

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 September 2017 - unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Sep 2017 RM'000	Preceding Corresponding Quarter Ended 30-Sep 2016 RM'000	Current Period Ended 30-Sep 2017 RM'000	Preceding Corresponding Period Ended 30-Sep 2016 RM'000
Revenue	40,336	26,256	122,450	86,538
Cost of sales	(11,132)	(7,290)	(32,302)	(22,171)
Gross Profit	29,204	18,966	90,148	64,367
Other operating income	2,235	1,361	9,624	2,205
Operating expenses	(40,532)	(25,877)	(103,955)	(69,995)
Operating profit	(9,093)	(5,550)	(4,183)	(3,423)
Finance costs	(4,443)	(1,489)	(12,692)	(1,688)
Share of results in associates	-	1,108	-	203
Profit before tax	(13,536)	(5,931)	(16,875)	(4,908)
Taxation	(3,878)	(2,301)	(11,489)	(7,983)
Profit/(Loss) for the period	(17,414)	(8,232)	(28,364)	(12,891)
Other comprehensive income:				
Net (loss)/gain on available for sale financial assets				
Gain on fair value	-	-	-	-
Total comprehensive income	(17,414)	(8,232)	(28,364)	(12,891)
Profit/(Loss) for the period attributable to:				
Owners of the parent	(11,692)	(10,683)	(16,905)	(16,656)
Non-controlling interests	(5,722)	2,451	(11,459)	3,765
	(17,414)	(8,232)	(28,364)	(12,891)
Total comprehensive income for the period, net of tax attributable to:				
Owners of the parent	(11,692)	(10,683)	(16,905)	(16,656)
Non-controlling interests	(5,722)	2,451	(11,459)	3,765
	(17,414)	(8,232)	(28,364)	(12,891)
Earnings per share attributable to equity holders of the parent:				
EPS (sen)	(11.69)	(10.68)	(16.91)	(16.66)

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 2017
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the period ended 30 September 2017 - unaudited

	30-Sep 2017 RM'000	31-Dec 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	552,144	471,451
Port facilities	167,322	94,736
Investment properties	4,770	4,830
Land held for property development	24,311	24,311
Investment in associates	1,100	1,100
Other investments	1,925	25
Intangible assets	23,912	23,911
Other receivables	-	-
	<u>775,485</u>	<u>620,364</u>
Current assets		
Inventories	188,183	173,610
Trade and other receivables	264,227	262,737
Other current assets	48,211	25,935
Other investment	1,108	1,182
Tax recoverable	4,455	7,739
Cash and bank balances	48,116	93,564
	<u>554,300</u>	<u>564,767</u>
Total assets	<u>1,329,784</u>	<u>1,185,131</u>
Equity and liabilities		
Current liabilities		
Deferred income	-	9,646
Borrowings	136,771	149,486
Trade and other payables	92,608	52,809
Tax payable	1,237	4,154
	<u>230,615</u>	<u>216,095</u>
Net current assets	<u>323,684</u>	<u>348,672</u>

Non-current liabilities		
Borrowings	362,909	296,651
Trade and other payables	114,183	17,291
Deferred tax liabilities	12,032	12,032
	<u>489,124</u>	<u>325,974</u>
Total liabilities	<u>719,740</u>	<u>542,069</u>
Net assets	<u>610,044</u>	<u>643,062</u>
Equity attributable to owners of the parent		
Share capital	100,000	100,000
Share premium	172,770	172,770
Retained earnings	271,536	288,441
	<u>544,307</u>	<u>561,211</u>
Non-controlling interests	65,738	81,851
Total equity	<u>610,044</u>	<u>643,062</u>
Total equity and liabilities	<u>1,329,784</u>	<u>1,185,131</u>

