

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 September 2016 - unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Sep 2016	Preceding Corresponding Quarter Ended 30-Sep 2015	Current Period Ended 30-Sep 2016	Preceding Corresponding Period Ended 30-Sep 2015
Revenue	26,256	27,033	86,538	111,474
Cost of sales	(7,290)	(8,142)	(22,171)	(32,866)
Gross Profit	18,966	18,891	64,367	78,608
Other operating income	1,361	1,896	2,205	81,733
Operating expenses	(25,877)	(15,557)	(69,995)	(41,024)
Operating profit	(5,550)	5,230	(3,423)	119,317
Finance costs	(1,489)	(775)	(1,688)	(2,524)
Share of results in associates	1,108	(1,385)	203	(4,593)
Profit before tax	(5,931)	3,070	(4,908)	112,200
Taxation	(2,301)	(2,722)	(7,983)	(12,081)
Profit for the period	(8,232)	348	(12,891)	100,119
Other comprehensive income:				
Loss on fair value	-	-	-	(34,605)
Total comprehensive income	(8,232)	348	(12,891)	65,514
Profit for the period attributable to:				
Owners of the parent	(10,683)	(2,941)	(16,656)	88,200
Non-controlling interests	2,451	3,289	3,765	11,919
	(8,232)	348	(12,891)	100,119
Total comprehensive income for the period, net of tax attributable to:				
Owners of the parent	(10,683)	(2,941)	(16,656)	53,595
Non-controlling interests	2,451	3,289	3,765	11,919
	(8,232)	348	(12,891)	65,514
Earnings per share attributable to equity holders of the parent:				
EPS (sen)	(10.68)	(2.94)	(16.66)	88.20

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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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016
 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 For the period ended 30 September 2016 - unaudited

	30-Sep 2016 RM'000	31-Dec 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	445,778	112,536
Port facilities	88,747	89,686
Investment properties	4,849	4,909
Land held for property development	23,374	23,374
Investment in associates	3,964	5,411
Other investments	25	42,369
Intangible assets	23,866	23,811
Deferred tax assets	7	-
	<u>590,610</u>	<u>302,096</u>
Current assets		
Property development costs	175,297	151,883
Inventories	15,745	15,991
Trade and other receivables	190,403	158,427
Other current assets	7,365	10,069
Other investment	1,173	14,007
Tax recoverable	9,433	7,099
Cash and bank balances	99,868	92,578
	<u>499,284</u>	<u>450,054</u>
Total assets	<u>1,089,894</u>	<u>752,150</u>

	30-Sep 2016 RM'000	31-Dec 2015 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Borrowings	90,256	13,287
Trade and other payables	61,047	50,423
Tax payable	877	626
	<u>152,180</u>	<u>64,336</u>
Net current assets	<u>347,104</u>	<u>385,718</u>
Non-current liabilities		
Borrowings	237,747	15,884
Trade and other payables	260	424
Deferred tax liabilities	7,034	7,034
	<u>245,041</u>	<u>23,342</u>
Total liabilities	<u>397,221</u>	<u>87,678</u>
Net assets	<u>692,673</u>	<u>664,472</u>
Equity attributable to owners of the parent		
Share capital	100,000	100,000
Share premium	172,770	172,770
Capital reserve	51	-
Retained earnings	294,719	305,722
	<u>567,540</u>	<u>578,492</u>
Non-controlling interests	125,133	85,980
Total equity	<u>692,673</u>	<u>664,472</u>
Total equity and liabilities	<u>1,089,894</u>	<u>752,150</u>

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the period ended 30 September 2016 - unaudited

