PERAK CORPORATION BERHAD

INCORPORATED IN MALAYSIA (210915-U)

ANNUAL REPORT 2015

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page

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-fifth Annual General Meeting of the Company will be held at Amanjaya Convention Centre, Casuarina@Meru Hotel, No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak Darul Ridzuan on **Wednesday, 25 May 2016 at 10:00 a.m.** to transact the following businesses:

AGENDA

1.	To receive the Audited Financial Statements for the year ended 31 December 2015 together with the Report of the Directors and Auditors thereon.	**[Please refer to Explanatory Note]**
2.	To approve the increase in Directors' fees for the year ended 31 December 2015 and the payment of Directors' fees thereon.	**Resolution 1**
3.	To re-elect the following Directors who retire in accordance with Article 80 of the Company's Articles of Association:	
	a) Dato' Abd Karim bin Ahmad Tarmizi	**Resolution 2**
	b) Dato' Aminuddin bin Md Desa	**Resolution 3**
4.	To re-appoint Tuan Haji Ab Rahman bin Mohammed as Director of the Company to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965.	**Resolution 4**
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 5**

As special business to consider and, if thought fit, to pass the following resolution:

6. **Ordinary Resolution – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** — **Resolution 6**

"**THAT** approval be and is hereby given pursuant to Paragraph 10.09, Part E of Chapter 10 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements for the Company and/or its subsidiaries to enter into the Recurrent Related Party Transactions of a revenue or trading nature which are necessary for day-to-day operations with the Related Parties, as detailed in Section 2.2 of the Circular to Shareholders of the Company dated 29 April 2016, subject to the following:

(a) the transactions are carried out in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company; and

(b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:

(i) the type of the Recurrent Related Party Transactions made; and

(ii) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

THAT the approval given in the paragraph above shall only continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("**the Act**"), but must not extend to such extension as may be allowed pursuant to section 143(2) of the Act; or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

7. To transact any other business appropriate to an AGM of which due notice shall have been given in accordance with the Act and the Company's Articles of Association.

By order of the Board

Cheai Weng Hoong
Company Secretary

Ipoh
29 April 2016

Notes:
1. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and Section 149 (1)(b) of the Act shall not apply.
2. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
3. When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at D-3-7, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for holding the AGM or at any adjournment thereof.
6. Only members whose names appear in the Record of Depositors as at 19 May 2016 will be entitled to attend and vote at the above Meeting.
7. The registration for the above Meeting will commence on Wednesday, 25 May 2016 at 9:30 a.m.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note

Audited Financial Statements for financial year ended 31 December 2015
The audited financial statements are for discussion only under Agenda 1, as they do not require shareholders' approval under the provisions of Section 169(1) and (3) of the Companies Act 1965. Hence, this matter will not be put for voting.

Resolutions 2 to 4
The profiles of the Directors standing for re-election are disclosed on pages 9 and 11 of the Annual Report and the details of their interest in the securities of the Company are disclosed under Analysis of Shareholdings on page 51 of the Annual Report.

Resolution 6
Please refer to the Circular to Shareholders dated 29 April 2016 which is enclosed together with the Annual Report of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

YB Dato' Nasarudin bin Hashim DIMP, AMP, BPC, BCM
Chairman, Non-Independent Non-Executive

Dato' Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri DIMP
Non-Independent Non-Executive

Tuan Haji Ab Rahman bin Mohammed
Senior Independent Non-Executive

Dato' Abd Karim bin Ahmad Tarmizi DPMP
Independent Non-Executive

Dato' Dr Vasan a/l Sinnadurai DPMP
Independent Non-Executive

Datuk Dr Wan Norashikin binti Wan Noordin DPSM, PMP
Independent Non-Executive

Dato' Aminuddin bin Md Desa DSDK
Group Chief Executive Officer, Non-Independent

NOMINATION AND REMUNERATION COMMITTEE

Dato' Abd Karim bin Ahmad Tarmizi DPMP (Chairman)
Dato' Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri DIMP
Dato' Dr Vasan a/l Sinnadurai DPMP
Datuk Dr Wan Norashikin binti Wan Noordin DPSM, PMP

AUDIT COMMITTEE

Tuan Haji Ab Rahman bin Mohammed (Chairman)
Dato' Dr Vasan a/l Sinnadurai DPMP
Datuk Dr Wan Norashikin binti Wan Noordin DPSM, PMP

MANAGEMENT TEAM

Dato' Aminuddin bin Md Desa DSDK
Group Chief Executive Officer
Perak Corporation Berhad

Jamal bin Mohd Aris
Senior General Manager
Business Operations
Perak Corporation Berhad

Rozahan bin Osman
Group Chief Financial Officer
Perak Corporation Berhad

PRINCIPAL PLACE OF BUSINESS
No. 1-A, Blok A, Menara PKNP
Jalan Meru Casuarina
Bandar Meru Raya
30020 Ipoh
Perak Darul Ridzuan
Tel : +6 (05) 501 9888
Fax : +6 (05) 501 9999
Website : www.pkcorp.com.my

COMPANY SECRETARY
Mr Cheai Weng Hoong (LS 05624)

AUDITORS
Ernst & Young (AF: 0039)
Chartered Accountants

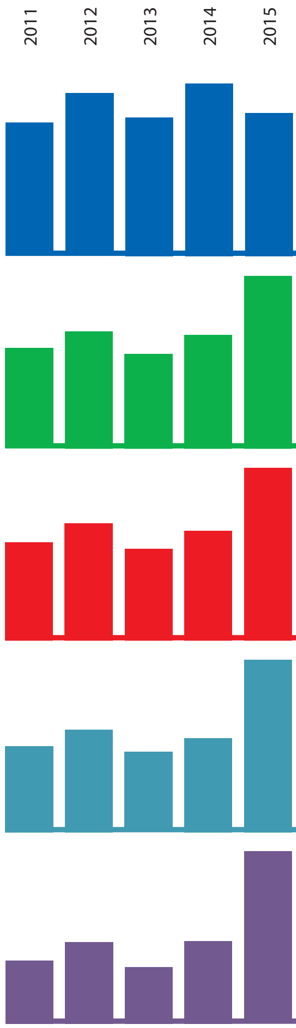
PRINCIPAL BANKERS
CIMB Bank Berhad
Malayan Banking Berhad

REGISTERED OFFICE
D-3-7, Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh, Perak Darul Ridzuan
Tel : +6 (05) 241 7762, 253 0760
Fax : +6 (05) 241 6761

REGISTRAR
Shared Services & Resources Sdn Bhd
D-3-7, Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh, Perak Darul Ridzuan
Tel : +6 (05) 241 7762, 253 0760
Fax : +6 (05) 241 6761

STOCK EXCHANGE LISTING
Main Market,
Bursa Malaysia Securities Berhad
Name : PRKCORP
Stock Code : 8346

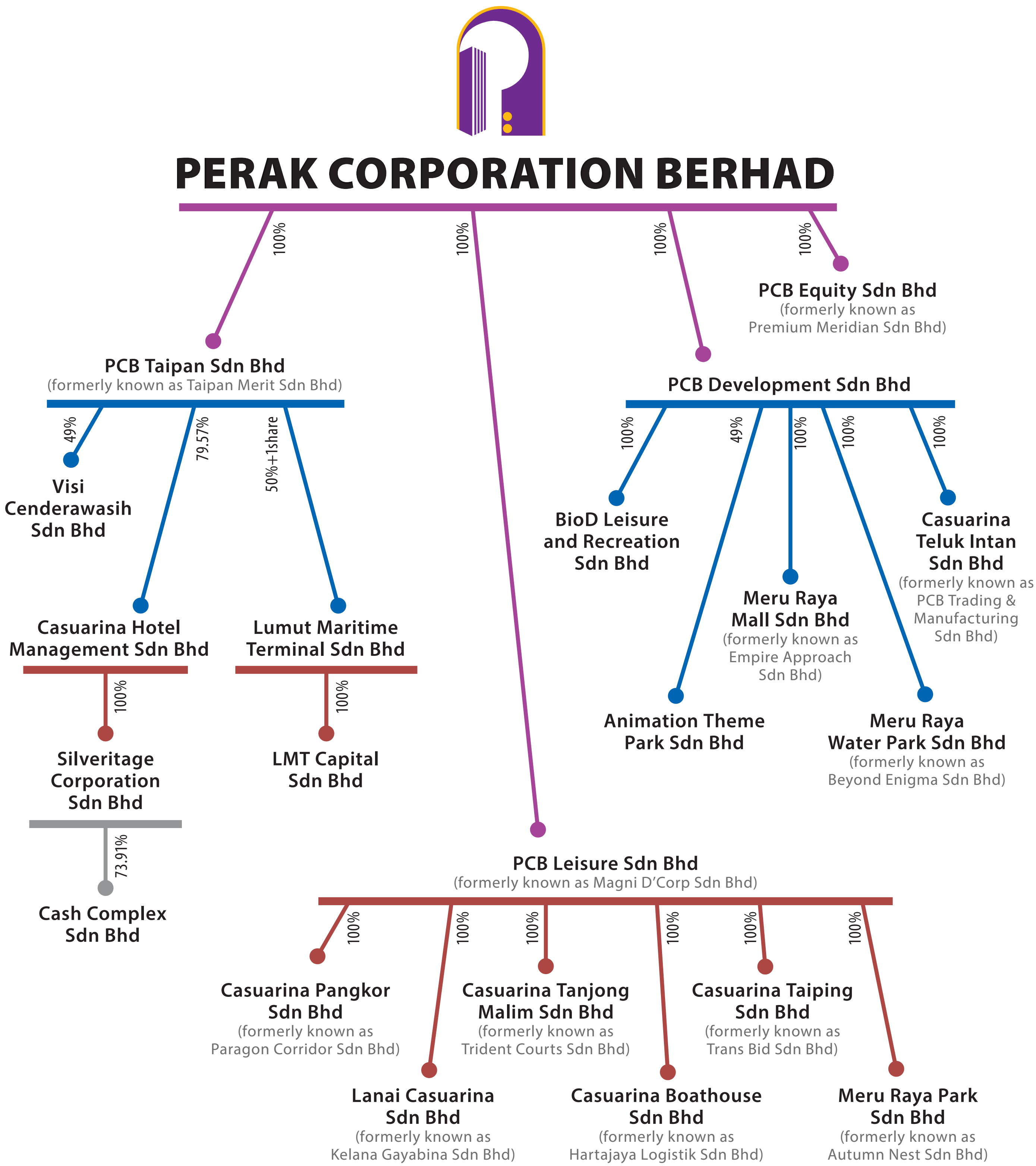
FINANCIAL HIGHLIGHTS 31 DECEMBER



	2011 RM '000	2012 RM '000	2013 RM '000	2014 RM '000	2015 RM '000
Revenue	128,908	157,383	133,987	167,043	138,487
Earnings before interest, taxes, depreciation and amortisation	71,400	83,356	67,386	80,946	123,102
Profit before tax	63,640	75,896	59,624	71,089	112,123
Profit after tax	47,383	56,593	44,314	51,769	95,154
Net profit attributable to equity holders	29,598	38,056	26,473	38,796	80,079

		2011	2012	2013	2014	2015
Total assets	RM '000	675,258	736,902	769,889	827,975	752,153
Shareholders' equity	RM '000	520,417	561,034	599,713	651,423	664,472
Owners' equity	RM '000	431,363	468,443	514,281	563,018	578,493
Total borrowings	RM '000	112,782	107,643	102,416	104,925	29,171
Paid-up capital	RM '000	100,000	100,000	100,000	100,000	100,000
Net assets per share	RM	4.31	4.66	5.14	5.63	5.78
Share price as at fiscal year-end	RM	1.12	1.26	2.92	2.28	2.26
Return on total assets	%	9.42	10.30	7.74	8.59	14.91
Return on equity	%	6.86	8.12	5.15	6.89	13.84
Gross dividend per share	%	2.50	3.00	8.50	–	0.30
Gross dividend yield per share	%	2.20	2.40	2.91	–	13%
Earnings per share	sen	29.60	38.06	26.47	38.80	80.08
Price-earnings ratio	times	3.8	3.3	11.0	5.90	0.03
Gearing ratio	%	0.0	0.0	1.0	14.0	0%

CORPORATE STRUCTURE AS AT 31 DECEMBER 2015



PROFILE OF DIRECTORS

DATO' NASARUDIN BIN HASHIM
DIMP, AMP, BPC, BCM
Non-Independent, Non-Executive Director,
Malaysian, aged 65 years

CHAIRMAN

YB Dato' Nasarudin bin Hashim was first appointed to the Board on 25 August 2009 and thereafter as the Chairman of the Board on 26 August 2009.

He graduated with a Bachelor of Arts with Honours from University of Malaya. He also holds a Certificate in Urban and Rural Planning, United Kingdom.

He has previously served as an Administrative and Diplomatic Services Officer for 23 years at state and federal level. He was a member of Parliament (Parit) from 2004 to 2008 and has been elected as a member of the State Legislative Assembly (Bota, Perak) since 2008. He was previously the Chairman of FELCRA Bhd (2006-2008) and Chairman of Technology Park Malaysia Corporation Sdn Bhd (2009 to 2015). He is the Executive Director of PCB Development Sdn Bhd, a wholly owned subsidiary of the Company, since 1 September 2009.

He attended 5 out of 7 Board of Directors' meetings held during the financial year ended 31 December 2015. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

TUAN HAJI AB RAHMAN BIN MOHAMMED
Senior Independent Non-Executive Director, Malaysian, aged 70 years

Tuan Haji Ab Rahman bin Mohammed was first appointed to the Board on 7 August 2007. He was appointed as a member and thereafter the Chairman of the Audit Committee on 29 August 2007 and 26 August 2009 respectively.

He graduated with a Bachelor of Economics with Honours from University of Malaya in 1969. He obtained Masters in Business Management from Asian Institute of Management, Philippines in 1997. He is a Chartered Member of the Institute of Internal Auditors, Malaysia.

Previously, he sat on the Board on behalf of Permodalan Nasional Berhad, then a major shareholder of the Company. He has been redesignated as an Independent Non-Executive Director on 26 August 2009. He has served in various Government Departments for 30 years. He has served as Deputy Auditor General of Jabatan Audit Negara (1996-2000) and Chief Internal Auditor for Tenaga Nasional Berhad (2001-2005).

He attended 6 out of 7 Board of Directors' meetings held during the financial year ended 31 December 2015. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

He has an indirect interest via his spouse and son's shareholdings of 6,000 ordinary shares of the Company.

DATO' ABD KARIM BIN AHMAD TARMIZI
DPMP
Independent Non-Executive Director, Malaysian, aged 66 years

Dato' Abd Karim bin Ahmad Tarmizi was first appointed to the Board on 2 November 2009. He was appointed as the Chairman of the Nomination and Remuneration Committee on 24 November 2014.

He graduated with a Bachelor of Economics from North Queensland University, Australia. An Australian trained Chartered Accountant, he is also a member of the Malaysian Institute of Accountants.

In 1976-1980, he served the government in the Accountant General's Office in a senior position. He left for the private sector initially joining Paremba/Sime UEP Bhd. Thereafter, he held a few senior corporate positions in the Sime Darby Group. He ended his professional corporate career as the Group Managing Director of Land & General Berhad. In 2001, he initiated the management buyout of Industrial Resins (Malaysia) Sdn Bhd and spearheaded its operation and listing in 2005 as Chairman/CEO of IRM Group Berhad. He has previously served in the listed boards of Land and General Bhd, SPPK Bhd, RHB Bhd and as a Council member of the Malaysian Timber Council. He was active in the Petrochemical Industry as past President of the Plastic Resins Producers Group (PRPG) and Vice President of the Malaysian Petrochemical Association (MPA). He also laid the foundation as initial Chairman for the formation of the Malaysian Plastic Forum (MPF), a plastic advocacy group.

He attended 6 out of 7 Board of Directors' meetings held during the financial year ended 31 December 2015. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

DATO' WAN HASHIMI ALBAKRI BIN WAN AHMAD AMIN JAFFRI
DIMP
Non-Independent Non-Executive Director, Malaysian, aged 57 years

Dato' Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri was first appointed to the Board on 18 June 2008. He was appointed as the Chairman of the Nomination and Remuneration Committee on 2 November 2009 and re-designated as a member of the Nomination and Remuneration Committee on 24 November 2014.

He graduated with a Bachelor of Science in Civil Engineering. He sits on the Board on behalf of Sime Darby Property Berhad, a major shareholder of the Company where he is the Senior Vice President of Property Investment & Asset Management. Prior to that, he was the Chief Executive Officer of Negara Properties (M) Berhad, the main property arm and subsidiary of Golden Hope Plantations Berhad.

He was the Chief Operating Officer of Putrajaya Homes Sdn Bhd, a subsidiary of Putrajaya Holdings Sdn Bhd, the master developer for Putrajaya. He has been involved, hands-on in the company's activities including strategizing, planning, development, construction and marketing of 67,000 residential units in Putrajaya. He was also the Executive Director with Irat Management Services Sdn Bhd, a Project Management service company. Prior to that, he was the General Manager for General Lumber Construction Sdn Bhd, the construction arm of General Lumber & Fabricators Berhad.

Throughout an extensive 36 years experience in the property development and construction industry, he has been with various organisations, including IKRAM, Pengurusan Lebuhraya Berhad and Island & Peninsular Berhad.

He is the Vice President of REHDA Malaysia and Deputy Chairman for REHDA (KL) Branch Malaysia. He is a member of Construction Industry Transformation Programme Working Groups. In addition to that, he is the Chairman for the Task Force on Property Development Handbook and the Chairman for Taskforce on First Home Buyer's Guide for REHDA Malaysia.

He attended 6 out of 7 Board of Directors' meetings held during the financial year ended 31 December 2015. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

DATUK DR WAN NORASHIKIN BINTI WAN NOORDIN
DPSM, PMP
Independent Non-Executive Director, Malaysian, aged 43 years

Datuk Dr Wan Norashikin binti Wan Noordin was first appointed to the Board, a member of the Audit Committee and a member of the Nomination and Remuneration Committee on 2 November 2009.

She graduated with a Bachelor of Dental Surgery (BDS) from the University of Malaya in 1997. She had previously served in the Ministry of Health as a Government Dental Officer from 1997 before she became a private dental practitioner in 2005. She served as the Perak State Assemblywoman for Kampong Gajah from March 2008 to April 2013.

She attended 5 out of 7 Board of Directors' meetings held during the financial year ended 31 December 2015. She does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. She has no conviction for any offence within the past 10 years.

DATO' DR VASAN A/L SINNADURAI
DPMP
Independent Non-Executive Director, Malaysian, aged 52 years

Dato' Dr Vasan a/l Sinnadurai was first appointed to the Board, a member of the Audit Committee and a member of the Nomination and Remuneration Committee on 2 November 2009.

He graduated with Bachelor of Medicine and Bachelor of Surgery from University of Madras, India in 1991. He received the M. MED Orthopaedic from University Science Malaysia (USM) in 2001. He also holds various fellowships, among others, Fellowship in Foot and Ankle Reconstruction (Australia), Fellowship in Sport and Shoulder (Korea), American Orthopaedic Travelling (USA) and is a Certified Medical Independent Assessor (CMIA).

He is currently the Consultant of Orthopaedic and Adult Reconstruction Surgeon at Pantai Hospital Ipoh. He has provided medical services for more than 25 years.