The above condensed consolidated statements of financial position 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the period ended 30 September 2017 - 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	Reserve RM'000	Distributable Retained Earnings RM'000	Non- Controlling Interest RM'000
At 1 January 2017	643,062	561,211	100,000	172,770	-	288,441	81,851
Total comprehensive income	(28,365)	(16,905)	-	-	-	(16,905)	(11,460)
Acquisition of a subsidiary	4	-	-	-	-	-	4
<u>Transactions with owners</u>							
Dividend paid by a subsidiary to a non-controlling interest	(2,500)	-	-	-	-	-	(2,500)
At 30 September 2017	612,202	544,306	100,000	172,770	-	271,536	67,896
<u>9 months ended 30 September 2016</u>							
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

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
Company No: 210915-U
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the period ended 30 September 2017 - unaudited

	9 MONTHS ENDED	
	30-Sep 2017 RM'000	30-Sep 2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash collection from trade/other receivables	131,641	99,296
Cash received from other income	24,237	148
Cash paid for other expenses	(80,913)	(45,749)
Cash paid to trade/other payables	(50,215)	(58,919)
Cash paid for tax	(11,574)	(14,015)
Net cash generated from/(used in) operating activities	<u>13,176</u>	<u>(19,239)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	744	1,752
Purchase of property plant & equipment	(116,933)	(1,530)
Purchase of port facilities	(37,278)	(3,443)
Purchase of other investment	(1,900) -	1,373
Proceeds from disposal of property plant & equipment	-	1,373
Development costs	(15,564)	(76,496)
Net cash used in investing activities	<u>(170,931)</u>	<u>(79,717)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	60,000	112,822
Cash repayment from amounts borrowed	(17,910)	(16,332)
Dividends paid on ordinary shares	-	-
Dividends paid on ordinary shares to minority shareholders	(2,500)	(15,000)
Repayment of hire purchase principal	(41)	(12)
Cash paid for interest costs	(6,166)	(1,451)
(Placement)/uplift of fixed deposits	(12,897)	25,891
Receipt of advances from borrowings	53,206	13,120
Receipt of advances from grant	30,670	-
Net cash generated from financing activities	<u>104,362</u>	<u>119,038</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(53,393)	20,082
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>90,157</u>	<u>69,630</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>36,764</u>	<u>89,712</u>
Cash and cash equivalents comprise :		
Cash and bank balances	48,116	101,041
Bank balances and deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(11,352)	(11,329)
	<u>36,764</u>	<u>89,712</u>

The above condensed consolidated statements of cashflow 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
- THIRD QUARTER ENDED 30 SEPT 2017

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 2016 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 2016.

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 2016. The new, revised and amended MFRS and IC Interpretations, which are effective for the financial periods beginning on or after 1 January 2017, 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 26 January 2017, a subsidiary of the Company, PCB Leisure Sdn Bhd ("PCBL"), acquired the entire equity interest of Pangkor Village Resort Sdn Bhd ("PVR") for a cash consideration of RM2.00. Upon acquisition, PVR becomes a subsidiary of PCBL.
- b) On 5 June 2017, The Company acquired a 70% equity interest of Rungkup Port Sdn Bhd ("RPSB") for a cash consideration of RM1.00. Upon acquisition, RPSB becomes a subsidiary of PCB.

A5 Segmental Information

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30/9/17	30/9/16	30/9/17	30/9/16
Segment revenue	RM'000	RM'000	RM'000	RM'000
Port & Logistics	25,322	20,569	78,560	69,763
Property development	4,516	710	20,341	4,019
Hospitality & tourism	10,498	4,185	19,261	12,001
Management services and others	-	791	6,788	16,840
Total revenue	40,336	26,255	124,950	102,623
Eliminations	-	-	(2,500)	(16,086)
	40,336	26,255	122,450	86,537
Segment results				
Port & Logistics	9,093	7,565	32,275	28,972
Property development	6,428	(6,892)	19,968	(3,504)
Hospitality & tourism	(18,965)	(1,538)	(50,485)	(16,456)
Management services and others	(10,092)	(6,174)	(16,767)	878
	(13,536)	(7,039)	(15,009)	9,890
Eliminations	-	-	(1,866)	(15,000)
Share of results in associates	-	1,108	-	203
	(13,536)	(5,931)	(16,875)	(4,907)

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 2017 and 3 Qtr 2016

Group Summary

The Group revenue for the current financial quarter of RM40.3 million reported an increased by 54% as compared with RM26.3 million recorded in the corresponding period last year. The increased are mainly due to some land sales recognised from property development segments.

