8 Taxation**

The taxation charge for the Group comprises:

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31/12/14	31/12/13	31/12/14	31/12/13
	RM'000	RM'000	RM'000	RM'000
Current tax	3,218	3,183	18,189	14,276
Deferred tax	(36)	925	(155)	1,033
	<u>3,182</u>	<u>4,108</u>	<u>18,034</u>	<u>15,309</u>

The Group effective tax rate for the current financial year 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 current financial year by the Company.

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31/12/14	31/12/13	31/12/14	31/12/13
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	6,358	6,068	39,128	26,474
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen) for:	6.36	6.07	39.13	26.47

**A10 Intangible assets**

There were no changes in estimates of the amounts reported on 31 December 2013 and current financial year ended 31 December 2014.

**A11 Cash and cash equivalents**

Cash and cash equivalents comprised the following amounts:

	As at 31/12/14 RM'000	As at 31/12/13 RM'000
Cash and bank balances	107,556	158,619
Less: Pledged	(15,193)	(42,938)
Cash and cash equivalents	92,363	115,681

**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>31 December 2014</b>				
<b>Available for sale financial assets</b>				
Equity shares	107,938	107,938	-	-
<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 31/12/14 RM'000	As at 31/12/13 RM'000
<b>(a) <u>Short term borrowings (current)</u></b>		
Secured :		
Hire purchase and lease	119	170
Revolving credits	13,776	12,000
Bai Bithaman Ajil Islamic Debt Securities	10,000	5,000
	<u>23,895</u>	<u>17,170</u>
Unsecured :		
Revolving credits	60,000	60,000
	<u>83,895</u>	<u>77,170</u>
<b>(b) <u>Long term borrowings (non-current)</u></b>		
Secured :		
Hire purchase and lease	92	246
Revolving credits	5,937	-
Bai Bithaman Ajil Islamic Debt Securities	15,000	25,000
	<u>21,029</u>	<u>25,246</u>
<b>Total borrowings</b>	<u>104,924</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 year.

**A15 Dividend paid**

No dividend has been during the financial year.

**A16 Capital Commitments**

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

	As at 31/12/14 RM'000	As at 31/12/13 RM'000
i) Authorised but not contracted for		
Property, plant and equipment	254	30
Port facilities	6,991	8,584
Other investment	5,334	22,980
Land and building	2,500	6,850
Renovations on building	23,698	6,483
	<u>38,777</u>	<u>44,927</u>
ii) Authorised and contracted for		
Property, plant and equipment	1,600	0
Port facilities	6,145	260
Other investment	6,225	0
Land and building	5,102	11,250
	<u>19,072</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 year 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 guarantee of RM280.0 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, around RM24.9 million has been 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 :

	3 months ended 31/12/14	3 months ended 31/12/13	12 months ended 31/12/14	12 months ended 31/12/13
	RM'000	RM'000	RM'000	RM'000
<b>Transactions with:</b>				
<b>Ultimate Holding Corporation ("UHC")</b>				
Advances received/(paid)	1,705	216	(3,436)	20
Disbursement	-	-	-	778
Management fees	28	200	228	800
Project expenditure	28	200	228	800
Rental payable	9	17	98	352
Project management income	-	-	(507)	(879)
Rental income	-	(503)	(2)	(2,023)
<b>Fellow subsidiaries of the UHC</b>				
Interest income	(151)	(70)	(330)	(364)
Advances received/(paid)	(2,032)	(297)	(3,747)	(3,174)
Repayment of advances	-	-	-	-
Rental expenses	106	29	122	40,480
<b>Related parties</b>				
Companies in which a director of subsidiary, has substantial interests:				
Port services receivable	8,640	9,037	35,106	34,690

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

	As at 31/12/14	As at 31/12/13
	RM'000	RM'000
<u>Account balance with UHC</u>		
Receivables	23,749	20,399
Payables	(2,037)	(6,286)
 <u>Account balances with fellow subsidiaries</u>		
Receivables	76,744	73,806
 <u>Account balances with related parties</u>		
Receivables	10,288	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 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 been completed and announced on 5 September 2014.

(c) 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 and announced 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 are provided in Note A5.

**B2 Comment on Material Change in Profit Before Taxation**

The Group made a profit before taxation (PBT) of RM16.6 million in the current financial quarter ended 31 December 2014 as compared to a profit before taxation of RM38.1 million for the immediate preceding quarter ended 30 September 2014. The decrease in PBT is mainly due to some land sales pending completion 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 is expecting growth of its cargo throughput during the year but sales of industrial land is expected to be lower as it has exhausted its 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 Director, 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 EGM.

On 24 October 2014, the Company received a letter from PKNPk, on behalf of and together with Fast Continent, Cherry Blossom and Perak Equity, requesting PCB to withdraw the Proposed SCR, subject to the SC’s consent (“**Proposed Withdrawal**”) (“**Withdrawal Letter**”).

The Proposed Withdrawal is premised on the letter dated 20 October 2014 from Sime Darby Property Berhad’s (“**SDPB**”) to Affin Hwang IB, informing that SDPB will be voting against the Proposed SCR at the EGM of PCB to be convened in relation to the Proposed SCR.

As at 30 June 2014, SDPB directly holds 6.13% equity interest in PCB or approximately 13.00% of the voting shares held by the Entitled Shareholders.

Given SDPB’s intention to vote against the Proposed SCR as mentioned above, if the Proposed SCR is to proceed and the Company is to hold the EGM to consider the Proposed SCR, PCB will not be able to satisfy the voting requirement.

On 5 November 2014, the Board had resolved to withdraw the Proposed SCR subject to the consent of the SC.

**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 year ended 31 December 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 year ended 31 December 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 December 2014 and 31 December 2013.

**B11 Realised and unrealised profit/losses**

	As at 31/12/14 RM'000	As at 31/12/13 RM'000
Current financial year:		
Total retained profit of the Company and its subsidiaries		
-realised	269,521	199,093
-unrealised	155	1,280
	<u>269,676</u>	<u>200,373</u>
Consolidation adjustments	(13,701)	16,473
Total Group retained profits	<u>255,975</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 Dividends**

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