He attended 6 out of 7 Board of Directors' meetings held during the financial year ended 31 December 2015. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

DATO' AMINUDDIN BIN MD DESA
DSDK
Non-Independent Director, Malaysian, aged 54 years Group Chief Executive Officer

Dato' Aminuddin bin Md Desa was appointed to the Board on 27 February 2013, following his appointment as the Group Chief Executive Officer of the Company on 1 February 2013.

He graduated with an Advance Diploma in Business Studies (Insurance) and a Diploma in Accountancy from Universiti Teknologi MARA. He is also an Associate Member of the Chartered Insurance Institute, United Kingdom and of the Malaysian Insurance Institute.

He is the Chief Executive of Perbadanan Kemajuan Negeri Perak where he was appointed on 1 February 2013. Among the positions that he has served are Deputy General Manager of Syarikat Takaful Malaysia Bhd, General Manager of Arab Malaysian Assurance Bhd, CEO of Takaful Nasional Sdn Bhd, Executive Director and CEO of Mayban Fortis Holdings Bhd, Executive Director and Chief Financial Officer of Malayan Banking Bhd.

He sits on the board of Majuperak Holdings Berhad and UiTM Holdings Sdn Bhd. He has also served on the boards of Malayan Banking Berhad, Maybank Investment Bank Bhd, Etiqa Takaful Bhd, Etiqa Insurance Bhd, Pak-Kuwait Takaful Co. Ltd, Mayban Investment Management Bhd and a few off shore companies.

He attended 6 out of 7 Board of Directors' meetings held during the financial year ended 31 December 2015. He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 10 years.

He does not hold any ordinary shares of the Company.

CHAIRMAN'S STATEMENT

PENYATA PENGERUSI

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of PERAK CORPORATION BERHAD for the financial year ended 31 December 2015.

Dengan nama Allah yang Maha Pemurah lagi Maha Mengasihani, bagi pihak barisan Lembaga Pengarah, saya dengan bangganya mempersembahkan Laporan Tahunan Perak Corporation Berhad dan Penyata Kewangan bagi tahun kewangan berakhir 31 Disember 2015.

EXECUTIVE SUMMARY

The overall performance of the Group in 2015 was commendable as the Group remained focus on its three core businesses, namely property development segment of real property and ancillary services; port and logistic segment of maritime services; and hospitality and tourism segment of operating a hotel.

The maritime services continue to perform well as compared to the previous year and the improving results from the hospitality and tourism segment have enabled the Group to achieve satisfactory results for the financial year under review despite a subdue performance by the property development segment. The Group will continue to build on its strengths in all of its business segments to remain competitive to achieve favourable results in the foreseeable future.

RINGKASAN EKSEKUTIF

Prestasi keseluruhan Kumpulan pada tahun 2015 adalah membanggakan dimana Kumpulan terus kekal memberi tumpuan kepada tiga perniagaan terasnya, iaitu segmen pembangunan hartanah dalam hartanah dan perkhidmatan sampingan; segmen pelabuhan dan logistik dalam perkhidmatan maritim; dan segmen hospitaliti dan pelancongan yang mengendalikan sebuah hotel.

Perkhidmatan maritim terus menunjukkan prestasi yang baik berbanding dengan tahun sebelumnya, segmen hospitaliti dan pelancongan juga telah memberikan prestasi yang bertambah baik manakala segmen pembangunan hartanah telah menunjukkan prestasi yang menurun, ini telah membolehkan Kumpulan mencapai keputusan yang memuaskan bagi tahun kewangan yang dilaporkan. Kumpulan akan terus membina kekuatan dalam semua segmen perniagaan untuk terus berdaya saing bagi mencapai prestasi yang lebih baik pada masa hadapan.

FINANCIAL REVIEW

For the financial year ended 31 December 2015, the Group recorded revenue of RM138.49 million, a decrease by 17.09% compared to the previous year (2014: RM167.04 million) mainly due to lower revenue from the township development segment. Despite the lower revenue achieved, the Group recorded higher pretax profit of RM112.12 million (2014: RM71.09 million). This is substantially due to the disposal of the quoted investment in Integrax Berhad which gave rise to a gain of RM76.98 million. Accordingly, net profit attributable to shareholders was RM95.15million in comparison to RM51.77 million earned in the previous year.

For the financial year under review, the Company achieved revenue of RM34.89 million resulting in pretax profit of RM16.04 million as compared to revenue of RM20.77 million with pretax profit of RM6.06 million recorded in the year 2014. Profit after taxation was recorded at RM16.26 million as against RM5.20 million achieved in the year 2014.

Earnings per share and net assets per share attributable to ordinary equity holders of the Company as at 31 December 2015 achieved 80.08 sen (2014: 38.80 sen) and RM5.78 (2014: RM5.63) respectively based on the ordinary shares in issue of RM1.00 each of 100 million (2014: 100 million) units.

OPERATION REVIEW

Property Development

The Group's main contributor of this segment is its wholly owned subsidiary, PCB Development Sdn Bhd. PCB Development Sdn Bhd derives revenue mainly from sales of development lands, profits from property development joint ventures and other ancillary services.

TINJAUAN SEMULA KEWANGAN

Bagi tahun kewangan berakhir 31 Disember 2015, Kumpulan telah mencatatkan pendapatan sebanyak RM138.49 juta, penurunan sebanyak 17.09% berbanding tahun sebelumnya (2014: RM167.04 juta) terutamanya disebabkan oleh pendapatan yang lebih rendah daripada segmen pembangunan hartanah. Walaupun pendapatan yang telah dicapai adalah menurun, Kumpulan mencatatkan keuntungan sebelum cukai yang lebih tinggi sebanyak RM112.12 juta (2014: RM71.09 juta). Peningkatan keuntungan ini adalah disebabkan oleh pelupusan pelaburan saham Integrax Berhad yang memberikan keuntungan pelupusan sebanyak RM76.98 juta. Oleh itu, keuntungan bersih milik pemegang saham adalah menokok kepada RM95.15 juta berbanding RM51.77 juta yang diperoleh pada tahun sebelumnya.

Bagi tahun kewangan yang dilaporkan, Syarikat telah memperolehi pendapatan sebanyak RM34.89 juta dan keuntungan sebelum cukai sebanyak RM16.04 juta berbanding pendapatan sebanyak RM20.77 juta dengan keuntungan sebelum cukai sebanyak RM6.06 juta yang dicatatkan pada tahun 2014. Keuntungan selepas cukai dicatatkan pada RM16.26 juta berbanding RM5.20 juta yang dicapai pada tahun 2014.

Perolehan sesaham dan aset bersih sesaham diagihkan kepada pemegang ekuiti biasa Syarikat pada 31 Disember 2015 mencapai 80.08 sen (2014: 38.80 sen) dan RM5.78 (2014: RM5.63) berdasarkan saham biasa dalam terbitan RM1.00 setiap 100 juta (2014: 100 juta) unit.

TINJAUAN SEMULA AKTIVITI-AKTIVITI

Pembangunan Hartanah

Penyumbang utama Kumpulan dalam segmen ini adalah anak syarikat milik penuhnya, PCB Development Sdn Bhd. PCB Development Sdn Bhd memperoleh pendapatan daripada jualan tanah, keuntungan daripada pembangunan hartanah secara usaha sama dan lain-lain perkhidmatan sampingan.

PCB Development Sdn Bhd's township development in Bandar Meru Raya, Ipoh located in the north of the city of Ipoh, Perak Darul Ridzuan, which has received MSC Malaysia Cybercentre Status Certificate for having fulfilled the necessary set of criteria towards meeting the vision of MSC Malaysia, is currently being actively developed. Bandar Meru Raya is being developed into new integrated township with a vibrant community, residential properties, commercial centres, hospitality and tourism attractions and government agencies offices.

Revenue from this segment for the year has slowed with the decrease in sales of development lands to government agencies, private vendors and developers as the Group embarks on a more sustainable revenue strategy via property development joint ventures which will continue to contribute to further development in Bandar Meru Raya and enhance the overall value and landscape of the township.

This segment has achieved revenue of RM20.40 million (2014: RM73.44 million) with pretax profit of RM3.96 million (2014: RM36.12 million) for the financial year under review. The segment pretax profit is also affected by the higher share of pre-opening loss in an associate and the loss on fair value of embedded derivative.

Port and Logistics

The Group's contributor in this segment is via its subsidiary, Lumut Maritime Terminal Sdn Bhd. Lumut Maritime Terminal Sdn Bhd is primarily a terminal owner and operator.

Lumut Maritime Terminal ("**LMT**") is a river port terminal located in Lumut's Dinding River capable of handling Handymax vessels up to 40,000 deadweight tons (DWT). It provides total integrated port services and facilities and is capable of handling a whole range of cargo from dry bulk, liquid bulk, break bulk and project cargoes.

Pembangunan perbandaran oleh PCB Development Sdn Bhd di Bandar Meru Raya, Ipoh yang terletak di utara bandar Ipoh, Perak Darul Ridzuan, telah menerima Sijil Taraf MSC Malaysia Cybercentre kerana telah memenuhi kriteria yang diperlukan untuk mencapai visi MSC Malaysia, kini sedang giat dibangunkan. Bandar Meru Raya sedang berkembang menjadi perbandaran bersepadu yang baru, bakal menempatkan kediaman hartanah, pusat komersial, tarikan hospitaliti dan pelancongan dan pejabat agensi kerajaan.

Pendapatan daripada segmen ini bagi tahun ini adalah perlahan disebabkan oleh penurunan dalam jualan tanah pembangunan kepada agensi-agensi kerajaan, vendor swasta dan pemaju, ini adalah kerana Kumpulan telah memulakan strategi pendapatan yang lebih mampan melalui pembangunan hartanah secara usaha sama yang akan terus menyumbang kepada pembangunan di Bandar Meru Raya dan meningkatkan nilai keseluruhan tanah dan landskap perbandaran.

Segmen ini telah mencapai pendapatan sebanyak RM20.40 juta (2014: RM73.44 juta) dengan keuntungan sebelum cukai sebanyak RM3.96 juta (2014: RM36.12 juta) bagi tahun kewangan yang dilaporkan. Keuntungan sebelum cukai segmen ini juga dipengaruhi oleh kerugian ataupun keuntungan dalam syarikat bersekutu yang mana syarikat mempunyai bahagiannya dan kerugian atau keuntungan nilai saksama derivatif.

Pelabuhan dan Logistik

Segmen ini menyumbang kepada Kumpulan melalui anak syarikatnya, Lumut Maritime Terminal Sdn Bhd. Lumut Maritime Terminal Sdn Bhd adalah merupakan pemilik dan pengendali terminal pelabuhan.

*Lumut Maritime Terminal ("**LMT**") adalah sebuah terminal pelabuhan sungai yang terletak di Sungai Dinding, Lumut yang mampu mengendalikan kapal Handymax sehingga 40,000 tan berat muatan (DWT). Ia menyediakan jumlah perkhidmatan dan kemudahan pelabuhan bersepadu dan mampu mengendalikan pelbagai jenis kargo dari pukal kering, pukal cecair,pukal am dan kargo projek.*

The year 2015 saw a slight increase in cargo throughput at LMT of 3.05 million tons, as compared to 3.01 million tons in the year 2014. Lumut Maritime Terminal Sdn Bhd managed to maintain cargo handling at LMT despite lower export of palm oil from PGEO as a result of direct competition from Indonesia and a decrease in project cargo handling as Vale project and TNBJ M4 power plant project were completed.

Tahun 2015 menyaksikan sedikit peningkatan dalam kendalian kargo di LMT sebanyak 3.05 juta tan, berbanding 3.01 juta tan pada tahun 2014. Lumut Maritime Terminal Sdn Bhd berjaya mengekalkan pengendalian kargo di LMT walaupun eksport minyak sawit dari PGEO telah menurun akibat persaingan terus dari Indonesia dan penurunan dalam pengendalian kargo memandangkan projek Vale dan projek loji kuasa TNBJ M4 telah disiapkan.

Lumut Maritime Terminal Sdn Bhd is also the operator and manager of Lekir Bulk Terminal ("**LBT**"), a deep water seaport located in the Malacca Straits with a natural draft of 20 metres. It is able to handle dry bulk cargoes in Handymax, Panamax and Capemax ships up to 200,000 DWT. LBT is a dedicated terminal to handle coal for the Janakuasa Sultan Azlan Shah in Sri Manjung.

*Lumut Maritime Terminal Sdn Bhd juga merupakan pengendali dan pengurus Lekir Bulk Terminal ("**LBT**"), sebuah pelabuhan laut dalam yang terletak di Selat Melaka dengan kedalaman semula jadi 20 meter. Ia mampu untuk mengendalikan kargo pukal kering dari kapal Handymax, Panamax dan Capemax sehingga 200,000 DWT. LBT adalah terminal khusus untuk mengendalikan arang batu untuk Janakuasa Sultan Azlan Shah di Sri Manjung.*

In the year 2015, LBT handled a higher cargo throughput of 9.78 million tons (2014: 7.89 million tons) of coal as a result of higher import by TNBJ power plant due to higher generating capacity, higher coal consumption and the lower prices of coal.

Pada tahun 2015, LBT mengendalikan kargo yang lebih besar sebanyak 9.78 juta tan (2014: 7.89 juta tan) arang batu kerana pertambahan import oleh loji janakuasa TNB kerana kapasiti penjanaan yang lebih tinggi, penggunaan arang batu yang tinggi dan harga yang lebih rendah daripada arang batu .

	2015 RM'000	**2014 RM'000**	%	
Revenue	91,798	81,994	11.96	*Pendapatan*
Pretax profit	43,624	43,005	1.44	*Untung sebelum cukai*
LMT Cargo Throughput	3,049,415 MT	3,009,072 MT	1.34	*Kargo LMT*
LBT Cargo Throughput	9,779,716 MT	7,898,067 MT	23.82	*Kargo LBT*

This segment has contributed to the Group's revenue by achieving RM96.30 million (2014: RM81.47 million) with pretax profit of RM45.61 million (2014: RM37.69 million) for the financial year under review.

Segmen ini telah berjaya menyumbang kepada pendapatan Kumpulan sebanyak RM96.30 juta (2014: RM81.47 juta) dengan keuntungan sebelum cukai sebanyak RM45.61 juta (2014: RM37.69 juta) bagi tahun kewangan yang dilaporkan.

Hospitality and Tourism

Hospitaliti dan Pelancongan

The Group's only contributor in this segment for the financial year under review is its subsidiary, Casuarina Hotel Management Sdn Bhd.

Penyumbang utama Kumpulan dalam segmen ini bagi tahun kewangan yang dilaporkan adalah anak syarikatnya, Casuarina Hotel Management Sdn Bhd.

Casuarina Hotel Management Sdn Bhd is the operator of the hotel, Casuarina@Meru which has 156 rooms, 8 function rooms and a convention hall that can host large events.

This segment has contributed revenue from hotel operation and rental income amounting to RM12.94 million (2014: RM10.24 million) and incurred loss of RM5.81 million (2014: RM5.68 million) for the financial year under review as a result of the surrounding areas in which the hotel operated are still at development phase.

This segment shall include Movie Animation Park Studios which is expected to start operations in the fourth quarter of 2016. Movie Animation Park Studios is a theme park with an animation theme which shall consist of various attractions including shows and rides, themed food and beverage outlets and themed retail outlets.

Management Services and Others

The Group's main contributors of this segment are the Company and PCB Taipan Sdn Bhd [formerly known as Taipan Merit Sdn Bhd].

The Company derives its income from dividends from its subsidiary companies and interest income. PCB Taipan Sdn Bhd mainly obtains income from dividends from its subsidiary company, Lumut Maritime Terminal Sdn Bhd and interest income. During the financial year under review, the disposal of the quoted investment in Integrax Berhad by PCB Taipan Sdn Bhd gave rise to a gain of RM76.98 million.

This segment achieved a pretax profit (after eliminations consolidation) of RM68.36 million for the financial year under review as compared to a profit before tax of RM2.96 million in the year 2014.

Casuarina Hotel Management Sdn Bhd adalah pengendali hotel, Casuarina@Meru yang mempunyai 156 bilik, 8 bilik majlis dan dewan konvensyen yang boleh menjadi tuan rumah untuk sebarang acara besar.

Segmen ini menyumbang pendapatan daripada operasi hotel dan pendapatan sewa berjumlah RM12.94 juta (2014: RM10.24 juta) dan kerugian yang ditanggung sebanyak RM5.81 juta (2014: RM5.68 juta) bagi tahun kewangan yang dilaporkan disebabkan oleh kebanyakan projek di sekitar kawasan hotel masih di fasa pembangunan.

Projek yang dimaksudkan termasuk dalam segmen ini adalah Movie Animasi Park Studios yang dijangka mula beroperasi pada suku keempat 2016. Movie Animasi Park Studios adalah sebuah taman tema dengan tema animasi yang terdiri daripada pelbagai tarikan termasuk pertunjukan dan permainan, restoran makanan dan minuman bertema dan kedai jualan bertema.

Perkhidmatan Pengurusan dan Lain-lain

Penyumbang utama Kumpulan dalam segmen ini adalah Syarikat dan PCB Taipan Sdn Bhd [dahulunya dikenali sebagai Taipan Merit Sdn Bhd].

Syarikat memperoleh pendapatannya daripada dividen daripada syarikat-syarikat subsidiari dan pendapatan faedah. PCB Taipan Sdn Bhd terutamanya memperoleh pendapatan daripada dividen daripada anak syarikatnya, Lumut Maritime Terminal Sdn Bhd dan pendapatan faedah. Dalam tahun kewangan yang dilaporkan, penjualan pelaburan saham Integrax Berhad oleh PCB Taipan Sdn Bhd menghasilkan keuntungan sebanyak RM76.98 juta.

Segmen ini melaporkan keuntungan sebelum cukai (selepas penyatuan) RM68.36 juta bagi tahun kewangan yang dilaporkan berbanding keuntungan sebelum cukai sebanyak RM2.96 juta pada tahun 2014.

CORPORATE REVIEW

On 28 February 2012, the Company has entered into a conditional settlement agreement ("**Settlement Agreement**") with Perak Equity Sdn Bhd to partially settle the total debt of RM104.62 million ("**PESB Debt**") owing at 31 December 2011 by Perak Equity Sdn Bhd 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 Perak Equity Sdn Bhd ("**Proposed Settlement**"). The resolutions with respect to the Proposed Settlement were duly approved by the shareholders of the Company in an Extraordinary General Meeting held on 26 July 2012.

On 12 February 2015, the Company has entered into a supplementary agreement to the Settlement Agreement with Perak Equity Sdn Bhd to vary certain pieces of land located at Perak Hi-Tech Park which resulted in a revised acreage and total purchase consideration of 959.87 acres and RM70.36 million respectively.

The Settlement Agreement has yet to be completed as certain conditions precedent in connection therewith have not been fully met as at to-date. The latest request for extension of time to 30 June 2016 from Perak Equity Sdn Bhd was approved by the Board on 29 February 2016. The PESB Debt as at 31 December 2015 amounted to RM67.42 million.

PCB Taipan Sdn Bhd has received an offer document dated 30 January 2015 issued by Tenaga Nasional Berhad setting out the details, terms and conditions of the conditional take-over offer by Tenaga Nasional Berhad to acquire all the remaining Integrax Berhad shares not already held by Tenaga Nasional Berhad for a cash offer price of RM2.75 per Integrax Berhad share and subsequent revised to RM3.25 per Integrax Berhad share ("**Offer**").