Port & Logistics

The port & logistics segment become the Group's main source of revenue and profit before tax for the current financial quarter contributing 63% (30/9/16: 78%) and more than 100% (30/9/16: 100%) 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 period under review, the revenue of RM25.3 million (30/9/16 : RM20.6 million) increased by 20% mainly as a result of increased cargo throughput of 20% from LMT and 35% from LBT and no land sales recorded.

The summary results are as follows:

	Current quarter		% change
	30/9/17	30/9/16	
Revenue	RM'000	RM'000	
Port Operations	25,321	20,569	23%
Industrial land	-	-	0%
Total	25,321	20,569	23%
Profit before tax			
Port Operations	9,105	7,565	20%
Industrial land	(11)	-	0%
Total	9,094	7,565	20%
			% change
Throughput	metric tonnes		
LMT	919,296	763,077	20%
LBT	3,045,460	2,261,442	35%

Property development

This segment provided revenue and provided before tax of 11% (30/9/16: 2%) and more than 100% (30/9/16: >100%) respectively to the Group total revenue and profit before tax for the current financial quarter under review.

It derives 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 increased from RM0.7 million to RM4.5 million of which 95% contributed by development joint venture project and 5% from ancillary services. The segment profit before tax amounted to RM6.4 million (30/9/16 : LBT RM6.8 million).

Hospitality & tourism

This segment contributed revenue from hotel and rest houses operations, development and operation of themepark and rental income amounting to RM10.5 million (30/9/16:

RM4.2 million) for the current financial quarter under review. The segment also contributed a loss before tax of RM18.9 million (30/9/16: LBT RM1.5 million) for the current financial quarter under review.

Management services and others

This segment contributed revenue of RM0.8 million for the previous quarter ended 30 September 2016. The segment contributed a loss before tax of RM10.1 million for the current financial quarter under review as opposed to loss before tax of RM6.2 million same period last year.

Comparison between 9 months ended 30 September 2017 and 30 September 2016

Group Summary

The Group Revenue for the current financial period has increased by 41% of RM122.5 million from RM86.5 million recorded in the corresponding financial period last year. Loss before tax for the current financial period has correspondingly increased by significantly.

Port & logistics

The port & logistics segment become the Group's main source of revenue and profit before tax for the current period by contributing 64% (30/9/16: 80%) and 100% (30/9/16: 100%) of the Group's total revenue and profit before tax respectively.

For the period under review, revenue increased by 13% to RM78.6 million (30/9/16: RM69.8 million) mainly as a result of 17% and 20% increase cargo throughput at LMT and LBT. This consequently resulted in 11% overall increase in profit before tax to RM32.3 million (30/9/16: RM28.9 million).

The summary results are as follows:

Revenue	9 months ended		% change
	30/9/17	30/9/16	
	RM'000	RM'000	
Port Operations	78,560	69,763	13%
Industrial land	-	-	0%
Total	78,560	69,763	13%
Profit before tax			
Port Operations	32,289	29,098	11%
Industrial land	(10)	(125)	-92%
Total	32,279	28,973	11%
Throughput	metric tonnes		% change
LMT	2,851,347	2,439,686	17%
LBT	8,625,154	7,197,755	20%

Property development

This segment provided revenue and profit before tax of 16% (30/9/16: 5%) and >100% (30/6/16: >100%) respectively of the Group's total revenue and profit before tax during the period under review.

For the period under review, the revenue increased to RM20.3 million (30/9/16: RM4.0 million) which was due to recognition of some land sales. The segment profit before tax amounted to RM19.9 million (30/9/16: LBT RM3.5 million).