	Attributable to Equity Holders of the Parent -						
	Equity total RM'000	Non-distributable Equity RM'000	Share Capital RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	Non- Distributable Fair value Adjustment RM'000	Non- Controlling Interest RM'000
At 1 January 2016	664,472	578,492	100,000	172,770	305,722	-	85,980
Prior year adjustments	(347)	(347)			(347)		-
At 1 January 2016	664,125	578,145	100,000	172,770	305,375	-	85,980
Addition	56,387	6,000	-	-	6,000	-	50,387
Total comprehensive income	(12,891)	(16,656)	-	-	(16,656)	-	3,765
<u>Transactions with owners</u>							
Dividend paid by a subsidiary to a non-controlling interest	(14,999)	-	-	-	-	-	(14,999)
At 30 September 2016	692,622	567,489	100,000	172,770	294,719	-	125,133
<u>9 months ended 30 September 2015</u>							
At 1 January 2015	651,423	563,018	100,000	172,770	255,643	34,605	88,405
Total comprehensive income	65,513	53,595	-	-	88,200	(34,605)	11,918
<u>Transactions with owners</u>							
Dividend	(30,000)	(30,000)	-	-	(30,000)	-	-
Dividend paid by a subsidiary to a non-controlling interest	(17,499)	-	-	-	-	-	(17,499)
At 30 September 2015	669,437	586,613	100,000	172,770	313,843	-	82,824

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

PERAK CORPORATION BERHAD
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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the period ended 30 September 2016 - unaudited

	9 MONTHS ENDED	
	30-Sep 2016 RM'000	30-Sep 2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash collection from trade/other receivables	99,296	108,179
Cash received from other income	148	297
Cash paid for other expenses	(45,749)	(29,905)
Cash paid to trade/other payables	(58,919)	(35,328)
Cash paid for tax	(14,015)	(11,349)
Net cash (used in)/generated from operating activities	<u>(19,239)</u>	<u>31,894</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	1,752	2,804
Dividend received	-	3,550
Purchase of property plant & equipment	(1,530)	(4,641)
Purchase of port facilities	(3,443)	(2,700)
Purchase of other investment	(1,373)	-
Proceeds from disposal of property plant & equipment	1,373	10
Proceeds from disposal of investment	-	150,310
Development costs	(76,496)	(22,237)
Net cash (used in)/generated from investing activities	<u>(79,717)</u>	<u>127,096</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	112,822	-
Cash repayment from amounts borrowed	(16,332)	(73,332)
Dividends paid on ordinary shares	-	(30,000)
Dividends paid on ordinary shares to minority shareholders	(15,000)	(17,500)
Repayment of hire purchase principal	(12)	(106)
Cash paid for interest costs	(1,451)	(2,228)
(Placement)/uplift of fixed deposits	25,891	(9,181)
Receipt of advances	13,120	-
Net cash generated from/(used in) financing activities	<u>119,038</u>	<u>(132,347)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	20,082	26,643
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>69,630</u>	<u>81,835</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>89,712</u>	<u>108,478</u>
Cash and cash equivalents comprise :		
Cash and bank balances	101,041	131,749
Bank balances and deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(11,329)	(23,271)
	<u>89,712</u>	<u>108,478</u>

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
- THIRD QUARTER ENDED 30 SEPTEMBER 2016

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 2015 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 2015.

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 2015. The new, revised and amended MFRS and IC Interpretations, which are effective for the financial periods beginning on or after 1 January 2016, did not have any material impact on the financial results of the Group.

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 except for:

- a) On 8 April 2016, a subsidiary of the Company, PCB Development Sdn Bhd ("PCBD"), acquired an additional 0.6 million ordinary shares at an issued price of RM1.00 each and 3.9 million redeemable convertible preference shares at an issued price of RM1.00 each in Animation Theme Park Sdn Bhd ("ATP") for a cash consideration of RM4.5 million. Upon acquisition, ATP becomes a subsidiary of PCBD.