TINJAUAN KORPORAT

*Pada 28 Februari 2012, Syarikat telah memeterai satu perjanjian penyelesaian bersyarat ("**Perjanjian Penyelesaian**") dengan Perak Equity Sdn Bhd untuk menyelesaikan sebahagian hutang berjumlah RM104.62 juta ("**Hutang PESB**") seperti dalam rekod pada 31 Disember 2011 oleh Perak Equity Sdn Bhd kepada Syarikat daripada nilai harga belian berjumlah RM70.27 juta bagi dua (2) aset yang akan diperolehi oleh Syarikat dari Perak Equity Sdn Bhd ("**Cadangan Penyelesaian**"). Resolusi berkaitan Cadangan Penyelesaian tersebut telah diluluskan oleh pemegang saham Syarikat dalam Mesyuarat Agung Luar Biasa yang diadakan pada 26 Julai 2012.*

Pada 12 Februari 2015, Syarikat telah memeterai perjanjian tambahan kepada Perjanjian Penyelesaian dengan Perak Equity Sdn Bhd untuk mengubah ukuran tertentu tanah yang terletak di Perak Hi-Tech Park yang mengakibatkan keluasan tanah dan nilai belian disemak semula kepada 959.87 ekar dan RM70.36 juta.

Perjanjian Penyelesaian tersebut masih belum dapat selesaikan kerana terdapat beberapa syarat yang tertentu masih belum dipenuhi. Syarikat ada menerima permohonan agar lanjutan masa dapat diberikan sehingga 30 Jun 2016 dan permohonan tersebut telah mendapat kelulusan Lembaga Pengarah pada 29 Februari 2016. Jumlah Hutang PESB pada 31 Disember 2015 adalah sebanyak RM 67.42 juta.

PCB Taipan Sdn Bhd telah menerima dokumen tawaran bertarikh 30 Januari 2015 yang dikeluarkan oleh Tenaga Nasional Berhad menyatakan butir-butir, terma dan syarat-syarat tawaran pengambilalihan bersyarat oleh Tenaga Nasional Berhad untuk membeli semua baki saham Integrax Berhad yang belum dipegang oleh Tenaga Nasional Berhad dengan harga tawaran tunai RM2.75 sesaham Integrax Berhad dan kemudiannya disemak semula kepada RM3.25 sesaham.

On 27 March 2015, the Company received approval from the shareholders of the Company for PCB Taipan Sdn Bhd to dispose of its entire equity interest in Integrax Berhad comprising 47,341,643 Integrax Berhad shares representing approximately 15.74% equity interest therein to Tenaga Nasional Berhad pursuant to the Offer. The said disposal was completed on 17 April 2015.

Pada 27 Mac 2015, Syarikat telah menerima kelulusan daripada pemegang saham Syarikat untuk membenarkan PCB Taipan Sdn Bhd untuk melupuskan keseluruhan kepentingan ekuitinya dalam Integrax Berhad yang terdiri daripada 47,341,643 saham Integrax Berhad mewakili kira-kira 15.74% kepentingan ekuiti kepada Tenaga Nasional Berhad seperti yang ditawarkan . Pelupusan tersebut telah dapat diselesaikan pada 17 April 2015.

CORPORATE GOVERNANCE

The Board is committed to ensuring that good corporate governance compliance is practiced throughout the Group. The Group has adopted and complied with the Principles and Best Practices set out in the Malaysian Code on Corporate Governance 2012 throughout the financial year ended 31 December 2015.

TADBIR URUS KORPORAT

Lembaga Pengarah komited untuk memastikan pematuhan tadbir urus korporat yang baik diamalkan di seluruh Kumpulan. Kumpulan telah menerima pakai dan mematuhi Prinsip dan Amalan Terbaik yang digariskan dalam Kod Tadbir Urus Korporat Malaysia 2012 pada sepanjang tahun kewangan berakhir 31 Disember 2015.

PROSPECTS FOR THE YEAR 2016

The Group shall strive to achieve satisfactory results for the financial year ending 31 December 2016 though the overall results may be affected by the current global economic conditions. This is due to the Group's long term strategies which are expected to hold good for the Group's future prospects and growth. The Group expects its port and logistic segment to improve its performance on a moderate growth of its port throughput at both terminals operated by the Group. However, the property development segment is expected to remain subdued as most of the projects in Bandar Meru Raya under this sector are still at early implementation stage. As for the hospitality and tourism segment, with the launching of Movie Animation Park Studios, this sector should show growth potential albeit it may not reach profitable stage this financial year.

PROSPEK BAGI TAHUN 2016

Kumpulan akan berusaha untuk mencapai keputusan yang memuaskan bagi tahun kewangan yang akan berakhir pada 31 Disember 2016 walaubagaimanapun prestasi keseluruhan mungkin akan terjejas oleh keadaan ekonomi global semasa. Ini adalah kerana strategi jangka panjang Kumpulan yang dijangka mengadakan baik untuk prospek masa depan Kumpulan dan pertumbuhan. Kumpulan menjangkakan prestasi dari segmen pelabuhan dan logistiknya akan dapat ditingkatkan pada kadar pertumbuhan sederhana untuk kedua-dua terminal yang dikendalikan oleh Kumpulan. Walau bagaimanapun, segmen pembangunan hartanah dijangka kurang menonjol kerana kebanyakan projek di kawasan Bandar Meru Raya masih di peringkat awal pelaksanaan. Bagi segmen hospitaliti dan pelancongan, dengan pelancaran Movie Animasi Park Studios, sektor ini perlu menunjukkan potensi pertumbuhan walaupun belum mencapai ke peringkat menghasilkan keuntungan dalam tahun kewangan ini.

DIVIDEND

In respect of the financial year under review, the Board has on 21 May 2015 recommended the payment of a special interim dividend of a single tier dividend of 30 sen per share. The total dividend payment to the shareholders amounted to RM30 million was made on 30 June 2015.

The Board does not recommend the payment of a final dividend in respect of the financial year ended 31 December 2015.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to express our gratitude to our clients, suppliers, bankers, business associates and the various government authorities for their support and confidence in the Group. The Board would also like to extend its appreciation to the management and staff for their dedication and commitment in their work throughout the financial year under review.

Lastly, to our shareholders, the Board would like to pledge its committment in protecting and further enhancing the shareholders' value in the coming years.

YB DATO' NASARUDIN BIN HASHIM
Chairman
29 April 2016

DIVIDEN

Untuk tahun kewangan yang dilaporkan, Lembaga Pengarah pada 21 Mei 2015 telah mencadangkan pembayaran khas dividen interim peringkat pertama sebanyak 30 sen sesaham. Pembayaran dividen kepada pemegang saham berjumlah RM30 juta telah dibuat pada 30 Jun 2015.

Lembaga Pengarah tidak mengesyorkan pembayaran dividen akhir bagi tahun kewangan berakhir 31 Disember 2015.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk merakamkan ucapan terima kasih kepada para pelanggan, pembekal, bank, rakan perniagaan dan pihak berkuasa kerajaan atas sokongan dan keyakinan mereka terhadap Kumpulan. Lembaga Pengarah juga ingin merakamkan penghargaan kepada pihak pengurusan dan kakitangan atas dedikasi dan komitmen mereka dalam kerja mereka sepanjang tahun kewangan yang dilaporkan.

Akhir sekali, kepada para pemegang saham, Lembaga Pengarah berjanji akan komitmennya dalam melindungi dan meningkatkan lagi nilai pemegang saham pada tahun-tahun akan datang.

YB DATO' NASARUDIN BIN HASHIM
Pengerusi
29 April 2016

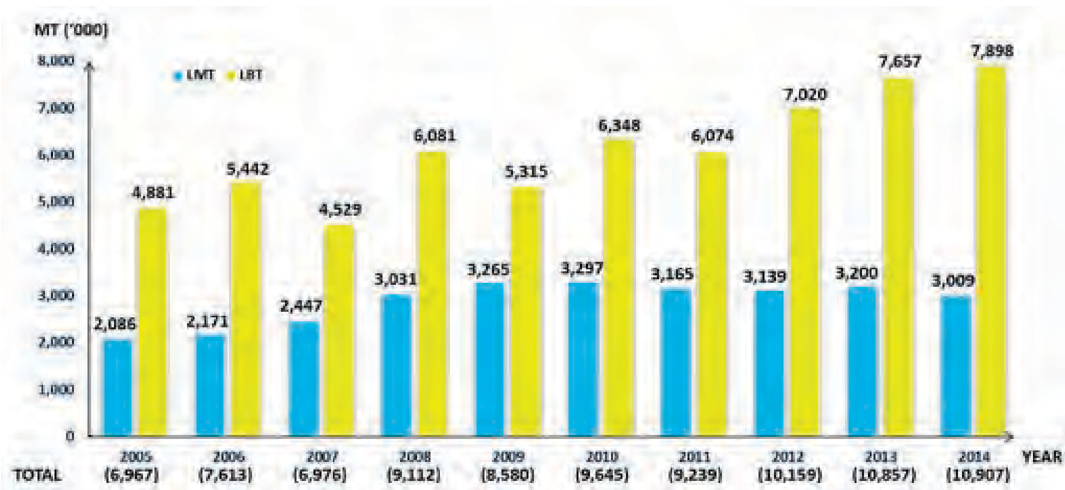
BUSINESS OVERVIEW – NEW DEVELOPMENTS

BUSINESS OVERVIEW

The Group continues to focus in its three main core businesses namely Ports & Logistics, Property Development as well as Hospitality & Tourism.

PORTS & LOGISTICS

The Company through its subsidiary, Lumut Maritime Terminal Sdn Bhd ("**LMTSB**") owns and operates Lumut Maritime Terminal ("**LMT**"). It provides an integrated port services, which is inclusive of tuggage, pilotage, berthing, stevedorage, cargo handling, storage and ancillary services. Since then, LMT has improved its facilities and able to berth two barges at any one time. It is almost at maximum capacity with 90% utilisation, mainly by chemicals, mining, agriculture and construction materials industries.



LAST YEAR	LUMUT PORT	TOTAL VESSEL CALLS – 521	10,907,139.5 MT
(2014)	LMT	VESSEL CALLS – 421	3,009,072.5 MT
	LBT	VESSEL CALLS – 100	7,898,067.0 MT

Cargo Throughput 2005 – 2014 ('000 MT)

Moving forward, Lumut Port is embarking on its 5 years Business & Strategic Plan (2015-2020) to transform into a more efficient and dynamic port in Kampung Acheh. A total of RM200 million will be invested in expanding the wharf, adding additional barge berths, mechanised conveyors and the implementation of a total Port Management System. The wharf extension will increase total capacity cargo handling to 5.7 million tonne per year from the present 3.5 million tonne per year.

LMT's vision is to be the most efficient bulk cargo terminal operation in South East Asia by providing the most efficient port services for all type of bulk cargo, exceeding customer expectations & remain competitive in the market, strengthen the 'Lumut Port' brand and increase shareholders value through sustainable business growth.

Aerial view of Lumut Maritime Terminal

The Group continues to provide the operation and maintenance services to Tenaga Nasional Berhad ("**TNB**")-owned Lekir Bulk Terminal ("**LBT**") which is located near LMT. LBT is a deep water bulk jetty that serves as the sea gateway for delivery of coal to Janamanjung plant which in turn contributes to 18% of the nation's power capacity.

LMTSB and Lekir Bulk Terminal Sdn Bhd ("**LBTSB**") entered into an operations and maintenance agreement (OMA) dated 30 June 2000 in which LBTSB pays LMTSB to run their terminal operations. LBTSB is in discussion with TNBJanamanjung (TNBJ) for the 1,000 MW Manjung 5 (M5) coal fired power plant. The new plant is expected to bring in an estimated additional 6million MT of coal throughput per annum to LBT.

The M5 power plant is expected to start its operation by the end of 2016.

Lekir Bulk Terminal

PROPERTY DEVELOPMENT

Bandar Meru Raya

Bandar Meru Raya Development Overview

Bandar Meru Raya ("**BMR**"), a fast emerging township dubbed as the "New Heartbeat of Ipoh", is the Company's flagship for township development. Developed as Ipoh's satellite metropolis, it is designed as the epitome of comprehensive and integrated destination for work, live, play and learn.

The Company will continue to enhance the infrastructure within this area to support the advanced phase of development in the vicinity. This includes the beautification of Sungai Sah and infrastructure enhancement for housing and commercial development in zone 1, 4, 5, 6, 7 and 9.

Covering an area of over 3,000 acres, BMR's ecosystem has components of various facilities like Government Precinct, tourist attractions and public amenities which include a central bus terminal that enhances intra and inter-state connectivity, a large scale convention centre, international and national colleges and schools, a hypermarket and 400 lots of commercial units to meet the needs of over 4,000 units of residential in the vicinity.

BMR currently houses six government offices in an expanding Government Precinct. With the relocation of 18 more government agencies in the pipeline, BMR is set to be the main administrative centre for Perak Darul Ridzuan.

The Company also constantly seeks out avenues for development and growth to expand the property market in the state, both in terms of value and quantity. This paves the way for more commercial possibilities and opportunities and increases the stable of residential property, especially in the provision of affordable housing.

South Perak Region Development

Nodes in South Perak Region Development

The Company will be committed to be a key player in the South Perak Region Development which is being championed by Perbadanan Kemajuan Negeri Perak to become a distinct economic zone. It plans to develop new townships, commercial areas and industrial developments in this region. Complemented by the spill over effect from Greater Kuala Lumpur, other strong supporting factors for development here include the availability of land, rich natural environment and existing tourist attractions.

In the pipeline is the new township of Rungkup Port City which is expected to spur economic growth in the State. Encompassing administrative townships, commercial areas and educational and information technology hubs, it will also lead to the expansion of logistics and infrastructure, hospitality and tourism as well as education.

HOSPITALITY & TOURISM

Attraction Centres

Master plan — Attraction Centres in Bandar Meru Raya

The Group is currently developing Bulatan 18 Public Park and Movie Animation Park Studios ("**MAPS**") in BMR and these projects are expected to complete in 2016 to become the catalyst for the development of the hospitality and tourism industry with the expectation of about 1.4 million visitors to the theme park in the first year of operations.

Other attraction centres in the pipeline are the *restoran rumah tradisional melayu*, water theme park, retail outlet and food and beverage outlet, serviced apartments, multi storey car park and 5-star hotels. These projects are expected to boost Perak economies as a whole in addition to job creation to the locals in the upcoming years.

Home to a plethora of integrated businesses, BMR will boost Perak's appeal as an investment destination of choice that offers varied prospects.

Bulatan 18, Public Park

Bulatan 18, Public Park in construction phase

Bulatan 18 will be a public park that will be managed privately by the Company. Bulatan 18 aspires to be a vibrant park that will offer visitors a cultural experience that are enjoyable and educational.

The park will feature events and activities to cater to various age groups, which include mini water park and kids playground, extreme sports area and skateboard ramp as well as areas for events and ceremonies. The park is expected to be opened to public in the third quarter of 2016.

Movie Animation Park Studios

My Dream Carnival launched by Datuk Mohammad Zahir Abdul Khalid,
Perak Industry, Investment and Corridor Development Committee Chairman, representing Menteri Besar Perak

The Company, through PCB Development Sdn Bhd, now holds 51% shareholding (with effect from 8 April 2016) in Animation Theme Park Sdn Bhd that oversees the construction of MAPS. MAPS will feature over 40 rides including Malaysia's first DreamWorks Animation dedicated zone with popular animated characters like Mr Peabody and Sherman, The Croods, Megamind, and Casper the Friendly Ghost.

Joining the animation characters from DreamWorks is also the local favourite animation character, BoBoiBoy created by Animonsta Studios. On top of that, the Smurfs character licensed from IMPS (Belgium) will also feature a smurf village which will have shows, costume characters and also merchandising.

The total development cost for MAPS is approximately RM520 million and it is expected to begin operations by the end of 2016.

Hotels and Resorts

The development of hotels and resorts is one of the main focuses under the Company's hospitality and tourism sector.

The Company is currently operating Hotel Casuarina @ Meru which is located in Bandar Meru Raya and currently regarded as the flagship hotel for the brand. The Group is planning to initiate the construction of Hotel Casuarina @ Teluk Intan, Lanai Casuarina @ Kuala Kangsar and Hotel Casuarina @ Taiping which shall increase the Casuarina brand's presence.

Moving forward, the Group is planning to develop two resorts in Pangkor and Tanjung Malim respectively. The Company is in the midst to secure the development approvals for these 5-star resorts that will offer visitors with rejuvenating getaways.

Illustrative view of Hotel Casuarina @ Teluk Intan

Illustrative view of Lanai Casuarina @ Kuala Kangsar

Casuarina Boathouse

Artist Impression Casuarina Boathouse @ Temenggor 2

The Group is also planning to build a second boathouse to be named as Casuarina Boathouse @ Temenggor 2 at Temenggor Lake within the Royal Belum State Park. It is expected to be undertaken in 2016 which will offer an ideal way to experience the splendours of natural surroundings of the Belum-Temenggor forest vicinity.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors ("**Board**") of Perak Corparation Berhad ("**PCB**" or the "**Company**") fully support the Malaysian Code on Corporate Governance 2012 ("**MCCG 2012**") which sets out the broad principles and recommendations for good corporate governance that should apply towards achieving the optimal framework in the discharge of its responsibilities to protect and enhance shareholders value and the financial performance of the PCB group of companies ("**Group**").

This Statement outlines the extent to which the Company has complied with the principles and recommendation of the MCCG 2012 throughout the financial year ended 31 December 2015 under the leadership of the Board.

SECTION 1: DIRECTORS

Board Charter

The Company has formalised a Board Charter ("**Charter**") which clearly set out the composition, roles and responsibilities of the Board and Board Committees and the processes and procedures for convening their meetings. The Charter serves as a reference providing prospective and existing members of the Board and management insight into the fiduciary duties of directors.

The Board shall review the Charter on a regular basis to keep up to date with changes in regulation and best practices and ensure their effectiveness and relevance to Board's objectives. The details of the Charter are available for reference on the Company's website at www.pkcorp.com.my.

Composition of the Board

The Board has seven (7) members as at the date of this Statement, comprising one (1) executive director who is the Group Chief Executive Officer ("**GCEO**"), two (2) non-executive non-independent directors and four (4) independent directors. No individual or group of individuals dominates the Board's decision making and the number of directors fairly reflects the nominees of each of the Company's major shareholders.

The Company considers that its complement of non-executive directors provide an effective Board with a mix of industry-specific knowledge and business and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgement to many aspects of the Company's strategy and performance so as to ensure that the Company maintains the highest standard of conduct and integrity.

The profile of the Board members is set out on pages 8 to 11 of this Annual Report.

Board Roles and Responsibilities

The Board retains full and effective control of the Company. This includes responsibility for determining the Company's overall strategic direction as well as development and control of the Group. In order to assist the Board in the discharge of its responsibilities, the Board has also delegated certain responsibilities to other Board Committees, which operate within clearly defined terms of reference.

Functions reserved for the Board are clearly stated in the Charter besides the discharge of their fiduciary duties. The Board assumes, amongst others, the following duties and responsibilities:

(a) to review and approve the strategic business plans together with the budget for the Group;
(b) to review and manage principal risks affecting the Group;
(c) to review the adequacy and integrity of the Group's internal control systems;
(d) to oversee the conduct and the performance of the Group's businesses;
(e) to establish a succession plan;
(f) to approve the changes to the corporate organisation structure;
(g) to approve the appointment of directors and directors' emoluments and benefits in accordance with relevant statutes; and
(h) to approve the policies relating to corporate branding, public relations, investor relations and shareholder communication programmes.