Hospitality & tourism

This segment contributed revenue from hotel and rest house operation, development and operation of themepark and rental income amounting to RM19.3 million (30/9/16: RM12 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 RM50.5 million (30/9/16: LBT RM16.5 million) after inclusion of operating loss of the animation themepark.

Management services and others

This segment contributed revenue from dividend income and sale of land RM6.8 million (30/9/16: RM16.8 million) for the period under review. The segment also contributed a loss before tax of RM16.8 million (30/9/2016: PBT RM0.9 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

	3 months ended		9 months ended	
	30/9/17	30/9/16	30/9/17	30/9/16
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	(392)	909	3,714	2,290
Interest expense	(4,443)	(1,489)	(12,691)	(1,688)
Depreciation and amortisation	(2,856)	(2,578)	(8,339)	(7,549)

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

A8 The taxation charge for the Group comprises:

	3 months ended		9 months ended	
	30/9/17	30/9/16	30/9/17	30/9/16
	RM'000	RM'000	RM'000	RM'000
Current tax	3,879	2,352	11,489	8,034
Deferred tax	-	(51)	-	(51)
	<u>3,879</u>	<u>2,301</u>	<u>11,489</u>	<u>7,983</u>

The Group effective tax rate for the current financial period was higher than the statutory tax rate of 24% (2016: 24%) 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		Cumulative quarter	
	3 months ended		9 months ended	
	30/9/17	30/9/16	30/9/17	30/9/16
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	(11,692)	(10,683)	(16,905)	(16,656)
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen) for:	(11.69)	(10.68)	(16.91)	(16.66)

A10 Intangible assets

There were no changes in estimates of the amounts reported on 30 September 2017 and current financial period ended 30 September 2016.

A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at	As at
	30/9/17	30/9/16
	RM'000	RM'000
Cash and bank balances	48,116	101,041
Less: Pledged	(11,362)	(11,329)
Cash and cash equivalents	36,754	89,712

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
30 September 2017				
Available for sale financial assets				
Equity shares	1,108	1,108	-	-
31 December 2016				
Available for sale financial assets				
Equity shares	1,182	1,182	-	-

A13 Borrowings

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

	As at 30/9/17 RM'000	As at 31/12/16 RM'000
(a) <u>Short term borrowings (current)</u>		
Secured :		
Hire purchase and lease	1,130	510
Revolving credit	130,000	90,000
Term loan	1,726	16,776
Overdraft	3,915	2,199
	<u>136,771</u>	<u>109,485</u>
(b) <u>Long term borrowings (non-current)</u>		
Secured :		
Hire purchase and lease	6,254	5,186
Revolving credit	60,000	40,000
Term loan	296,655	259,722
	<u>362,909</u>	<u>304,908</u>
Total borrowings	<u>499,680</u>	<u>414,393</u>

(c) Currency

None of the Group borrowings is denominated in foreign currency.

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 2017.

A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 30 September 2017 are as follows:

	30/9/17	31/12/16
	RM'000	RM'000
i) Authorised but not contracted for	-	113,159
ii) Authorised and contracted for	-	<u>2,557</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 2017, the facilities have been fully utilised. As at the reporting date, ATP has made repayment up to RM15.0 million.
- c) On 26 May 2016 and on 16 June 2016, a subsidiary of the Company, PCB Development Sdn Bhd ("PCBD"), has provided a corporate guarantee of RM28.5 million to a financial institution for facilities granted to D'Aman Residences Sdn Bhd and Cempaka Majujaya Sdn Bhd, the associate companies of PCBD. To date, the facilities have been fully utilised at D'Aman Residences Sdn Bhd and Cempaka Majujaya Sdn Bhd. As at the reporting date, Cempaka Majujaya Sdn Bhd has made repayment up to RM12.5 million.