A5 Segmental Information

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30/9/16 RM'000	30/9/15 RM'000	30/9/16 RM'000	30/9/15 RM'000
Segment revenue				
Port & Logistics	20,569	21,766	69,763	71,669
Property development	710	1,209	4,019	24,692
Hospitality & tourism	4,185	3,892	12,001	10,304
Management services and others	791	166	16,840	57,192
Total revenue	26,255	27,033	102,623	163,857
Eliminations	-	-	(16,086)	(52,383)
	26,255	27,033	86,537	111,474
Segment results				
Port & Logistics	7,565	9,621	28,972	34,198
Property development	(7,318)	(1,068)	(16,313)	10,038
Hospitality & tourism	(1,112)	(1,580)	(3,647)	(4,413)
Management services and others	(6,174)	(2,518)	878	121,967
	(7,039)	4,455	9,890	161,790
Eliminations	-	-	(15,000)	(44,997)
Share of results in associates	1,108	(1,385)	203	(4,593)
	(5,931)	3,070	(4,907)	112,200

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 financial statements.

Comparison between 3 Qtr 2016 and 3 Qtr 2015

Group Summary

The Group revenue for the current financial period of RM26.2 million reported a decrease by 2% as compared with RM27.0 million recorded in the corresponding period last year. The increase is mainly due to revenue recognition of land sales from township development segments.

Port & Logistic

The port & logistic segment become the Group's main source of revenue and profit before tax for the current financial period contributing 78% (30/9/15: 81%) and more than 100%

(30/9/15: 100%) respectively.

Its revenue comprises mainly 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 period under review, the revenue of RM20.6 million (30/9/15: RM21.8 million) decreased by 5% mainly as a result of reduction in fixed payment charge for operation despite the increase in cargo throughput.

The summary results are as follows:

	Current quarter		% change
	30/9/16	30/9/15	
Revenue	RM'000	RM'000	
Port Operations	20,569	21,766	-5%
Industrial land	-	-	0%
Total	20,569	21,766	-5%
Profit before tax			
Port Operations	7,565	9,590	-21%
Industrial land	-	(10)	0%
Total	7,565	9,580	-21%
Throughput	metric tonnes		% change
LMT	763,078	750,498	2%
LBT	2,261,442	2,091,515	8%

Property development

This segment provided 2% (30/9/15: 5%) of the Group revenue and more than 100% (30/9/15: -24%) of the Group loss before tax for the current financial period under review.

It derives revenue mainly from sales of development land, profits from property development joint ventures, development and operation of themepark and other ancillary services. For the current financial quarter under review, the revenue decreased from RM1.2 million to RM0.7 million of which 95% contributed by development joint venture project and 5% from ancillary services. The segment loss before tax amounted to RM7.3 million (30/9/15 : LBT RM1.9 million) after inclusion of pre-operating losses at ATP.

Hospitality & tourism

This segment contributed revenue from hotel, rest houses, boathouse and rental income amounting to RM4.2 million (30/9/15: RM3.9 million) for the current financial period under review. The segment also contributed a loss before tax of RM1.1 million (30/9/15: LBT RM1.6 million) for the current financial period under review.

Management services and others

This segment contributed revenue from rental income and land sales amounting to RM0.5 million and RM0.3 million respectively (30/9/15: RM0.2 million and RMNil million) for the current financial quarter under review. The segment also contributed a loss before tax of RM6.2 million for the current financial period under review as opposed to RM2.5 million for the same period last year.

Comparison between 9 months ended 30 September 2016 and 30 September 2015**Group Summary**

The Group Revenue for the current period has decreased by 22% of RM86.5 million from RM111.5 million recorded in the corresponding period last year. The Group has recorded a loss before tax for the current period due to pre operating loss in the themepark project as opposed to the profit before tax in the same period last year.

Port & logistics

The port & logistics segment has become the Group's main source of revenue and profit before tax for the current period by contributing 80% (30/9/15: 64%) of the Group's total revenue and the segment remain profitable for the current period.

For the period under review, revenue decreased by 3% to RM69.8 million (30/9/15: RM71.7 million) mainly as a result of no land sales and reduction in fixed payment charge of cargo throughput operation. This consequently resulted in 15% overall decrease in profit before tax to RM28.9 million (30/9/15: RM34.2 million).