The following are matters which are specifically reserved for the Board:
(a) approval of corporate plans and programmes;
(b) approval of new ventures;
(c) approval of annual and interim financial results of the Group;
(d) approval of the internal and external audit plans;
(e) acceptance of audit reports including management letters;
(f) approval of material acquisitions and disposals of undertakings and properties;
(g) approval of major borrowing or giving of security over assets;
(h) approval of material agreements; and
(i) approval of changes to the management and control structure within the Group, including key policies, delegated authority limits, etc.

Separation of Positions of the Chairman of the Board and GCEO

YB Dato' Nasarudin bin Hashim is the non-independent non-executive Chairman of the Board while Dato' Aminuddin bin Md Desa, the GCEO and a Board member, leads the management team. There is a clear division of responsibility between these two roles and between the non-executive Board members and the GCEO together with his executive management team to ensure a balance of power and authority.

The Chairman is responsible for the oversight, leadership, effectiveness, conduct and governance of the Board. The GCEO has the overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The GCEO is responsible to ensure due execution of strategic goals, effective operation within the Company, and to explain, clarify and inform the Board on matters pertaining to the Group. The GCEO is supported by the senior management team with their respective scope of responsibilities. The senior management team's performance is assessed by the GCEO based on the approved key performance indexes and then reported to the Board.

The responsibilities of the Chairman, amongst others, are as follows:

(a) to lead the Board in the oversight of the management and ensure its effectiveness of all aspects of its role;
(b) to ensure the efficient organisation and conduct of the Board's function and meetings;
(c) to facilitate the effective contribution of all directors at Board meetings;
(d) to promote constructive and respectful relations between directors, and between the Board and management; and
(e) to ensure effective communication with shareholders and relevant stakeholders.

The responsibilities of the GCEO, amongst others, are as follows:

(a) to develop and implement corporate strategies for the Group;
(b) to supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
(c) to ensure the efficiency and effectiveness of the operation for the Group;
(d) to assess business opportunities which are of potential benefit to the Group; and
(e) to bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

Although the Chairman is not an independent director, all decisions of the Board are based on the decision of the majority of the Board members and matters are deliberated with active participation of the four (4) independent directors.

The majority of the Board members are independent directors since the Company recognises the contribution of independent directors as equal Board members in the development of the Company's strategy, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. The independent directors are independent of management and free from any relationship that could interfere with their independent judgement.

Code of Conduct

The Board has formalised a Code of Conduct ("**Code**") which is based on the principles in relation to integrity sincerity, honesty, responsibility, social responsibility and accountability in order to enhance the standard of corporate governance and behaviour.

The Board is committed to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct.

The Code is to assist the directors and all personnel of the Group in defining the ethical standards and conduct at work and extent beyond normal working hours which they should possess in discharging their duties and responsibilities.

The Code covers the following core areas of conduct:

- Compliance with laws and regulations
- No conflict of interests
- Maintenance of confidential information
- Safeguard insider information
- Protection of properties, assets, business records and control
- Health and safety
- Fair and courteous behaviour
- Misconduct

The Board shall review the Code when deemed necessary to ensure it remains relevant and appropriate and the Code can be viewed on the Company's website at www.pkcorp.com.my.

Whistle Blowing Policy

The Board has established a Whistle Blowing Policy to improve the overall organisational effectiveness and to uphold the integrity of the Group which acts as a formal internal communication channel, where the staff may communicate in cases where the Group's business conduct is deemed to the contrary to the common values of the Group.

The Group is committed to maintain the highest possible standards of integrity, openness and accountability in the conduct of its businesses and operations within the Group and aspires to conduct its affairs in an ethical, responsible and transparent manner. The policy is intended to provide and facilitate a mechanism for any persons to report concerns related to any suspected and/or known misconduct, wrongdoing, corruption, fraud, waste and/or abuse of which they become aware, and to ensure that the reporting person can report allegation of such malpractice or misconduct in an appropriate manner and without fear of retaliation.

Confidentiality and anonymity are offered to the reporting persons who report their concerns in good faith and in doing so, have to follow the appropriate channel of reporting accordingly. This will ensure that issues could be addressed to the appropriate person and proper course of actions could be taken.

The policy and procedures also include the contact details of the GCEO and Audit Committee Chairman, being the senior independent director, should the reporting persons be in doubt of management's independence and objectivity on the concerns raised.

All reports will be investigated promptly and dealt with fairly and equitably. Actions will be taken based on the nature of the allegation and may be resolved by agreed action.

The Board shall review the policy when deemed necessary to ensure it remains relevant and appropriate and the policy can be viewed on the Company's website at www.pkcorp.com.my.

Board Diversity Policy

The Board recognises the importance of diversity in determining the optimum composition of the Board and amongst its workforce, including but not limited to race, ethnicity, age, gender, skills, experience, exposure and competencies. The Board, through the Nomination and Remuneration Committee ("**NRC**"), will continuously review the composition of the Board and source for suitable directors with regard to the mix of skills, independence and diversity required to meet the needs of the Company. The ultimate decision will be based on the competency, ability, leadership quality and qualification, particularly candidates with specialised knowledge, that meet the Group's needs.

The Board considers that gender diversity contribute positively to the performance of the Board which is vital to the sustainability of the Group's businesses. Currently, the Board has one female director out of a total of seven directors, representing approximately 14% of women participation in the boardroom. The Board will actively work towards identifying suitably female directors to be appointed to the Board. The Board recognises that the evolution of the diversity is a long process and weighs the various factors relevant to board balance and diversity when vacancies arise.

Overall, the Board is satisfied with the existing number and composition of the members and is of the view that the Board comprises a good mix of members with diverse experiences background to provide for a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group's businesses.

Sustainability Policy

The Board has established a Sustainability Policy to formalise the Company's strategies on promoting sustainability by balancing the environmental, social and governance aspects of business with the interests of various stakeholders towards enhancing investor perception and public trust.

The Board is mindful of the importance of business sustainability and the Group is committed to promote sustainability practices within the Group with an equitable good balance of environmental, social and governance aspects of business. The Group always advocated Corporate Social Responsibility ("**CSR**") as being key to sustainability and has established a CSR framework which places a firm commitment towards achieving a balance between profitability and contribution in CSR activities.

The Board shall review the policy when deemed necessary to ensure it remains relevant and appropriate and the policy can be viewed on the Company's website at www.pkcorp.com.my.

Time Commitment

All Board members are aware that they must not hold directorships of more than five (5) public listed companies. Currently, all the directors are in compliance with this requirement. Each director is required to notify the Chairman of the Board prior to accepting directorships in other public listed companies incorporated in Malaysia.

The Board is satisfied with the level of time commitment given by the directors towards fulfilling the roles and responsibilities which is evidenced by the satisfactory attendance record of the directors at Board meetings.

Board Meetings

The Board has a minimum of four (4) regularly scheduled meetings annually, with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. In 2015, the Board held seven (7) meetings on the following dates: 20 January, 23 February, 25 February, 20 March, 21 May, 26 August and 26 November 2015. At each scheduled meeting, there is a full financial and business review and discussion, including operational and financial performance to date against annual budget and financial plan previously approved by the Board for that year.

The details of meeting attendance of each individual director are as follows:

	Meeting attendance in 2015
YB Dato' Nasarudin bin Hashim (Chairman)	5/7
Tuan Haji Ab Rahman bin Mohammed	6/7
Dato' Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri	6/7
Dato' Abd Karim bin Ahmad Tarmizi	6/7
Dato' Dr Vasan a/l Sinnadurai	6/7
Datuk Dr Wan Norashikin binti Wan Noordin	5/7
Dato' Aminuddin bin Md Desa	6/7

Supply of Information

Each Board member receives quarterly interim financial reports, including comprehensive review and analysis. Prior to each Board meeting, directors are sent an agenda and a full set of Board papers for each agenda item prepared and presented in a concise and comprehensive manner so that the directors have a proper and relevant depiction of the issues to be discussed at the meeting. This is issued in sufficient time to enable the directors to obtain further explanations, where necessary.

Directors have access to all information within the Company whether as full board members or in their individual capacity, in furtherance to their duties. Directors have also direct access to the services of the Company Secretary who is responsible for ensuring the Board procedures are followed. Directors are entitled to obtain independent professional advice in the course of discharging their duties at the Company's expense.

Company Secretary

The Board is supported by an experienced and competent Company Secretary who is qualified to act as company secretary under Section 139A of the Companies Act 1965. The Company Secretary reports directly to the Board and plays an advisory role to the Board and Board Committees, particularly with regard to their policies and procedures and the Company's compliance with regulatory requirements, rules, guidelines and legislation, as well as the best practices of corporate governance.

All directors have access to the advice and services of the Company Secretary and are updated on the changes in the regulatory framework and corporate governance practices. The Company Secretary provides support to the Board in ensuring that the applicable rules and regulations are complied with as well as that the governance structure of the Group remains relevance and effective.

The Company Secretary attends all meetings of the Board and Board Committees and ensures that meeting procedures are followed and deliberations and proceedings at the meetings are accurately recorded and well-documented.

The Company Secretary constantly keep himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. He has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging his duties. The appointment and removal of the Company Secretary are subject to the approval of the Board.

Directors' Training

All directors are encouraged to continuously undertake training and regularly update and refresh their skills and knowledge to enable them to effectively discharge their duties. In this connection, the Board has adopted the Guidelines for Directors' Training Needs as recommended by the NRC. The guidelines require each director to attend at least one (1) seminar/course/workshop during the financial year.

From time to time, directors also receive further training on developments which may have a bearing on their duties and contribution to the Board, from professional bodies, regulatory institutions and corporations. Basically, all directors have complied with the Guidelines for Directors' Training Needs for the year 2015 as they were briefed on technical updates in terms of Bursa Malaysia Securities Berhad's ("**Bursa Malaysia**") Listing Requirements, accounting and other technical matters internally on a quarterly basis during the year.

The directors who have attended the training programmes are as follows:

YB Dato' Nasarudin bin Hashim	• Asia Leadership Seminar 2015 • International Seminar on Bamboo • Corporate Governance ("**CG**") Breakfast Series with Directors: How to maximise Internal Audit • CG Directors' Workshop: The Interplay between CG, non-financial information and investment decision
Tuan Haji Ab Rahman bin Mohammed	• Current Trends in Shareholders' Activism & Predicting Financial Crime – Detection, Prevention & Remediation • Financial Freedom: Growing Dreams…
Dato' Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri	• The Business Case for Energy Efficiency • Effective Board Evaluation • 10th APREA ASIAPAC Property Leaders Summit 2015 • Panel Speaker as Panel Assessor for Integrated Stimulation Project 2 (ICP 844) for Final Semester UiTM Student

Dato' Dr Vasan a/l Sinnadurai	• Risk Management & Internal Control: Workshop for Audit Committee Members - Is our line of defence adequate and effective? • Nominating Committee Programme 2: Effective Board Evaluations • CG Breakfast Series with Directors: Future of Auditor Reporting – The Game Changer for Boardroom
Datuk Dr Wan Norashikin binti Wan Noordin	• Risk Management & Internal Control: Workshop for Audit Committee Members - Is our line of defence adequate and effective?

SECTION 2: BOARD COMMITTEES

The Board has delegated certain responsibilities to the Board Committees which operate within defined terms of reference which the Company has formalised. The Board Committees are the Audit Committee ("**AC**") and the NRC. The respective Committees report to the Board on the matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

Audit Committee

The AC comprises three (3) independent directors. The AC is headed by Tuan Haji Ab Rahman bin Mohammed, who is the Senior Independent Director, and the other members are Dato' Dr Vasan a/l Sinnadurai and Datuk Dr Wan Norashikin binti Wan Noordin. The AC provides assistance to the Board in fulfilling its oversight responsibilities of the financial reporting process, the system of internal controls, the audit process and the process of monitoring compliance with laws and regulations and the code of conduct.

The Committee shall meet at least four (4) times a year, although additional meetings may be called at any time at the Chairman's discretion and if requested by any member or the Board. In 2015, the AC held five (5) meetings on the following dates: 24 February, 20 March, 20 May, 25 August and 26 November 2015.

The role of the AC is described in more detail in the Audit Committee Report set out on pages 46 to 49 of this Annual Report.

Nomination and Remuneration Committee

The NRC comprises four (4) non-executive directors, three (3) of whom are independent. The NRC is headed by Dato' Abd Karim bin Ahmad Tarmizi and the other members are Dato' Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri, Dato' Dr Vasan a/l Sinnadurai and Datuk Dr Wan Norashikin binti Wan Noordin. The NRC is empowered to bring to the Board recommendations as to the appointment of any new executive or non-executive director upon evaluation of the candidate's ability to discharge the expected responsibilities. In addition, the Committee is responsible for establishing a formal and transparent procedure for developing policy on the remuneration packages of the executive and non-executive directors of the Company.

The Chairman of the NRC is not the Senior Independent Director, who is currently the AC Chairman, for better segregation of duties among directors.

The NRC shall meet at least once a year, although additional meetings may be called at any time at the Chairman's discretion and if requested by any member or the Board. In 2015, the NRC held three (3) meetings on the following dates: 25 February, 21 May and 26 November 2015.

The attendance of the members is as follows:

	Meeting attendance in 2015
Dato' Abd Karim bin Ahmad Tarmizi (Chairman)	3/3
Dato' Wan Hashimi Albakri bin Wan Ahmad Amin Jaffri	1/3
Dato' Dr Vasan a/l Sinnadurai	3/3
Datuk Dr Wan Norashikin binti Wan Noordin	2/3

The activities of the NRC during the financial year ended 31 December 2015 include recommendation to the Board on the following:

(a) Extension of contract of services of the Group Chief Financial Officer;
(b) Directors' remuneration packages for executive and non-executive directors;
(c) Evaluation and assessment of directors, the Board as a whole and the independence directors; and
(d) Re-appointment and re-election of directors at the Annual General Meeting ("**AGM**") of the Company.

Tenure of Independent Directors

The Board, through the NRC, will continuously review the composition of the Board and source for suitable independent directors to conform to the MCCG 2012. In determining the independence of individual directors, the NRC conducts assessment on the independent directors of the Company annually.

The Board has carefully assessed and reviewed the performance carried out by the existing independent directors and concluded that they are able to discharge their duties and responsibilities effectively to ensure that there is a balance of power and authority on the Board.

Based on the recent annual review, the Board is satisfied that the independent directors have fulfilled the criteria as defined in Bursa Malaysia's Listing Requirements.

The Board noted that the MCCG 2012 recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. The Board believes that the length of service of the independent director on the Board does not interfere with their exercise of independent judgment and act in the best interest of the Group notably in discharging their roles. The Board shall undertake an assessment on independence annually of its independent directors whose tenure shall exceed the cumulative term of nine (9) years.

Currently, all four (4) independent directors' tenure have yet to exceed the cumulative term of nine (9) years as at the end of the financial year 2015.

Appointment and Re-election to the Board

The NRC is responsible for proposing new nominees for appointment to the Board, and recommends to the Board for approval on the appointment, re-appointment, re-election and annual assessment of directors.

The NRC considers and recommends to the Board candidates of sufficient calibre, knowledge, integrity, reliability, professionalism and experience to fulfill the duties of a director. The NRC also considers the ability of the candidate to attend Board and Board Committees meetings regularly and devote sufficient time and effort to carry out their duties and responsibilities effectively, and be committed to serve on the Board for an extended period of time.

The Chairman of the Board together with the GCEO shall give informal briefings to the new directors. The directors are also advised of their legal and other obligations as a director of a public listed company. All directors have attended the Mandatory Accreditation Programme as prescribed by Bursa Malaysia on their appointment as directors of the Company as part of the induction exercise on joining the Board.

The Company Secretary ensures that all appointments are properly made and all necessary information is obtained from directors, both for the Group's own records and for the purposes of complying with the requirements of the Companies Act 1965, Bursa Malaysia's Listing Requirements and other regulatory requirements.

In accordance with the Company's Articles of Association, all directors who are appointed by the Board are subject to re-election at the next AGM after their appointment. The Articles also provided that at least one-third of the Board is subject to re-election at regular intervals of at least once every three (3) years. In addition, pursuant to Section 129(6) of the Companies Act, 1965, directors who are over the age of seventy (70) years are required to submit themselves for re-appointment annually.

Board, Committees and Individual Director Assessment

The NRC conducts annual assessment of each individual director to ensure the effectiveness of the Board as a whole and recommends for the re-appointment and re-election of directors who are seeking for the re-appointment and re-election at the AGM.

In terms of Board composition, the NRC considers the diversity in business background, area of expertise, skills, educational background, gender, and ethnicity as well as other factors that may provide the Board with a boarder range of viewpoints and perspectives. In determining whether to recommend a director for re-election or re-appointment, the NRC considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

Based on the recent annual review, the Committee is satisfied that the Board composed of directors with appropriate mix of skill and experience to meet the Company's requirements.

Remuneration Policy and Procedure

For the remuneration policy, the NRC reviews the annual fees, attendance allowance and other benefits for the directors of the Company. The decision to determine the level of remuneration shall be the responsibility of the Board as a whole after considering recommendations from the NRC with ultimate approval of shareholders at the AGM.

Directors' Remuneration

The aggregate remuneration of the current directors, all except for Dato' Aminuddin bin Md Desa, whom are non-executives of the Company for the financial year ended 31 December 2015 is as follows:

	RM
Company: fees and attendance allowances	334,400
Subsidiary company: salaries, allowances and benefits-in-kind	156,500
Total	**490,900**

Bands of remuneration for the financial year ended 31 December 2015 are as follows:

Band of remuneration	*Non-Executive Directors*
Below RM50,000	–
RM50,001 – RM100,000	5
RM100,001 – RM150,000	–
RM150,001 – RM200,000	1
RM200,001 – RM250,000	–

The Board of Directors is of the opinion that the non-disclosure of the individual remuneration of each Director will not significantly affect the understanding and evaluation of the Group governance.

SECTION 3: ACCOUNTABILITY AND AUDIT

Financial Reporting

For financial reporting through quarterly interim financial reports to Bursa Malaysia and the audited annual financial statements to shareholders, the Board has a responsibility to present a balanced and fair assessment of the Group's financial position, performance and future prospects.

The Statement of Directors' Responsibilities pursuant to Section 169 of the Companies Act, 1965 is set out on page 54 of this Annual Report.

The AC assists the Board in scrutinising the financial reporting processes and quality of the financial reporting of the Group. The AC, on a quarterly basis, reviews the quarterly interim financial reports and yearly financial statements to ensure accuracy, adequacy and completeness as well as to comply with applicable financial reporting standards and other regulatory and legal requirements.

Relationship with External Auditors

Through the AC, the Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with applicable financial reporting standards in Malaysia. The AC is accorded the power to communicate directly with the external auditors.

Assessment of Suitability and Independence of External Auditors

The AC undertook an annual assessment of the suitability and independence of the external auditors, Messrs Ernst & Young ("**EY**"), having regard to several factors including the engagement teams' qualifications, credentials and experience, particularly in the financial services sector, the firms' competitive advantage with global network resources, their audit work approach, and their ability to provide value added advice and services. EY has confirmed that they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. Based on the assessment, the AC is satisfied with the independence, objectivity, technical competency and professionalism demonstrated by EY.