A18 Related party transactions

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

	3 months ended 30/9/17 RM'000	3 months ended 30/9/16 RM'000	9 months ended 30/9/17 RM'000	9 months ended 30/9/16 RM'000
Transactions with:				
Ultimate Holding Corporation ("UHC")				
Advances received/(paid)	10,700	2,808	77,786	13,816
Project expenditure	-	511	-	-
Rental payable	(246)	309	787	834
Repayment of advances	-	-	-	-
Fellow subsidiaries of the UHC				
Interest income	(107)	(101)	(316)	(317)
Trading	(1,426)	-	(4,076)	-
Rental income/expenses	(114)	-	(578)	-
Project expenses	-	-	(75)	-
Advances received/(paid)	(1,718)	(156)	(2,046)	(498)

Account balances with significant related parties of the Group at the current financial period ended 30 September 2017 and 30 September 2016 are as follows:

	As at 30/9/17 RM'000	As at 30/9/16 RM'000
<u>Account balance with UHC</u>		
Receivables	84,900	52,021
Payables	(77,068)	(6,659)
<u>Account balances with fellow subsidiaries</u>		
Receivables	88,375	85,140
Payables	(4,390)	(61)
<u>Account balances with related parties</u>		
Receivables	5,850	-

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

	Current quarter			Cumulative quarter		
	3 months ended		Changes (%)	9 months ended		Changes (%)
	30/9/17 RM'000	30/9/16 RM'000		30/9/17 RM'000	30/9/16 RM'000	
Revenue	40,336	26,256	54%	122,450	86,538	41%
Operating profit	(9,093)	(5,550)	64%	(4,183)	(3,423)	22%
Profit before tax	(13,536)	(5,931)	128%	(16,875)	(4,908)	244%
Profit after tax	(17,414)	(8,232)	112%	(28,364)	(12,891)	120%
Profit/(Loss) attributable to ordinary equity holders of the parent	<u>(11,692)</u>	<u>(10,683)</u>	9%	<u>(16,905)</u>	<u>(16,656)</u>	1%

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

	Quarter 30/09/17 RM'000	Preceding Quarter 30/06/17 RM'000	Changes	
			RM'000	%
Revenue	40,336	51,002	(10,666)	-21%
Operating (loss)/profit	(9,093)	4,275	(13,368)	-313%
(Loss)/Profit before tax	(13,536)	1,743	(15,279)	-877%
(Loss)/Profit after tax	(17,414)	(2,834)	(14,580)	514%
(Loss)/Profit attributable to ordinary equity holders of the parent	(11,692)	1,578	(13,270)	-841%

The Group made a loss before taxation (LBT) of RM13.5 million in the current financial quarter ended 30 September 2017 as compared to a profit before taxation of RM1.7 million for the immediate preceding quarter ended 30 June 2017. The decrease in PBT is mainly due to the operation of Animation Theme Park Sdn Bhd ("ATP") still unable to cover its operating and administrative expenses during the current financial quarter.

B3 Commentary on Prospects

The Group is not expecting to achieve a profitable position for the financial year ending 31 December 2017. This is mainly due to Animation Theme Park Sdn Bhd ("ATP"), which is yet to achieve its breakeven point. However, the port & logistics segment is reporting continued growth in its cargo throughput during the year with its productivity and efficiency improvement program has begun to show some results. The Group is embarking on long-term strategies for its 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.

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 2017 or the previous financial period ended 30 September 2016 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 2017 or the previous financial period ended 30 September 2016 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 2017 and 30 September 2016.

B11 Realised and unrealised profit/losses

	As at 30/9/17 RM'000	As at 31/12/16 RM'000
Current financial period:		
Total retained profit of the Company and its subsidiaries		
-realised	360,758	378,093
-unrealised	-	(12,032)
	<u>360,758</u>	<u>366,061</u>
Consolidation adjustments	(89,222)	(77,620)
Total Group retained profits	<u>271,536</u>	<u>288,441</u>

B12 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2016 was not qualified.

B13 Dividends

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