The summary results are as follows:

	30/9/16 RM'000	30/9/15 RM'000	% change
Port Operations	69,763	67,164	4%
Industrial land	-	4,506	-100%
Total	69,763	71,670	-3%
Profit before tax			
Port Operations	29,098	32,187	-10%
Industrial land	(125)	2,011	-106%
Total	28,973	34,198	-15%
Throughput	metric tonnes		% change
LMT	2,439,687	2,280,820	7%
LBT	7,197,755	7,206,608	0%

Property development

This segment provided revenue of 5% (30/9/15: 22%) of the Group's total revenue and recorded a loss before tax of RM16 million for the current period under review.

For the period under review, the revenue decreased to RM4.0 million (30/9/15: RM24.7 million) which was due to reduction in sales as most of the projects are at early stage. The segment loss before tax amounted to RM16.3 million (30/9/15: PBT RM10.0 million) was after inclusion of pre-operating losses at ATP.

Hospitality & tourism

This segment contributed revenue from hotel and rest house operation and rental income amounting to RM12.0 million (30/9/15: RM10.3 million) due to higher demand for convention and foods and beverages for the period under review. The segment also contributed a loss before tax of RM3.6 million (30/9/15: LBT RM4.4 million) for the period under review as a results of the surrounding areas of the hotel operated are still at development phase.

Management services and others

This segment contributed revenue from dividend income, rental office and sales of land amounting to RM16.8 million (30/9/15: RM57.2 million) for the period under review. The segment also contributed a profit before tax of RM0.9 million (30/9/2015: PBT RM121.9 million) for the period under review. The profit before tax was due to no land sales during the period. Profit before tax in the same period last year was due to reclassification adjustment of fair value gain on disposal of quoted investment.

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		9 months ended	
	30/9/16	30/9/15	30/9/16	30/9/15
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	909	1,674	2,290	3,626
Interest expense	(1,489)	(775)	(1,688)	(2,524)
Depreciation and amortisation	(2,578)	(2,196)	(7,549)	(5,878)
Gain or loss on disposal of quoted investment	-	-	-	76,975
Dividend income from quoted investment	-	-	-	3,550

Save as disclosed above, foreign exchange gain or loss is not applicable during the current quarter as well as in the preceding corresponding quarter.

A8 The taxation charge for the Group comprises:

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30/9/16	30/9/15	30/9/16	30/9/15
	RM'000	RM'000	RM'000	RM'000
Current tax	2,352	2,722	8,034	11,731
Deferred tax	(51)	-	(51)	350
	<u>2,301</u>	<u>2,722</u>	<u>7,983</u>	<u>12,081</u>

The Group effective tax rate for the current financial year was higher than the statutory tax rate of 24% (2015: 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 period by the Company.

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30/9/16	30/9/15	30/9/16	30/9/15
(Loss)/Profit for the period attributable to ordinary equity holders of the parent (RM'000)	(10,683)	(2,941)	(16,656)	88,200
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen) for:	(10.68)	(2.94)	(16.66)	88.20

A10 Intangible assets

There were no changes in estimates of the amounts reported on 30 September 2016 and current financial period ended 30 September 2015.

A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 30/9/16 RM'000	As at 31/12/2015 RM'000
Cash and bank balances	101,041	92,578
Less: Pledged	(11,329)	(22,948)
Cash and cash equivalents	89,712	69,630

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	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
30 September 2016				
Financial liabilities				
Redeemable convertible preference shares	-	-	-	-
31 December 2015				
Financial liabilities				
Redeemable convertible preference shares	42,345	-	42,345	-

A13 Borrowings

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

	As at 30/9/16 RM'000	As at 31/12/15 RM'000
(a) <u>Short term borrowings (current)</u>		
Secured :		
Hire purchase and lease	639	613
Bai Bithaman Ajil Islamic Debt Securities	5,000	10,000
Term loan	82,444	1,776
Overdraft	2,173	898
	<u>90,256</u>	<u>13,287</u>
(b) <u>Long term borrowings (non-current)</u>		
Secured :		
Hire purchase and lease	52	6,741
Bai Bithaman Ajil Islamic Debt Securities	-	5,000
Term loan	237,695	4,144
	<u>237,747</u>	<u>15,885</u>
Total borrowings	<u>328,003</u>	<u>29,172</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 Dividend paid

No dividend was paid during the period ended 30 September 2016.