Having regard to the outcome of the annual assessment of external auditors by the AC, the Board has agreed with the AC's recommendation to seek shareholders' approval at the forthcoming AGM on the appointment of EY as external auditors of the Company for the financial year ending 31 December 2016.

Risk Management and Internal Control

The Board takes responsibility for the Group's risk management and internal control system and for reviewing its adequacy and integrity. The Board is of the view that the current system of risk management and internal control in place throughout the Group is sufficient to safeguard the Group's assets and shareholders' investment.

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. The Group has in place an adequately resourced internal audit department of the Company's ultimate holding corporation who conduct regular reviews of the internal controls and report to the AC.

The Statement on Risk Management and Internal Control as set out on pages 42 to 45 in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

SECTION 4: RELATIONSHIP WITH SHAREHOLDERS

The Board acknowledges the importance of effective and timely dissemination of material information and has in place internal corporate disclosure procedures which enable comprehensive, accurate and timely disclosures relating to the Company to regulators, shareholders and other stake stakeholders. These procedures also set out the authority and responsibility to approve such disclosure. In formulating these procedures, the Board is guided by Investor Relations Policy and Corporate Disclosure Guide 2011 introduced by Bursa Malaysia whilst adhering with the corporate disclosure requirements as set out in Bursa Malaysia's Listing Requirements.

Announcements via Bursa LINK of Annual Reports, quarterly financial results and business acquisitions and disposals provide the shareholders and the investing public with an overview of the Group's performance, operations and directions. Members of the public can obtain the Annual Reports, full financial results, quarterly financial results and the Company's announcements on the Company's website at www.pkcorp.com.my. Notices of general meetings and minutes of general meetings are also available on the Company's website.

General Meetings

The AGM is the principal forum for dialogue with shareholders. Notice of the AGM and the Annual Report are sent out to shareholders at least twenty one (21) days before the date of meeting.

The Board encourages participation from shareholders by having a question and answer session during the AGM. Directors and the GCEO are available to provide responses to questions from shareholders during the meeting.

For re-election of directors, the Board ensure that full information is disclosed through the notice of the AGM regarding the directors who are retiring and who are willing to serve if re-elected. An explanatory statement to facilitate full understanding and evaluation of the issue involved shall accompany items of special business included in the notice of the AGM.

At the commencement of the AGM, the Chairman of the Meeting informs shareholders of their right to demand for a poll vote. The Board encourages poll voting for substantive resolutions. However, currently all resolutions are put to vote on a show of hands unless a request for poll is put forward. The Board shall evaluate the feasibility of carrying out electronic polling at its general meetings in future.

Other than the AGM, an Extraordinary General Meeting was held on 27 March 2015 to consider the following resolution:

Resolution	***Result***
Ordinary Resolution Proposal for PCB Taipan Sdn Bhd (formerly known as Taipan Merit Sdn Bhd), a wholly-owned subsidiary of the Company, to dispose of its entire equity interest in Integrax Berhad ("**Integrax**") comprising 47.3 million ordinary shares of RM1.00 each in Integrax representing 15.74% equity interest therein to Tenaga Nasional Berhad ("**TNB**") pursuant to the conditional take-over offer by TNB to acquire all the remaining Integrax shares not already held by TNB for a revised cash offer price of RM3.25 per share.	Approved

Poll voting was conducted in respect of the resolution. The results of the poll was scrutinised by EY, the appointed scrutineers, and the outcome of the poll against the resolution was announced at the same meeting and detailed results stating the votes cast are announced via Bursa LINK.

Engagements with Shareholders

The Board has designated Tuan Haji Ab Rahman bin Mohammed as the Senior Independent Director of the Company to whom shareholders may address their concerns relating to the Group. In addition, nominees of the Company's substantial shareholders sit on the Board. This provides a platform for interactions and direct communications between the Board, management and shareholders. At all times, any queries from other shareholders may be communicated through the Company Secretary.

SECTION 5: CORPORATE SOCIAL RESPONSIBILITY

With the CSR framework in place, the Group strives to integrate CSR initiatives in every aspect of its business focusing on its employees, its shareholders, its customers, the environment and society as a whole, in addition to complying with all applicable legal and regulatory requirements.

The Group has contributed and shall continuously endeavour to play a role in promoting CSR activities which include the following:

(a) Commitment towards the community by supporting and donating to social and charitable causes and disaster relief funds organised by the local governments and non-profitable organisations.

The Company has donated a sum of RM51,533 in the form of basic needs such as cooking oil, rice, mineral water and others for the flood victims in Kuala Kangsar and Kampung Gajah areas.

The distributed donations was symbolically handed over to Pasir Salak Member of Parliment and flood victims by Tan Sri Dr Mohd Irwan Siregar Abdullah, Secretary General of the Treasury.

The Company has donated a 'van jenazah' to Masjid Al-Ansar at Bandar Meru Raya worth RM123,929 which includes the price of the van and other amenities.

DYMM Paduka Seri Sultan Perak, Tuanku Nazrin Shah Ibni Almarhum Sultan Azlan Shah has graciously received the key of 'van jenazah' on behalf of Majlis Agama Islam dan Adat Melayu Negeri Perak (MAIP) from Dato' Aminuddin bin Md Desa, the GCEO at Masjid Al-Ansar, Bandar Meru Raya on 3 July 2015.

The Company has also channeled to Perak State ATM Veteran Association a contribution of RM10,000 for the Warriors' Day Campaign Fund. This contribution is meant to help former soldiers and their family members in need in recognition and appreciation of these brave men who had contributed towards the security of our country.

The Company has provided financial assistance of RM200,000 to Yayasan Bina Upaya ("**YBU**") Perak Darul Ridzuan for the foundation to carry out programs in reducing poverty in Perak. YBU plays a role in helping the state government in its effort to eradicate poverty in the State.

(b) Publication of the Second Edition of The Belum Coffee Table Book to support the state government's effort in collaborating with Malaysia Nature Society to demonstrate environment stewardship and to promote sustainability.

The Belum Coffee Table Book – Belum Revisited "A Malaysian Heritage of 130 Million Years Old" was first published in the 1980s compromises over 200 pages with hard cover by Malaysia Nature Society.

In view of the popularity of Royal Belum, the Company via Perak Corporation Nature Foundation has sponsored RM380,000 for the cost of republishing and printing of 2000 copies for this Belum Coffee Table Book.

(c) Sponsorship for Sport Development in the State to nurture the youths in Perak with the potential to excel in sports activities particularly football and rugby.

The Company has sponsored RM500,000 to Football Association of Perak Darul Ridzuan (PAFA) for their management team to participate in the M League, Super Perak League, President's Cup and Perak Youth. The Company has also sponsored RM20,000 to Perak Rugby Union to support the Perak team in the Agong's Cup 2015 Championship.

(d) Support to Institute Darul Ridzuan ("**IDR**") in organising the Pangkor International Development Dialogue 2015 ("**PIDD 2015**").

The Company has allocated a sum of RM100,000 to support IDR in organizing PIDD 2015 at Casuarina@Meru Hotel, Ipoh from 19 to 21 October 2015 to provide a platform for thinkers, intellectuals, academics and policy makers at the national and regional level to exchange knowledge and ideas in the areas of global, regional, national and state developments.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is responsible for the adequacy and effectiveness of the Group's risk management framework and to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**Listing Requirements**") requires directors of listed companies to include a statement in annual reports on the state of the internal control of the listed issuer as a group. The recent guidelines on the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("**Risk Management and Internal Control Guidance**") further emphasises the need for maintaining a sound risk management framework and internal control system.

Set out below is the Board's Statement on Risk Management and Internal Control, which has been prepared in accordance with the Risk Management and Internal Control Guidance.

BOARD RESPONSIBILITY

The Board recognises the importance of sound risk management practices and internal controls to good corporate governance. The Board affirms its overall responsibility for the Group's system of risk management and internal control, and for reviewing the adequacy and integrity of those systems. Due to the limitations that are inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system can provide only reasonable and not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, risk management and financial, organisational, operational and compliance controls. The Board confirms that there is an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives, which has been in place during the year and up to the date of approval of the Annual Report and the audited financial statements. The Board shall regularly review this process and accords with the Risk Management and Internal Control Guidance.

RISK MANAGEMENT FRAMEWORK

In accordance with the Risk Management and Internal Control Guidance, the Board confirms that there is an ongoing process for identifying, evaluating and managing risks faced by the Group. The terms of reference of the Audit Committee have been extended to assist the Board towards the compliance of its responsibility. With the assistance of the internal audit department of the ultimate holding corporation, a structured risk management framework for the Group has been put in place. The Board has established a risk management framework which consists of a formalised risk management policy and procedure for a systematic and consistent approach to evaluate and improve the adequacy and effectiveness of the Group's risk management process. This process is regularly reviewed by the Board, taking into account changes in the regulatory and business environment to ensure the adequacy and integrity of the system of risk management and internal control.

The key element of the risk management framework involves the following:

1. **Group Risk Management Committee**

   For the financial year under review, this function falls under the purview of the Group management who are responsible in identifying continuously the critical risks the Group faces, their changes and the action plans to manage the risks.

2. **Risk Management Policies and Procedures Manual**

   This manual serves as a documented risk management policies and procedures that outlines the risk management framework for the Group and offers practical guidance to all employees on risk assessment, risk communication and risk monitoring. Such policies and procedures would be updated and adapted to the current business activities and risk exposures from time to time.

3. **Key Management Staff**

   Nomination of qualified key management staff in each operating unit to prepare action plans, with implementation time-scales to address any risk and control issues.

The above risk management framework has been fully implemented to effectively address critical business risks along with an appropriate management action plan to manage or mitigate such risks exposures.

For the financial year under review, it has been established at the Group level that continuous review of the adequacy and integrity of the system of risk management and internal control practices are in place.

In order to sustain corporate resiliency, the Group shall continue to strengthen through continuous risk awareness and assessment to ensure proper mitigating actions to further improve the risk level and to address the various risk exposures in the forthcoming year.

REVIEW OF INTERNAL CONTROL EFFECTIVENESS

The Group, via the ultimate holding corporation's internal audit department, provides support to the Audit Committee in discharging its duties with respect to the adequacy and integrity of the system of internal control within the Group. During the financial year under review, the internal auditors carried out audits of the operating units including subsidiaries based on an internal audit plan approved by the Audit Committee. Their audit reports were tabled at the Audit Committee meetings, where Audit Committee members reviewed the findings with management. Internal auditors shall ensure that recommendations to improve controls are implemented by management. These initiatives, together with management's adoption of the external auditors' recommendations for improvement on internal control noted during their annual audit, provide reasonable assurance that control procedures are in place.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from key risk management and internal audit, the Group has in place the following key elements of internal control:

1. **Strategic Blue Print and Objectives**

   In order to chart the Group's business direction, the ultimate holding corporation and the Company have produced the Group's Strategic Blue Print (2014 - 2018) where strategic thrusts to support the achievement of the Group's key business strategic objectives are identified and undertaken by the Group.

2. **Organisational Structure**

   The Group has in place an organisational structure with clearly defined lines of accountability and delegated authority for all aspects of the business as set out in the Board Charter and Limits of Authority to the Board committees, the Group Chief Executive Officer and the operating units.

3. **Policies and Operating Procedures Manual**

   There is an Operating Procedures Manual that sets out the policies, procedures and practices covering activities including the following:

   3.1 Limits of Authority
   Limits of Authority outlines and empowers the individual or group of persons in making decisions within the Group.

   3.2 Budgeting
   Budgets are generated annually at each operating unit. The budgets will then be presented to the ultimate holding corporation and the Board for review and approval.

   3.3 Secretarial Executive Committee ("SEC") of the ultimate holding corporation
   Requests for major purchases of goods and services and procurement of contract works are submitted to the SEC for review and approval.

4. **Management Financial Report**

   Quarterly financial reports are submitted to the Audit Committee and the Board which include the monitoring of results against budget, with major variances being explained and management actions taken for improvement of results. This involves the inclusion of Statements of Comprehensive Income, Statements of Financial Position, Group Statements of Changes in Equity and Statements of Cash Flows being presented to the Audit Committee and the Board.

5. **Investment Appraisal**

   Investment proposals covering acquisition of property and long term investments are thoroughly appraised by the Board. Post implementation reviews on these investments are conducted and reported to the Board on a regular basis. Likewise, similar actions are taken in respect of disposal of property/long term investments/subsidiaries.

6. Group Financial Management

Group Financial Management discussions are called on ad-hoc basis to monitor the progress and performance of each operating unit.

CONCLUSION

For the financial year under review and up to the date of issuance of the audited financial statements, the Board considers the system of risk management and internal control of the Group to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. The Board has received assurance from the Audit Committee Chairman and the Group Chief Financial Officer of the Company who are satisfied with the adequacy, integrity and effectiveness of the Group's system of risk management and internal control. Such assurances have also been received from the CEOs and Finance Officers of the subsidiaries of the Company. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's system of risk management and internal control except for a number of minor structural weaknesses which were identified and addressed during the year that would require disclosure in the Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In accordance to paragraph 15.23 of theListing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2015. Their review was performed in accordance with Recommended Practice Guide ("**RPG**") 5 (Revised) issued by Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of risk management and internal control of the Group. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

AUDIT COMMITTEE REPORT

The Audit Committee provides assistance to the Board in fulfilling its oversight responsibilities of the financial reporting process, the system of internal controls, the audit process and the process of monitoring compliance with laws and regulations and the code of conduct.

COMPOSITION

The Audit Committee consisted of three (3) independent non-executive directors and the attendance of members in 2015 is as follows:

	Meeting attendance in 2015
Tuan Haji Ab Rahman bin Mohammed (Chairman) *Senior Independent Non-Executive*	5/5
Dato' Dr Vasan a/l Sinnadurai *Independent Non-Executive*	4/5
Datuk Dr Wan Norashikin binti Wan Noordin *Independent Non-Executive*	3/5

KEY FUNCTIONS, ROLES AND RESPONSIBILITIES

The Audit Committee shall:

(a) Recommend to the Board the appointment and reappointment of the external auditors, their audit fees and any question of their resignation or dismissal.

(b) Discuss with the external auditors before the audit commences, the audit plan, their evaluation of the system of internal control and the audit reports on the financial statements and the assistance given by the Company's officers to the external auditors.

(c) Review the quarterly financial reports and annual financial statements before submission to the Board focusing particularly on:

- Changes in or implementation of major accounting policy changes;
- Significant and unusual events; and
- Compliance with accounting standards and other legal requirements.

(d) Discuss the outcome of the interim and final audit, and any matters the auditors may wish to discuss ensuring that no management restrictions are being placed on the scope of their examinations.

(e) Review the adequacy of the scope, function, competency and resources and the effectiveness of the internal audit function.

(f) Review the internal audit programme, processes, the results of the internal audit programme, process or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.

(g) Review the Risk Management Framework of the Group, the significant risks identified for the Group and the findings highlighted by the internal auditors.

(h) Review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(i) Maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.

(j) Prepare an Audit Committee Report, for the consideration of the Board at the end of each financial year, for inclusion in the Annual Report of the Company.

(k) Report to Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") where the Committee is of the view that a matter reported by it to the Board has not been satisfactory resolved resulting in a breach of the Bursa Malaysia's Main Market Listing Requirements.

(l) Establish policies and procedures to assess the suitability and independence of the external auditors taking into account the provision of non-audit services will not impair their independence and to obtain written assurance from the external auditors that the conduct of audit engagement is in accordance with the terms of all relevant professional and regulatory requirements.

(m) Carry out the responsibilities as required under Whistle Blowing Policy and Procedures upon receiving reports on misconduct, wrongdoing, corruption, fraud, waste and/or abuse.

MEETINGS

The Audit Committee shall meet at least four (4) times a year, although additional meetings may be called at any time at the Chairman's discretion and if requested by any member or internal or external auditors. The Committee may convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary. The Committee may invite any person to be in attendance at each meeting.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman of the Company, the Group Chief Executive Officer, the Chief Financial Officer, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

The quorum for each meeting shall be two (2) members, the majority of members present must be independent members.

Minutes of each meeting shall be kept and distributed to each member of the Committee and the Board. The Chairman shall report on each meeting to the Board. The minutes book shall be opened to the inspection of any director of the Company. The secretary to the Committee shall be the Company Secretary.

SUMMARY OF ACTIVITIES

The Committee met five (5) times during the financial year under review for the following purposes:

Financial Reporting

For the financial year under review, the Group Chief Financial Officer has provided assurance to the Audit Committee on the compliance with applicable financial reporting standards and other legal requirements as well as integrity on the interim financial reports and financial statements.

- Reviewed the interim financial reports with management before submission with its recommendation to the Board for approval prior to the quarterly announcements made to Bursa Malaysia and the Securities Commission;

- Obtained assurance that the interim financial reports and annual audited financial statements comply with the applicable financial reporting standards and other legal requirements; and

- Reviewed the annual audited financial statements and the audit report thereon as presented by the external auditors with management before submission with its recommendation to the Board for approval.

External Audit

The Audit Committee met with the external auditors twice during the year.

- Discussed with the external auditors on their audit plan and the scope of the audit, as well as the audit procedures to be utilised;

- Obtained assurance from the external auditors confirming that they are, and have been, independent through the conduct of the audit engagement in accordance with the terms of the relevant professional and regulatory requirements; and

- Reviewed the services provided by the external auditors, including non-audit services, and assessed their suitability, objectivity and independence with reference to the policies and procedures as laid out.

The non-audit fees to the external auditors for the financial year ended 31 December 2015 amounted to RM45,000. The Audit Committee is satisfied that the provision of non-audit services has not create any conflict of interest nor impair the independence and objectivity of the external auditors.

Internal audit

The Audit Committee met with the internal auditors three (3) times during the year.

- Reviewed and approved the annual internal audit plan based on risk-based approach as presented by the internal auditors and discussed with them on the scope of work, adequacy of resources and coordination with the external auditors; and

- Reviewed the internal audit reports presented by the internal auditors on their findings and recommendations thereon with respect to system and controls weaknesses and management's response to these recommendations and ensure the adequacy implementation of corrective actions to address such control deficiencies.

Risk Management and Others

- Reviewed related party transactions and recurrent related party transactions entered into by the Company and its subsidiary companies and the Circular to Shareholders related to such transactions; and

- Reviewed and approved the Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion in the Company's Annual Report.

INTERNAL AUDIT FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Audit Committee is supported adequately by the internal audit department from the Company's ultimate holding corporation, which would outsource any consultant or professional firm if there was a requirement to do so. The main role of the internal auditors is to review the effectiveness of the system of internal control and this is performed with impartiality, proficiency and due professional care. The internal auditors report directly to the Audit Committee on audit matters and to the Group Chief Executive Officer on administrative matters.

The internal audit activities have been carried out according to the internal audit plan based on risk-based approach, which has been approved by the Audit Committee. In 2015, the internal auditors have conducted a series of audits of the operating units including subsidiaries of the Company. The internal auditors ensured, on a follow up basis, that recommendations to improve controls are implemented by management. These initiatives, together with management's adoption of the external auditor's recommendations for improvement on internal controls noted during their annual audit, provide reasonable assurance that control procedures are in place.

The cost incurred on the internal audit function for the financial year ended 31 December 2015 amounted to RM100,000.

Further details of the activities of the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 42 to 45.

ADDITIONAL COMPLIANCE INFORMATION

RECURENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE NATURE

RRPT of revenue nature conducted during the financial year is as follows :

Type of RRPT	*Name of related party*	*Relations with the Company*	*Actual value period 1/1/15 - 31/ 12/15 (RM)*
Operation and Maintenance provided by a subsidiary Lumut Maritime Terminal Sdn Bhd.	Lekir Bulk Terminal Sdn Bhd ("**LTB**").	See note 1 below	41,325,789

Relationships with the Company:

1. LBT is a subsidiary of Pelabuhan Lumut Sdn Bhd, which holds 80% of its equity interest, whereas the remaining equity interest of 20% is held by Tuah Utama Sdn Bhd, an unrelated company to PCB Group and its directors.

MATERIAL CONTRACTS

There were no materials contracts other than in the ordinary course of business entered into by the Company or its subsidiary involving the interest of the Directors and major shareholder except as disclosed in note 38 of the financial statements of the Company for the financial year ended 31 December 2015.

Impositions of Sanctions/Penalties

There ware no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant authorities.

ANALYSIS OF SHAREHOLDINGS AS 31 MARCH 2016

Authorised Capital	:	RM500,000,000
Issued and Fully Paid-Up Capital	:	RM100,000,000
Class of Shares	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per shareholder on a show of hands One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDERS (Based on the Record of Depositors)

No. of holders	*Holdings*	*Total shareholdings*	*%*
256	Less than 100	11,978	0.01
273	100 to 1,000	194,245	0.20
1,511	1,001 to 10,000	5,405,350	5.41
352	10,001 to 100,000	10,764,124	10.76
56	100,001 to 4,999,999	25,993,053	25.99
2	5,000,000* and above	57,631,250	57.63
2,450		100,000,000	100.00

Notes: * Denotes 5% of the issued capital

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)
(Based on the Company's Register of Substantial Shareholders)

		No. of shares held			
No.	*Name of holders*	*Direct*	*%*	*Deemed*	*%*
1.	Perbadanan Kemajuan Negeri Perak	52,271,253 *1	52.27	627,150 *2	0.63
2.	Sime Darby Property Berhad	6,125,000	6.12	–	–

Notes :

*1 Including 51,506,250 shares held under CIMB Group Nominees (Tempatan) Sdn Bhd

*2 Deemed interest through its direct and indirect wholly owned subsidiaries, namely Fast Continent Sdn Bhd, Cherry Blossom Sdn Bhd and Perak Equity Sdn Bhd

DIRECTORS' SHAREHOLDINGS (Based on the Company's Register of Directors Shareholdings)

		No. of shares held			
No.	*Name of holders*	*Direct*	*%*	*Deemed*	*%*
1.	Tuan Haji Ab Rahman bin Mohammed	–	–	6,000 *1	0.01

Note: *1. Deemed interest through his spouse and child.

THIRTY LARGEST SHAREHOLDERS (Based on the Record of Depositors)

No.	Name	No. of shares held	%
1	CIMB Group Nominees (Tempatan) Sdn Bhd *CIMB Bank Bhd for Perbadanan Kemajuan Negeri Perak (CBD-NR-PERAKCB)*	51,506,250	51.51
2	Sime Darby Property Berhad	6,125,000	6.12
3	KAF Trustee Berhad *KIFB for KAF Seagroatt & Campbell Berhad*	3,912,000	3.91
4	Chua Sim Neo @ Diana Chua	3,785,500	3.79
5	Pui Cheng Wui	3,209,400	3.21
6	Kenanga Nominees (Asing) Sdn Bhd *Cantal Capital Inc.*	1,000,000	1.00
7	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Hock Fatt (E-SS2)*	985,000	0.98
8	Gan Kho @ Gan Hong Leong	831,600	0.83
9	Lim Gaik Bway @ Lim Chiew Ah	786,000	0.79
10	Perbadanan Kemajuan Negeri Perak	765,003	0.76
11	Wong Shak On	711,000	0.71
12	Gan Kho @ Gan Hong Leong	706,900	0.71
13	Jonathan Lim Shian Vern	559,800	0.56
14	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Hock Leong (E-PDG/SAN)*	516,400	0.52
15	Tharumanathan a/l S. Eliathamby	463,000	0.46
16	Chee Ah Ngoh	376,000	0.38
17	Cherry Blossom Sdn Bhd	367,150	0.37
18	KAF Trustee Berhad *KIFB for Yayasan Istana Abdul Aziz*	360,000	0.36
19	KAF Trustee Berhad *KIFB for DYMM Tuanku Bainun Mohd Ali*	351,000	0.35
20	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chin Kiam Hsung*	309,700	0.31
21	Cheong Yoke Choy	250,000	0.25
22	Renfield Investment Limited	250,000	0.25
23	CIMB Group Nominees (Asing) Sdn Bhd *Exempt an for DBS Bank Limited (SFS)*	248,100	0.25
24	Fast Continent Sdn Bhd	247,500	0.25
25	Chin Kian Fong	236,600	0.24
26	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chin Kiam Hsung*	230,000	0.23
27	Gina Gan	205,000	0.20
28	Ng Poh Cheng	202,400	0.20
29	HSBC Nominees (Asing) Sdn Bhd *Exempt an for Credit Suisse (SG BR-TST-Asing)*	200,000	0.20
30	Maybank Nominees (Tempatan) Sdn Bhd *Lee Yu Yong @ Lee Yuen Ying*	180,000	0.18
		79,876,303	79.88

SUMMARY OF PROPERTIES AS AT 31 DECEMBER 2015

	Location	Approximate Land Area (acres)	Tenure	Description	Date of Acquisition Approx. Age (Buildings) Net Book Value	Existing Use
PCB Deveplopment Sdn Bhd	Part of lot 140407, 15437, 25459, 33004, 52566, 21310, 18202 Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	141.53	Freehold	Agricultural land with approval for mixed deveplopment from Pejabat Pengarah Tanah & Galian	31.12.1997 RM11,234,332	Agriculture (proposed for mixed for deveplopment)
PCB Deveplopment Sdn Bhd	No. HDS 98757, PT 167585 Negeri Perak, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	5.00	Freehold	3-storey institutional building	1.1.2002 RM3,719,317 14 years	Rented to third party
PCB Deveplopment Sdn Bhd	a) No. HSD 159908, PT 213246	0.0616	Freehold	Double storey building	30.9.2011 RM1,189,500 4 years	Vacant
	b) No. HDS 159909, PT 213247	0.0650				
	c) No. HDS 159910, PT 213248	0.0650				
	Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.					
	Lot PT 2273, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan.	27.46	Leasehold (99 years) expiring year 2094	Waterbody	30.9.1995 RM697,439	Port operations
	Lot PT 6973, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan.	72.54	Leasehold (99 years) expiring year 2094	Wharf, warehouse, & office complex building	10.4.1997 RM76,550,771 19 years	Port operations
	PT 6972/Lot 11063, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan (purchased vacant land in year 2013).	1.65	Leasehold (99 years) expiring year 2094	Waterbody	17.4.2013 RM2,497,419 2 years	Port operations
	PT 4859, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan. (purchased vacant land in year 2014)	3.49	Leasehold (99 years) expiring year 2113	Waterbody	10.3.2015 RM1,877,167	Port operations
	H.S. (D) 204383 PT 245010, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	7.34	Freehold	Hotel, convention centre & 2-office towers	31.2.2013 RM62,610,216 2 years	Hotel operations

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- Complied with the applicable MASB approved accounting standards in Malaysia.

- Adopted and consistently applied appropriate accounting policies.

- Made judgements and estimates that are prudent and reasonable.

The Directors have responsibility for ensuring that the Company and the Group keep accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

PERAK CORPORATION BERHAD

INCORPORATED IN MALAYSIA (210915-U)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2015

Contents **Pages**

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Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

Principal activities

The principal activities of the Company consist of property and investment holding, real property development and provision of management services.

The principal activities of the subsidiaries are described in Note 18 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
Profit net of tax	95,153,810	16,260,090
Profit attributable to:		
Owners of the Company	80,079,274	16,260,090
Non-controlling interests	15,074,536	-
	95,153,810	16,260,090

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividend paid by the Company since 31 December 2014 was as follows:

	RM
In respect of the financial year ended 31 December 2015:	
Special interim single tier dividend of 30.0% per share, declared on 22 May 2015 and paid on 30 June 2015	30,000,000

The directors do not recommend the payment of any final dividend in respect of the current financial year.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Nasarudin Bin Hashim
Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri
Tuan Haji Ab Rahman Bin Mohammed
Dato' Abd Karim Bin Ahmad Tarmizi
Dato' Dr Vasan A/L Sinnadurai
Datuk Dr Wan Norashikin Bt Wan Noordin
Dato' Aminuddin Bin Md Desa

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 11 to the financial statements or the fixed salary of a full time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	1 January 2015	Bought	Sold	31 December 2015
The Company				
Tuan Haji Ab Rahman Bin Mohammed				
- indirect*	6,000	-	-	6,000

**deemed interest through his spouse/issue*

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Other statutory information (contd.)

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

   (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

   (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant and/or recurring events

The significant and/or recurring events during the financial year are as disclosed in Note 38 to the financial statements.

Subsequent events

Details of subsequent events are disclosed in Note 39 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2016.

Dato' Nasarudin Bin Hashim

Tuan Haji Ab Rahman Bin Mohammed

Ipoh, Perak Darul Ridzuan, Malaysia

Statement by directors
Pursuant to Section 169(15) of the Companies Act 1965

We, Dato' Nasarudin Bin Hashim and Tuan Haji Ab Rahman Bin Mohammed, being two of the directors of Perak Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 137 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 45 to the financial statements on page 138 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2016.

Dato' Nasarudin Bin Hashim

Tuan Haji Ab Rahman Bin Mohammed

Ipoh, Perak Darul Ridzuan, Malaysia

Statutory declaration
Pursuant to Section 169(16) of the Companies Act 1965

I, Rozahan Bin Osman (I/C No.: 641202-07-5001), being the officer primarily responsible for the financial management of Perak Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 138 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared
by the abovenamed Rozahan Bin Osman
at Ipoh in the State of Perak Darul Ridzuan
on 28 April 2016.

Rozahan Bin Osman

Before me,

Commissioner for Oaths

Independent auditors' report to the members of
Perak Corporation Berhad
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Perak Corporation Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 137.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditors' report to the members of
Perak Corporation Berhad (contd.)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 45 on page 138 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material aspects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Independent auditors' report to the members of
Perak Corporation Berhad (contd.)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Leong Chooi May
No. 1231/03/17 (J)
Chartered Accountant

Ipoh, Perak Darul Ridzuan, Malaysia
Date: 28 April 2016

Statements of comprehensive income
For the financial year ended 31 December 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	4	138,487,185	167,042,860	34,889,076	20,773,081
Cost of sales	5	(44,687,581)	(61,805,509)	(3,623,359)	(9,595,525)
Gross profit		93,799,604	105,237,351	31,265,717	11,177,556
Other items of income					
Interest income	6	4,926,181	5,072,778	1,975,485	1,615,893
Other income	7	82,804,891	7,971,922	26,574	3,443,257
Other items of expense					
Administrative expenses		(44,227,496)	(35,283,204)	(10,475,039)	(5,567,241)
Finance costs	8	(2,135,539)	(2,806,797)	(11,355)	(10,883)
Other expenses		(17,871,669)	(7,343,312)	(6,739,559)	(4,600,067)
Share of loss of associates		(5,172,975)	(1,760,047)	-	-
Profit before tax	9	112,122,997	71,088,691	16,041,823	6,058,515
Income tax expense	12	(16,969,187)	(19,319,421)	218,267	(859,140)
Profit net of tax		95,153,810	51,769,270	16,260,090	5,199,375
Other comprehensive income:					
Items that will be reclassified to profit and loss in the future:					
Net gain on available-for-sale financial assets					
- Gain on fair value changes		-	9,941,745	-	-
- Transfer to profit or loss upon disposal		(34,605,257)	-	-	-
		(34,605,257)	9,941,745	-	-
Total comprehensive income for the year		60,548,553	61,711,015	16,260,090	5,199,375

Statements of comprehensive income
For the financial year ended 31 December 2015 (contd.)

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Profit attributable to:					
Owners of the Company		80,079,274	38,796,176	16,260,090	5,199,375
Non-controlling interests		15,074,536	12,973,094	-	-
		95,153,810	51,769,270	16,260,090	5,199,375
Total comprehensive income attributable to:					
Owners of the Company		45,474,017	48,737,921	16,260,090	5,199,375
Non-controlling interests		15,074,536	12,973,094	-	-
		60,548,553	61,711,015	16,260,090	5,199,375
Earnings per share attributable to owners of the Company (sen per share):					
Basic	13	80.08	38.80		
Diluted	13	80.08	38.80		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of financial position
As at 31 December 2015

		Group		Company	
		2015	**2014**	**2015**	**2014**
	Note	**RM**	**RM**	**RM**	**RM**
Assets					
Non-current assets					
Property, plant and equipment	14	112,535,640	101,462,705	945,353	908,889
Port facilities	15	89,685,528	90,321,034	-	-
Investment properties	16	4,908,815	4,987,906	-	-
Land held for property development	17	23,374,254	24,038,107	-	-
Investments in subsidiaries	18	-	-	155,598,589	175,117,720
Investments in associates	19	5,411,692	10,584,667	-	-
Other investments	20	42,369,562	155,980,464	25,000	25,000
Intangible assets	21	23,811,003	23,811,003	-	-
		302,096,494	411,185,886	156,568,942	176,051,609
Current assets					
Property development costs	17	151,883,074	137,532,719	80,600,061	73,829,225
Inventories	22	15,990,868	12,389,382	-	-
Trade and other receivables	23	158,427,819	151,482,808	109,920,351	149,751,631
Other current assets	24	10,069,588	435,426	-	-
Other investments	20	14,007,504	10,958,676	326,543	314,783
Tax recoverable		7,099,250	6,915,923	105,724	107,188
Cash and bank balances	25	92,578,204	97,074,624	14,408,585	10,998,999
		450,056,307	416,789,558	205,361,264	235,001,826
Total assets		752,152,801	827,975,444	361,930,206	411,053,435

Statements of financial position
As at 31 December 2015 (contd.)

		Group		Company	
		2015	**2014**	**2015**	**2014**
	Note	**RM**	**RM**	**RM**	**RM**
Equity and liabilities					
Current liabilities					
Loans and borrowings	26	13,287,268	83,897,726	42,111	60,054,924
Trade and other payables	28	50,423,037	64,836,811	34,644,865	10,063,266
Tax payable		626,281	34,797	-	-
		64,336,586	148,769,334	34,686,976	70,118,190
Net current assets		385,719,721	268,020,224	170,674,288	164,883,636
Non-current liabilities					
Trade and other payables	28	424,528	-	-	-
Loans and borrowings	26	15,884,947	21,026,639	52,645	89,356
Deferred tax liabilities	29	7,034,617	6,755,902	194,060	109,454
		23,344,092	27,782,541	246,705	198,810
Total liabilities		87,680,678	176,551,875	34,933,681	70,317,000
Net assets		664,472,123	651,423,569	326,996,525	340,736,435
Equity attributable to owners to the Company					
Share capital	30	100,000,000	100,000,000	100,000,000	100,000,000
Share premium	31	172,770,440	172,770,440	172,770,440	172,770,440
Fair value adjustment reserve	32	-	34,605,257	-	-
Retained earnings	33	305,722,062	255,642,788	54,226,085	67,965,995
		578,492,502	563,018,485	326,996,525	340,736,435
Non-controlling interests		85,979,621	88,405,084	-	-
Total equity		664,472,123	651,423,569	326,996,525	340,736,435
Total equity and liabilities		752,152,801	827,975,444	361,930,206	411,053,435

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of changes in equity
For the financial year ended 31 December 2015

	Note	Equity total RM	Equity attributable to owners of the Company total RM	Non distributable: Share capital RM	Non distributable: Share premium RM	Non distributable Fair value adjustment reserve RM	Distributable Retained earnings RM	Non-controlling interests RM
			|--- Attributable to owners of the Company				---|	
2015								
Group								
At 1 January 2015		651,423,569	563,018,485	100,000,000	172,770,440	34,605,257	255,642,788	88,405,084
Total comprehensive income		60,548,553	45,474,017	-	-	(34,605,257)	80,079,274	15,074,536
Dividend paid by a subsidiary to a non-controlling interest		(17,499,999)	-	-	-	-	-	(17,499,999)
Transaction with owners								
Dividend paid	34	(30,000,000)	(30,000,000)	-	-	-	(30,000,000)	-
At 31 December 2015		664,472,123	578,492,502	100,000,000	172,770,440	-	305,722,062	85,979,621

Statements of changes in equity
For the financial year ended 31 December 2015 (contd.)

	Note	Equity total RM	Equity attributable to owners of the Company total RM	Non distributable: Share capital RM	Non distributable: Share premium RM	Non distributable Fair value adjustment reserve RM	Distributable Retained earnings RM	Non-controlling interests RM
			Attributable to owners of the Company					
2014								
Group								
At 1 January 2014		599,712,554	514,280,564	100,000,000	172,770,440	24,663,512	216,846,612	85,431,990
Total comprehensive income		61,711,015	48,737,921	-	-	9,941,745	38,796,176	12,973,094
Dividend paid by a subsidiary to a non-controlling interest		(10,000,000)	-	-	-	-	-	(10,000,000)
At 31 December 2014		651,423,569	563,018,485	100,000,000	172,770,440	34,605,257	255,642,788	88,405,084

Statements of changes in equity
For the financial year ended 31 December 2015 (contd.)