A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 30 September 2016 are as follows:

	As at 30/9/16 RM'000	As at 31/12/15 RM'000
i) Authorised but not contracted for		
Property, plant and equipment	4,405	4,000
Port facilities	31,652	8,050
	<u>36,057</u>	<u>12,050</u>
ii) Authorised and contracted for		
Property, plant and equipment	954	-
Themed water park project	4,642	4,642
Animation Theme Park	89,370	-
Port facilities	1,401	1,132
	<u>96,367</u>	<u>5,774</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, around RM30.0 million has been utilised.

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 51% owned subsidiary company of PCBD. As at 30 June 2016, around RM228.7 million has been utilised.

A18 Related party transactions

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

	ended 30/9/16	ended 30/9/15	ended 30/9/16	ended 30/9/15
	RM'000	RM'000	RM'000	RM'000
Transactions with:				
Ultimate Holding Corporation ("UHC")				
Advances received/(paid)	2,808	(5,339)	13,816	(9,046)
Disbursement	-	(466)	-	-
Project expenditure	511	-	-	-
Rental payable	309	-	834	-
Repayment of advances	-	5,996	-	5,944
Fellow subsidiaries of the UHC				
Interest income	(101)	(14)	(317)	(154)
Advances received/(paid)	(156)	(2,269)	(498)	-

Account balances with significant related parties of the Group at the current financial period ended 30 September 2016 and 30 September 2015 are as follows:

	As at 30/9/16	As at 30/9/15
	RM'000	RM'000
<u>Account balance with UHC</u>		
Receivables	52,021	23,577
Payables	(6,659)	(853)
<u>Account balances with fellow subsidiaries</u>		
Receivables	85,140	78,365
Payables	(61)	-
<u>Account balances with related parties</u>		
Receivables	-	7,686
Payables	-	(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.

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 loss before taxation (PBT) of RM5.9 million in the current financial quarter ended 30 September 2016 as compared to a loss before taxation of RM9.1 million for the immediate preceding quarter ended 30 June 2016. The LBT is mainly due to operating loss from most of the segments.

B3 Commentary on Prospects

The Group is expecting the financial results of the current financial year to remain challenging. Although port and logistic is expecting to grow its cargo throughput but property development segment will continue to make loss due to high pre-operating losses at ATP.

B4 Profit Forecast or Profit Guarantee

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

B5 Corporate Proposals

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

B6 Changes in Material Litigation

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

B7 Disclosure of nature of outstanding derivatives

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

B8 Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 30 September 2016 or the previous financial period ended 30 September 2015 except investment in redeemable convertible preference shares for the settlement of sale of land at Bandar Meru Raya.

B9 Risks and policies of derivatives

The Group did not enter into any derivatives during the current financial period ended 30 September 2016 or the previous financial period ended 30 September 2015 except for:

- a) Animation Theme Park Sdn Bhd ("ATP"), a 51% owned subsidiary company of PCBD ("PCBD"), issued a redeemable convertible preference shares ("RCPS") which has tenor of twenty years and redemption price at RM1.00 per RCPS.

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

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 September 2016 and 30 September 2015.

B11 Realised and unrealised profit/losses

	As at 30/9/16 RM'000	As at 31/12/15 RM'000
Current financial period:		
Total retained profit of the Company and its subsidiaries		
-realised	360,766	369,782
-unrealised	254	(1,523)
	<u>361,020</u>	<u>368,259</u>
Consolidation adjustments	(66,301)	(62,537)
Total Group retained profits	<u>294,719</u>	<u>305,722</u>

B12 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2015 was not qualified.

B13 Dividends

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