	Note	Equity total RM	Non-distributable Share capital RM	Non-distributable Share premium RM	Distributable Retained earnings RM
Company					
At 1 January 2015		340,736,435	100,000,000	172,770,440	67,965,995
Total comprehensive income		16,260,090	-	-	16,260,090
Transactions with owners					
Dividend paid	34	(30,000,000)	-	-	(30,000,000)
At 31 December 2015		326,996,525	100,000,000	172,770,440	54,226,085
At 1 January 2014		335,537,060	100,000,000	172,770,440	62,766,620
Total comprehensive income		5,199,375	-	-	5,199,375
At 31 December 2014		340,736,435	100,000,000	172,770,440	67,965,995

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of cash flows
For the financial year ended 31 December 2015

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Operating activities				
Profit before tax	112,122,997	71,088,691	16,041,823	6,058,515
Adjustments for:				
Allowance for impairment loss on financial assets:				
- trade receivables	-	172,500	-	-
Bad debts written off	295,000	-	-	-
Depreciation				
- property, plant and equipment	5,680,423	3,940,584	298,338	421,274
- port facilities	3,083,669	3,031,016	-	-
- investment properties	79,091	79,091	-	-
Dividend income				
- subsidiary	-	-	(30,000,000)	(5,000,000)
- other investment	(5,410,624)	(2,367,082)	-	-
Fair value loss/(gain) on embedded derivatives	5,671,956	(1,516,518)	-	-
Interest expenses	2,135,539	2,806,797	11,355	10,883
Interest income	(4,926,181)	(5,072,778)	(1,975,485)	(1,615,893)
Gain on disposal of property, plant and equipment	(115,677)	(3,279,981)	(8,281)	(3,304,789)
Gain on disposal of available-for-sale investments	(76,976,031)	-	-	-
Property, plant and equipment written off	221	-	-	-
Reversal of allowance for impairment loss on trade receivables	(130,000)	(15,000)	-	-
Share of loss of associates	5,172,975	1,760,047	-	-
Total adjustments	(65,439,639)	(461,324)	(31,674,073)	(9,488,525)
Operating cash flows before changes in working capital carried forward	46,683,358	70,627,367	(15,632,250)	(3,430,010)

Statements of cash flows
For the financial year ended 31 December 2015 (contd.)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Operating cash flows before changes in working capital brought forward	46,683,358	70,627,367	(15,632,250)	(3,430,010)
Changes in working capital:				
Property development costs	(13,686,502)	(3,225,487)	(6,770,836)	6,746,321
Inventories	(3,601,486)	(4,443,335)	-	-
Payables	(13,989,246)	4,549,667	24,581,599	(1,350,861)
Receivables	(6,131,321)	(26,694,215)	41,322,472	(17,679,013)
Other current assets	(9,634,162)	(229,824)	-	-
Total changes in working capital	(47,042,717)	(30,043,194)	59,133,235	(12,283,553)
Cash flows (used in)/from operations	(359,359)	40,584,173	43,500,985	(15,713,563)
Taxes (paid)/refunded	(16,282,315)	(24,173,417)	304,337	(622,500)
Net cash flows (used in)/from operating activities	(16,641,674)	16,410,756	43,805,322	(16,336,063)
Investing activities				
Dividends received	5,410,624	2,367,082	30,000,000	5,000,000
Interest received	3,947,491	3,575,030	484,293	188,252
Proceeds from disposal of property, plant and equipment	1,544,207	13,020,000	10,000	13,000,000
Proceeds from disposal of available-for-sale investment	150,309,720	-	-	-
Repayment received from equity loan	-	-	19,519,131	-
Purchase of investment in associate	-	(5,000,000)	-	-
Purchase of other investments	(3,048,828)	(57,458,676)	(11,760)	(314,783)
Purchase of port facilities	(2,448,163)	(6,813,299)	-	-
Purchase of property, plant and equipment	(10,910,707)	(17,207,499)	(336,521)	(74,327)
Net cash flows from/(used in) investing activities	144,804,344	(67,517,362)	49,665,143	17,799,142

Statements of cash flows
For the financial year ended 31 December 2015 (contd.)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Financing activities				
Dividend paid	(30,000,000)	-	(30,000,000)	-
Dividend paid to non-controlling interests	(17,499,999)	(10,000,000)	-	-
Interest paid	(2,135,539)	(2,806,797)	(11,355)	(10,883)
Placement of bank balances pledged	(20,459)	(2,740,069)	-	-
Placement of deposits pledged	(6,789,252)	-	-	-
Uplift of deposits with maturity period more than three months	-	30,300,000	-	-
Uplift of deposits pledged	-	137,163	-	-
Drawdown from term loan	-	8,880,000	-	-
Repayment of				
- hire purchase and finance lease liability	(145,552)	(326,868)	(49,524)	(44,780)
- BaIDs	(10,000,000)	(5,000,000)	-	-
- revolving credits	(72,000,000)	-	(60,000,000)	-
- term loan	(1,776,000)	(1,184,000)	-	-
Net cash flows (used in)/from financing activities	(140,366,801)	17,259,429	(90,060,879)	(55,663)
Net (decrease)/increase in cash and cash equivalents	(12,204,131)	(33,847,177)	3,409,586	1,407,416
Cash and cash equivalents at 1 January	81,834,556	115,681,733	10,998,999	9,591,583
Cash and cash equivalents at 31 December	69,630,425	81,834,556	14,408,585	10,998,999

Statements of cash flows
For the financial year ended 31 December 2015 (contd.)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Cash and cash equivalents comprise:				
Cash and bank balances	11,321,709	13,752,125	1,880,789	498,999
Deposits with licensed banks	81,256,495	83,322,499	12,527,796	10,500,000
	92,578,204	97,074,624	14,408,585	10,998,999
Bank balances pledged	(21,657)	(1,198)	-	-
Deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(22,028,122)	(15,238,870)	-	-
Overdraft	(898,000)	-	-	-
	69,630,425	81,834,556	14,408,585	10,998,999

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1. Corporate information

Perak Corporation Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at D-3-7, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. The principal place of business of the Company is located at No. 1-A, Blok A, Menara PKNP, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak Darul Ridzuan.

The immediate and ultimate holding corporation of the Company is Perbadanan Kemajuan Negeri Perak, a body corporate established under Perak Enactment No. 3 of 1967.

The principal activities of the Company consist of property and investment holding, real property development and provision of management services. The principal activities of the subsidiaries are described in Note 18. There have been no significant changes in the nature of these principal activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The Group and the Company have early adopted Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation which is effective for financial periods beginning on or after 1 January 2016 on 1 January 2014.

The financial statements have been prepared on a historical cost basis unless otherwise indicated in the summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM").

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or 1 July 2014:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

The nature and impact of the new and amended MFRSs are described below:

(a) Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's financial statements.

(b) Annual Improvements to MFRSs 2010 – 2012 Cycle

The Annual Improvements to MFRSs 2010 – 2012 Cycle include a number of amendments to various MFRSs, which are summarised below. The Group has applied the amendments for the first time in the current year.

2. **Summary of significant accounting policies (contd.)**

2.2 Changes in accounting policies (contd.)

(b) Annual Improvements to MFRSs 2010 – 2012 Cycle (contd.)

Standards	Descriptions
MFRS 3 Business Combinations	The amendments to MFRS 3 clarify that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014. This is consistent with the Group's current accounting policy and thus, this amendment did not impact the Group.
MFRS 8 Operating Segments	The amendments are to be applied retrospectively and clarify that: - an entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and - the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The Group has not applied the aggregate criteria as mentioned above. The Group continues to present the reconciliation of segment assets to total assets.
MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets	The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between gross and carrying amounts of the asset. This amendment did not have any impact on the Group.

2 Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

(b) Annual Improvements to MFRSs 2010 – 2012 Cycle (contd.)

Standards	Descriptions
MFRS 124 Related Party Disclosures	The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. The amendment is not applicable to the Group as the Group does not receive any management services from other entities.

(c) Annual Improvements to MFRSs 2011 – 2013 Cycle

The Annual Improvements to MFRSs 2011 – 2013 Cycle include a number of amendments to various MFRSs, which are summarised below. The Group has applied the amendments for the first time in the current year.

Standards	Descriptions
MFRS 3 Business Combinations	The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively. The Group does not have a joint arrangement and thus this amendment is not relevant to the Group.
MFRS 13 Fair Value Measurement	The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable). The Group does not apply the portfolio exception.

2 Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

(d) Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset form part of the business) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Group and Company have early adopted the amendments since 1 January 2014.

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016

2 Summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
MFRS 15 Revenue from Contracts with Customers*	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

* early adopted by the Group and the Company since 1 January 2014.

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application, except as discussed below:

(a) Annual Improvements to MFRSs 2012 – 2014 Cycle

The Annual Improvements to MFRSs 2012 – 2014 Cycle include a number of amendments to various MFRSs, which are summarised below. The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

2. **Summary of significant accounting policies (contd.)**

2.3 Standards issued but not yet effective (contd.)

(a) Annual Improvements to MFRSs 2012 – 2014 Cycle (contd.)

Standards	Descriptions
MFRS 7 Financial Instruments : Disclosures	The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required. In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.
MFRS 119 Employee Benefits	The amendment to MFRS 119 clarifies that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
MFRS 134 Interim Financial Reporting	MFRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

2. Summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

(b) Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

(c) Amendments to MFRS 101 : Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

(d) Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

2. Summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

(e) Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that decreases in value of a debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this. An example is when an entity holds a fixed-rate debt instrument (measured at fair value) and expects to collect all the contractual cash flows.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

(f) Amendments to MFRS 107: Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

2. Summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

(g) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step modelfi that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group’s and the Company’s financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

(h) MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but no impact on the classification and measurement of the Group’s financial liabilities.

2. Summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

(i) MFRS 16 Leases

Currently under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the former but not the latter. As a result, many users have resorted to adjust the lessees' financial statements for the effects of operating leases commitments to enable comparison with entities that borrow to buy assets.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position as recording certain leases as off-balance sheet leases will no longer be allowed except for some limited practical exemptions. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its statement of financial position are expected to increase substantially.

The Group is currently assessing the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

(j) Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group.

2. Summary of significant accounting policies (contd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (contd.)

2.4 Basis of consolidation (contd.)

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be re-measured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.8.

2. Summary of significant accounting policies (contd.)

2.5 Subsidiaries

A subsidiary is an entity over which the Company has all the following:

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held directly or indirectly by the Group. Non-controlling interests are presented separately in the statement of comprehensive income of the Group and within equity in the statement of financial position of the Group, separately from parent shareholder's equity.

All total comprehensive income is proportionately allocated to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.7 Associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

2. Summary of significant accounting policies (contd.)

2.7 Associates (contd.)

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates are prepared as of the same reporting date as the Group. When the reporting dates of the Group and the associates are different, the associate is required to prepare additional financial statements as of the same date as that of the Group for equity accounting purposes. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investment in associate is accounted for at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. Summary of significant accounting policies (contd.)

2.8 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.9 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Buildings	2%
Leasehold land and buildings	2%
Other assets	
Equipment, furniture and fittings	5% - 25%
Computer	20%
Motor vehicles	10% - 25%
Refurbishment and renovations	2%

2. Summary of significant accounting policies (contd.)

2.9 Property, plant and equipment and depreciation (contd.)

Assets under capital work in progress are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.10 Port facilities

Port facilities are stated at cost less accumulated depreciation and any accumulated impairment losses.

All expenditure incurred, associated with development of port facilities inclusive of interest cost capitalised in accordance with Note 2.20 are amortised on a straight-line basis to write off the cost of the assets over their estimated useful lives.

The principal annual rates of depreciation are:

Leasehold port land	over 99 years
Port structure	over 10 – 50 years
Port equipment	over 10 – 20 years

Assets under capital work in progress are not depreciated as these assets are not yet available for use.

2. Summary of significant accounting policies (contd.)

2.11 Investment properties

Investment property is a property which is held either to earn rental income or for capital appreciation or for both. Such property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of building on freehold land is provided for on a straight-line basis to write-off the cost of the property to its residual value over its estimated useful life, at 2% per annum.

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment property.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.12 Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

2. **Summary of significant accounting policies (contd.)**

2.12 Land held for property development and property development costs (contd.)

(ii) Property development costs (contd.)

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within other current assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within other current liabilities.

2.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

2. Summary of significant accounting policies (contd.)

2.13 Impairment of non-financial assets (contd.)

As assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Impairment loss on goodwill is not reversed in a subsequent period.

2.14 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the weighted average basis. The cost of tools and spares comprises costs of purchase and cost of bringing the inventories to their present location.

Completed properties held for sale are stated at lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When the financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

2. Summary of significant accounting policies (contd.)

2.15 Financial assets (contd.)

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (contd.)

2.15 Financial assets (contd.)

(iii) Held-to-maturity investments (contd.)

Held-to-maturity investments are classified as non-current, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any accumulated impairment losses.

Available-for-sale financial assets are classified as non-current unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On the derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. **Summary of significant accounting policies (contd.)**

2.16 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group’s and the Company's past experience of collecting payments, and increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Summary of significant accounting policies (contd.)

2.16 Impairment of financial assets (contd.)

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and deposits with licensed financial institutions, but do not include deposits with licensed financial institutions which have been pledged for guarantee and other bank facilities granted to the Group and the Company as collaterals, and net of outstanding bank overdrafts.

2.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. if it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. **Summary of significant accounting policies (contd.)**

2.19 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (contd.)

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")

The BaIDS are bonds issued in accordance with the Islamic finance concept of Bai Bithaman Ajil.

BaIDS are initially recognised at cost, being fair value of the consideration received. After initial recognition, the profit element attributable to the BaIDS in each period are recognised in profit or loss as finance cost, at a constant rate of maturity of each series respectively.

2.22 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, the Group makes contributions to the statutory pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when the Group has a detailed formal plan for the termination and without realistic possibility of withdrawal.

2. Summary of significant accounting policies (contd.)

2.23 Leases

(i) As lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase or lease payments at the inception of the hire purchase or leases, less accumulated depreciation and accumulated impairment losses. The corresponding liability is included in the statements of financial position as loan and borrowings. In calculating the present value of the minimum hire purchase or lease payments, the discount factor used is the interest rate implicit in the hire purchase or lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial costs are also added to the carrying amount of such assets.

Hire purchase or lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase or leasing commitments and the fair value of the assets acquired, are recognised in profit or loss over the term of the relevant hire purchase or lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for hire purchase or leased assets is in accordance with that for depreciable property, plant and equipment and port facilities as described in Note 2.9 and 2.10 respectively.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct cost incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.24(v).

2. Summary of significant accounting policies (contd.)

2.24 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(ii) Hotel related operations

Revenue from hotel related operations comprising rental of hotel rooms, sale of food and beverage and other related income are recognised when the services are provided.

(iii) Management fees

Management fees in respect of the management services provided by the Company are recognised when the services are provided.

(iv) Port services

Revenue from port services and provision of container services are measured at fair value of the consideration receivable and are recognised in profit or loss on a rendered basis.

Revenue from Operation and Maintenance of deepwater bulk terminal and facility is recognised in profit or loss on an accrual basis.

(v) Rental income

Rental income is recognised over the term of the tenancy.

(vi) Sale of goods

Revenue relating to sale of goods is recognised net of discounts and rebates when transfer of risks and rewards have been completed.

(vii) Sale of completed properties

Sale of completed properties is recognised when transfer of risks and rewards have been completed.

2. Summary of significant accounting policies (contd.)

2.24 Revenue (contd.)

(viii) Sale of land

Income from the sale of development land is recognised on a percentage of completion basis determined by reference to completion of the physical proportion of the land development work reflected in the terms and conditions of sale.

(ix) Sale of vacant land

Revenue from the sale of vacant land is recognised when the Company has transferred the risks and rewards of ownership upon finalisation of the sale and purchase agreements.

(x) Sale of development properties

Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises a contract to construct a property or a contract for the sale of a completed property.

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as described in Note 2.12(ii).

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

(i) The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer and;

(ii) All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

2. Summary of significant accounting policies (contd.)

2.25 Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. **Summary of significant accounting policies (contd.)**

2.25 Income taxes (contd.)

(ii) Deferred tax (contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and same taxation authority.

(iii) Goods and Services Tax ("GST")

The net amount of GST being the difference between output GST and input GST, payable to or receivable from the respective authorities at the reporting date, is included in other payables or other receivables in the statements of financial position.

2. Summary of significant accounting policies (contd.)

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. Summary of significant accounting policies (contd.)

2.28 Fair value measurement (contd.)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. Significant accounting judgements and estimates

(a) Judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Impairment of available-for-sale investments

The Group reviews its investments in quoted shares classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. The Group's policy considers a significant decline to be one in which the fair value is below the weighted-average cost by more than 20% and a prolonged decline to be in which the fair value is below the weighted-average cost for greater than twelve (12) months or more.

For the financial year ended 31 December 2015 and 31 December 2014, no impairment loss has been recognised for available-for-sale financial assets.

3. **Significant accounting judgements and estimates (contd.)**

(a) Judgements made in applying accounting policies (contd.)

(iii) Operating lease commitments - as lessor

The Group has entered into commercial properties leases on its investment properties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group evaluated based on terms and conditions of the arrangement, whether the land and buildings were clearly operating leases or finance leases. The Group assessed and determined that it retains all the significant risks and rewards of ownership of these properties, thus accounted for the contracts as operating leases.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The net carrying amount of goodwill as at 31 December 2015 was RM23,811,003 (2014 : RM23,811,003). Further details are disclosed in Note 21.

(ii) Property development

The Group recognises property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Note 17.

3. **Significant accounting judgements and estimates (contd.)**

(b) Key sources of estimation uncertainty (contd.)

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences. The total carrying value of unrecognised unutilised business losses and unabsorbed capital allowances of the Group was RM4,388,719 (2014 : RM267,245). Further details are disclosed in Note 29.

(iv) Useful lives of property, plant and equipment and port facilities

The cost of plant and equipment and port facilities are depreciated on the basis as set out in Notes 2.9 and 2.10.

Management estimates the useful life of buildings and port facilities to be 50 years based on the level of expected usage. Management also estimates that these assets will have minimal residual values at the end of their useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's property, plant and equipment and port facilities at the reporting date are disclosed in Notes 14 and 15.

(v) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 23.

4. Revenue

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Dividend income				
- subsidiary	-	-	30,000,000	5,000,000
- other investment	3,550,624	2,367,082	-	-
Sales of land	29,625,071	68,590,420	4,883,076	15,125,121
Sales of completed properties	160,000	4,847,000	-	-
Management fees	-	2,250	-	33,000
Port services	91,797,715	81,472,927	-	-
Sales of goods	-	2,019	-	-
Rental income	29,964	304,903	6,000	614,960
Hotel revenue				
- Room	4,538,007	3,221,457	-	-
- Food and beverages	8,785,804	6,234,802	-	-
	138,487,185	167,042,860	34,889,076	20,773,081

5. Cost of sales

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Property development costs (Note 17(b))	9,728,568	26,051,727	3,586,122	9,595,525
Cost of completed properties sold	252,995	4,513,796	-	-
	9,981,563	30,565,523	3,586,122	9,595,525
Cost of land sold	37,237	-	37,237	-
Cost of goods sold	-	1,799	-	-
Cost of services rendered	34,668,781	31,238,187	-	-
	44,687,581	61,805,509	3,623,359	9,595,525

6. Interest income

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Interest income from:				
Loans and receivables	978,690	1,497,748	1,491,192	1,427,641
Short term money market funds and fixed deposits	3,947,491	3,575,030	484,293	188,252
	4,926,181	5,072,778	1,975,485	1,615,893

7. Other income

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Gain on disposal of property, plant and equipment	115,677	3,304,789	8,281	3,304,789
Gain on disposal of available-for-sale investments	76,976,031	-	-	-
Fair value gain on embedded derivatives (Note 20)	-	1,516,518	-	-
Miscellaneous income	3,723,183	2,515,615	18,293	138,468
Reversal of allowance for impairment loss on trade receivables	130,000	15,000	-	-
Dividend income	1,860,000	620,000	-	-
	82,804,891	7,971,922	26,574	3,443,257

8. Finance costs

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
BaIDS financing cost	1,812,500	2,187,500	-	-
Interest on revolving credit	229,670	600,441	-	-
Interest on hire purchase and finance lease liabilities	13,302	18,856	11,355	10,883
Interest on advances	80,067	-	-	-
	2,135,539	2,806,797	11,355	10,883

9. Profit before tax

The following items have been included in arriving at profit before tax:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Auditors' remuneration				
Statutory audits				
- current year	210,500	175,000	55,000	50,000
- under provision in prior year	-	1,000	-	-
Non-audit fees				
- assurance related				
- current year	45,000	5,000	45,000	5,000
- under provision in prior year	25,000	-	25,000	-
- tax and other non-audit services	105,481	73,550	71,981	5,500
Allowance for impairment loss on financial assets:				
- trade receivables (Note 23)	-	172,500	-	-
Depreciation				
- property, plant and equipment (Note 14)	5,680,423	3,940,584	298,338	421,274
- port facilities (Note 15)	3,083,669	3,031,016	-	-
- investment properties (Note 16)	79,091	79,091	-	-
Direct operating expenses of revenue generating investment properties	-	1,373	-	-
Employee benefits expense (Note 10)	27,486,384	21,041,929	8,739,398	4,726,866
Fair value loss/(gain) on embedded derivatives (Note 20)	5,671,956	(1,516,518)	-	-
Interest income	(4,926,181)	(5,072,778)	(1,975,485)	(1,615,893)
Gain on disposal of property, plant and equipment	(115,677)	(3,279,981)	(8,281)	(3,304,789)
Non-executive directors' remuneration (Note 11)	1,134,128	1,346,128	334,400	275,950

9. **Profit before tax (contd.)**

The following items have been included in arriving at profit before tax (contd.):

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Property, plant and equipment written off	221	-	-	-
Bad debts written off	295,000	-	-	-
Rental of port equipment and office equipment	9,057,521	8,581,632	-	-
Reversal of allowance for impairment loss on trade receivables (Note 23)	(130,000)	(15,000)	-	-
Rental of premises	444	40,812	398,798	347,726
Rental of office equipment	151,876	-	2,360	-
Rental income	(1,895,822)	(656,960)	(20,083)	(614,960)

10. **Employee benefits expense**

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries and wages	21,311,717	17,805,224	6,877,347	4,063,624
Employees Provident Fund contributions	2,725,580	2,134,852	1,065,016	605,606
Social Security contributions	201,182	163,957	46,919	27,095
Other staff related expenses	3,247,905	937,896	750,116	30,541
	27,486,384	21,041,929	8,739,398	4,726,866

11. Directors' remuneration

The details of remuneration receivable by directors of the Group and the Company during the year are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Executive:				
Director of the Company:				
Fees	60,000	50,000	60,000	50,000
Other emoluments	4,500	4,500	4,500	4,500
Non-Executive:				
Directors of the Company:				
Fees	357,110	305,110	305,000	253,000
Other emoluments	209,250	232,800	29,400	22,950
Other directors:				
Fees	353,054	582,054	-	-
Other emoluments	214,714	226,164	-	-
Total directors' remuneration (excluding benefits-in-kind)	1,198,628	1,400,628	398,900	330,450
Estimated money value of benefits-in-kind	15,300	12,400	-	-
Total directors' remuneration (including benefits-in-kind)	1,213,928	1,413,028	398,900	330,450

The number of directors of the Company whose total remuneration during the year fell within the following bands are analysed as follows:

	Number of directors	
	2015	2014
Executive director:		
Below RM50,000	-	1
RM50,001 - RM100,000	1	-
Non-executive directors:		
Below RM50,000	-	5
RM50,001 - RM100,000	5	-
RM100,001 - RM150,000	1	1

12. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2015 and 31 December 2014 are:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Statement of comprehensive income:				
Current income tax:				
Tax expense for the year	17,382,544	18,981,359	250,120	1,143,000
Real property gains tax	16,439	-	-	-
Over provision in previous year	(708,511)	(275,741)	(552,993)	(353,527)
	16,690,472	18,705,618	(302,873)	789,473
Deferred tax (Note 29):				
Relating to origination and reversal of temporary differences	(902,855)	535,433	35,980	(11,789)
Relating to reduction in tax rate	(278,511)	-	(6,588)	-
Under provision in previous year	1,460,081	78,370	55,214	81,456
	278,715	613,803	84,606	69,667
Income tax expense recognised in profit or loss	16,969,187	19,319,421	(218,267)	859,140

Current income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the year. The statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective Year of Assessment 2016.

12. Income tax expense (contd.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 31 December 2014 are as follows:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Profit before tax	112,122,997	71,088,691	16,041,823	6,058,515
Tax at Malaysian statutory tax rate of 25%	28,030,750	17,772,173	4,010,456	1,514,629
Adjustments:				
Non-deductible expenses	7,824,016	2,847,887	3,775,644	442,780
Income not subject to tax	(20,000,309)	(1,104,552)	(7,500,000)	(826,198)
Effect of changes in tax rates on opening balance of deferred tax	(278,511)	-	(6,588)	-
Deferred tax assets not recognised on tax losses and unabsorbed capital allowances	842,879	1,284	-	-
Utilisation of previously unrecognised deferred tax assets	(217,647)	-	-	-
Over provision of current tax in previous year	(708,511)	(275,741)	(552,993)	(353,527)
Under provision of deferred tax in previous year	1,460,081	78,370	55,214	81,456
Real property gains tax	16,439	-	-	-
Income tax expense recognised in profit or loss	16,969,187	19,319,421	(218,267)	859,140

13. Earnings per share

(a) Basic

The basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015 RM	2014 RM
Profit attributable to ordinary equity holders of the Company (RM)	80,079,274	38,796,176
Weighted average number of ordinary shares in issue	100,000,000	100,000,000
Basic earnings per share (sen) for:		
Profit for the year	80.08	38.80

(b) Diluted

There is no dilutive effect on earnings per share as the Company has no potential issue of ordinary shares.

14. Property, plant and equipment

	Land and buildings* RM	Other assets** RM	Capital work in progress RM	Total RM
Group				
Cost				
At 1 January 2014	92,723,496	17,875,159	6,329,770	116,928,425
Additions	3,414,698	11,517,201	2,275,600	17,207,499
Disposals	(11,934,000)	(1,680,274)	-	(13,614,274)
Adjustment	(1,573,440)	-	1,573,440	-
Transfer to property development cost (Note 17(b))	(3,761,708)	-	-	(3,761,708)
Transfer to inventories	-	-	(7,903,210)	(7,903,210)
At 31 December 2014	78,869,046	27,712,086	2,275,600	108,856,732
At 1 January 2015	78,869,046	27,712,086	2,275,600	108,856,732
Additions	9,083,366	6,086,468	3,012,275	18,182,109
Disposals	-	(2,113,828)	-	(2,113,828)
Written off	-	(8,781)	-	(8,781)
Reclassification	-	4,447,528	(4,447,528)	-
At 31 December 2015	87,952,412	36,123,473	840,347	124,916,232
Accumulated depreciation				
At 1 January 2014	2,591,895	4,808,258	-	7,400,153
Depreciation charge for the year (Note 9)	1,366,218	2,574,366	-	3,940,584
Disposals	(2,557,290)	(1,389,420)	-	(3,946,710)
At 31 December 2014	1,400,823	5,993,204	-	7,394,027
At 1 January 2015	1,400,823	5,993,204	-	7,394,027
Depreciation charge for the year (Note 9)	1,401,162	4,279,261	-	5,680,423
Disposals	-	(685,298)	-	(685,298)
Written off	-	(8,560)	-	(8,560)
At 31 December 2015	2,801,985	9,578,607	-	12,380,592
Net carrying amount				
At 31 December 2014	77,468,223	21,718,882	2,275,600	101,462,705
At 31 December 2015	85,150,427	26,544,866	840,347	112,535,640

14. Property, plant and equipment (contd.)

*Land and buildings

Group	Freehold land RM	Buildings RM	Leasehold land and buildings RM	Total RM
Cost				
At 1 January 2014	20,020,147	60,769,349	11,934,000	92,723,496
Additions	-	3,414,698	-	3,414,698
Disposals	-	-	(11,934,000)	(11,934,000)
Transfer to property development cost (Note 17(b))	-	(1,573,440)	-	(1,573,440)
Reclassification	(3,761,708)	-	-	(3,761,708)
At 31 December 2014	16,258,439	62,610,607	-	78,869,046
At 1 January 2015	16,258,439	62,610,607	-	78,869,046
Additions	-	9,083,366	-	9,083,366
At 31 December 2015	16,258,439	71,693,973	-	87,952,412
Accumulated depreciation				
At 1 January 2014	-	318,749	2,273,146	2,591,895
Depreciation charge for the year	-	1,218,392	147,826	1,366,218
Disposals	-	(136,318)	(2,420,972)	(2,557,290)
At 31 December 2014	-	1,400,823	-	1,400,823
At 1 January 2015	-	1,400,823	-	1,400,823
Depreciation charge for the year	-	1,401,162	-	1,401,162
At 31 December 2015	-	2,801,985	-	2,801,985
Net carrying amount				
At 31 December 2014	16,258,439	61,209,784	-	77,468,223
At 31 December 2015	16,258,439	68,891,988	-	85,150,427

14. Property, plant and equipment (contd.)

****Other assets**

	Equipment, furniture and fittings and computer RM	Motor vehicles RM	Refurbishment and renovations RM	Total RM
Group				
Cost				
At 1 January 2014	10,642,100	2,889,736	4,343,323	17,875,159
Additions	5,362,746	9,300	6,145,155	11,517,201
Disposals	(1,165,288)	(227,312)	(287,674)	(1,680,274)
At 31 December 2014	14,839,558	2,671,724	10,200,804	27,712,086
At 1 January 2015	14,839,558	2,671,724	10,200,804	27,712,086
Additions	4,027,038	505,312	1,554,118	6,086,468
Disposals	(1,021,479)	(613,402)	(478,947)	(2,113,828)
Written off	(8,781)	-	-	(8,781)
Reclassification	4,447,528	-	-	4,447,528
At 31 December 2015	22,283,864	2,563,634	11,275,975	36,123,473
Accumulated depreciation				
At 1 January 2014	3,056,878	1,566,045	185,335	4,808,258
Depreciation charge for the year	1,684,121	411,151	479,094	2,574,366
Disposals	(1,121,691)	(182,788)	(84,941)	(1,389,420)
At 31 December 2014	3,619,308	1,794,408	579,488	5,993,204
At 1 January 2015	3,619,308	1,794,408	579,488	5,993,204
Depreciation charge for the year	3,225,791	312,556	740,914	4,279,261
Disposals	(91,699)	(586,208)	(7,391)	(685,298)
Written off	(8,560)	-	-	(8,560)
At 31 December 2015	6,744,840	1,520,756	1,313,011	9,578,607
Net carrying amount				
At 31 December 2014	11,220,250	877,316	9,621,316	21,718,882
At 31 December 2015	15,539,024	1,042,878	9,962,964	26,544,866

14. **Property, plant and equipment (contd.)**

	Leasehold land, building, refurbishment and renovations RM	Equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Company				
Cost				
At 1 January 2014	12,221,674	622,985	969,173	13,813,832
Additions	-	74,327	-	74,327
Disposals	(12,221,674)	(237,485)	-	(12,459,159)
At 31 December 2014	-	459,827	969,173	1,429,000
At 1 January 2015	-	459,827	969,173	1,429,000
Additions	-	336,521	-	336,521
Disposals	-	(2,299)	(179,828)	(182,127)
At 31 December 2015	-	794,049	789,345	1,583,394
Accumulated depreciation				
At 1 January 2014	2,417,830	209,587	235,370	2,862,787
Depreciation charge for the year (Note 9)	147,826	97,633	175,815	421,274
Disposals	(2,565,656)	(198,294)	-	(2,763,950)
At 31 December 2014	-	108,926	411,185	520,111
At 1 January 2015	-	108,926	411,185	520,111
Depreciation charge for the year (Note 9)	-	135,983	162,355	298,338
Disposals	-	(2,097)	(178,311)	(180,408)
At 31 December 2015	-	242,812	395,229	638,041
Net carrying amount				
At 31 December 2014	-	350,901	557,988	908,889
At 31 December 2015	-	551,237	394,116	945,353

14. Property, plant and equipment (contd.)

(a) Net carrying amount of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Motor vehicles	131,002	269,045	116,570	176,224

(b) During the year, the property, plant and equipment of the Group and of the Company were acquired by means of:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash payments	10,910,707	17,207,499	336,521	74,327
Finance lease arrangements	7,271,402	-	-	-
	18,182,109	17,207,499	336,521	74,327

(c) Included in the property, plant and equipment of the Group and of the Company are the following costs of fully depreciated assets which are still in use:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other assets:				
Equipment, furniture, fittings and computer	1,503,289	1,732,486	-	-
Motor vehicles	439,197	791,706	-	90,099
Refurbishment and renovations	111,596	111,596	-	-
	2,054,082	2,635,788	-	90,099

15. Port facilities

	Leasehold port land RM	Port structure RM	Port equipment RM	Capital work in progress RM	Total RM
Group					
Cost					
At 1 January 2014	17,333,703	87,343,523	11,556,287	786,576	117,020,089
Additions	-	336,052	231,644	6,245,603	6,813,299
Transfers	-	-	7,032,179	(7,032,179)	-
At 31 December 2014	17,333,703	87,679,575	18,820,110	-	123,833,388
At 1 January 2015	17,333,703	87,679,575	18,820,110	-	123,833,388
Additions	1,893,057	369,851	185,255	-	2,448,163
At 31 December 2015	19,226,760	88,049,426	19,005,365	-	126,281,551
Accumulated depreciation					
At 1 January 2014	2,614,043	18,735,417	9,131,878	-	30,481,338
Depreciation charge for the year (Note 9)	198,958	1,954,442	877,616	-	3,031,016
At 31 December 2014	2,813,001	20,689,859	10,009,494	-	33,512,354
At 1 January 2015	2,813,001	20,689,859	10,009,494	-	33,512,354
Depreciation charge for the year (Note 9)	192,914	1,957,622	933,133	-	3,083,669
At 31 December 2015	3,005,915	22,647,481	10,942,627	-	36,596,023
Net carrying amount					
At 31 December 2014	14,719,660	68,944,158	9,688,232	-	90,321,034
At 31 December 2015	16,220,845	65,401,945	8,062,738	-	89,685,528

15. Port facilities (contd.)

(a) Net carrying amount of port facilities held under hire purchase and finance lease arrangements are as follows:

	Group 2015 RM	Group 2014 RM
Port equipment	-	98,183

(b) In accordance with financing procedures under Bai Bithaman Ajil, a subsidiary has agreed to enter into an asset purchase agreement dated 22 November 2004 with a bank to sell the port structure at RM60,000,000. Subsequent to the execution of this agreement, the said subsidiary entered into an asset sale agreement dated 22 November 2004 with the bank to repurchase the port structure at RM99,937,500.

(c) During the year, additions to port facilities of the Group were acquired by means of:

	Group 2015 RM	Group 2014 RM
Cash payments	2,448,163	6,813,299

(d) Included in port facilities of the Group are the following costs of fully depreciated assets which are still in use:

	Group 2015 RM	Group 2014 RM
Port equipment	7,930,496	7,396,718

16. Investment properties

	Group 2015 RM	Group 2014 RM
Cost		
At 1 January and 31 December	5,390,949	5,390,949
Accumulated depreciation		
At 1 January	403,043	323,952
Depreciation charge for the year (Note 9)	79,091	79,091
At 31 December	482,134	403,043
Net carrying amount		
At 31 December	4,908,815	4,987,906

The fair value of the investment properties as at 31 December 2015 amounted to approximately RM9,600,000 (2014 : RM9,600,000).

The fair value of investment properties have been determined based on valuation performed by accredited independent valuers with recent experience in the location and category of properties being valued. The valuations are based on the comparison method that makes reference to recent transaction value.

17. Land held for property development and property development costs

(a) Land held for property development

	Group 2015 RM	Group 2014 RM
Freehold land		
Carrying amount		
At 1 January	24,038,107	14,658,319
Addition	-	12,500,000
Transfer to property development costs (Note 17 (b))	(663,853)	(3,120,212)
At 31 December	23,374,254	24,038,107

17. **Land held for property development and property development costs (contd.)**

(b) **Property development costs**

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Cumulative property development costs				
At 1 January				
Freehold land	60,599,682	71,486,201	23,657,952	33,253,477
Leasehold land	12,143,365	835,364	8,640,000	8,640,000
Development costs	64,789,672	61,985,667	41,531,273	38,682,069
	137,532,719	134,307,232	73,829,225	80,575,546
Costs incurred during the year:				
Freehold land	3,225	2,800	3,225	-
Leasehold land	3,882,647	-	3,882,647	-
Development costs	19,529,198	22,392,494	6,471,086	2,849,204
	23,415,070	22,395,294	10,356,958	2,849,204
Reversal of costs arising from completed sale of land:				
Freehold land	(1,636,866)	(15,817,790)	(1,636,866)	(9,595,525)
Leasehold land	(893,832)	-	-	-
Development costs	(7,197,870)	(10,233,937)	(1,949,256)	-
	(9,728,568)	(26,051,727)	(3,586,122)	(9,595,525)

17. Land held for property development and property development costs (contd.)

(b) Property development costs (contd.)

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cumulative costs recognised in profit or loss				
At 1 January	-	-	-	-
Cost recognised during the year (Note 5)	(9,728,568)	(26,051,727)	(3,586,122)	(9,595,525)
Reversal of costs arising from completed sale of land	9,728,568	26,051,727	3,586,122	9,595,525
At 31 December	-	-	-	-
Transfers:				
From land held for property development (Note 17 (a))	663,853	3,120,212	-	-
From property, plant and equipment (Note 14)	-	3,761,708	-	-
	663,853	6,881,920	-	-
Property development costs at 31 December	151,883,074	137,532,719	80,600,061	73,829,225

(i) Titles of certain land totalling RM24,326,304 (2014 : RM24,326,304) have yet to be issued to the said subsidiary concerned.

(ii) Freehold development land with carrying amounts totalling RM19,516,331 (2014 : RM19,516,331) of the Company are pledged to a financial institution as security for banking facilities granted to a subsidiary as disclosed in Note 26.

(iii) Freehold development land with carrying amounts totalling RM12,500,000 (2014 : RM12,500,000) of a subsidiary are pledged to a financial institution as security for banking facilities granted to the said subsidiary as disclosed in Note 26.

(iv) Included in property development cost incurred during the financial year is interest expense capitalised of RM526,644 (2014 : RM410,614).

18. Investments in subsidiaries

	Company 2015 RM	Company 2014 RM
Unquoted shares, at cost		
Ordinary shares	1,602,000	1,602,509
Accumulated impairment losses	-	(509)
	1,602,000	1,602,000
Equity loans to subsidiaries	153,996,589	173,515,720
	155,598,589	175,117,720

The subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of subsidiaries	Equity interest held* (%) 2015	Equity interest held* (%) 2014	Principal activities
PCB Leisure Sdn. Bhd. (formerly known as Magni D'Corp Sdn. Bhd.)	100	100	Property investment
PCB Development Sdn. Bhd.	100	100	Investment holding and real property development
PCB Equity Sdn. Bhd. (formerly known as Premium Meridian Sdn. Bhd.)	100	100	Property development and project management
PCB Taipan Sdn. Bhd. (formerly known as Taipan Merit Sdn. Bhd.)	100	100	Investment holding
Casuarina Taiping Sdn. Bhd. (formerly known as Trans Bid Sdn. Bhd.) (Note 38(e)(ii))	-	51	Distribution, operation and management of water supply services

18. Investments in subsidiaries (contd.)

Name of subsidiaries	Equity interest held* (%) 2015	2014	Principal activities
Held by PCB Leisure Sdn. Bhd. (formerly known as Magni D'Corp Sdn. Bhd.)			
Casuarina Pangkor Sdn. Bhd. (formerly known as Paragon Corridor Sdn. Bhd.) (Note 38 (e))	100	-	Operation and management of hotel
Casuarina Tanjong Malim Sdn. Bhd. (formerly known as Trident Courts Sdn. Bhd.) (Note 38 (e))	100	-	Operation and management of hotel
Lanai Casuarina Sdn. Bhd. (formerly known as Kelana Gayabina Sdn. Bhd.) (Note 38 (d))	100	-	Operation and management of rest house
Casuarina Boathouse Sdn. Bhd. (formerly known as Hartajaya Logistik Sdn. Bhd.) (Note 38 (d))	100	-	Provision of accomodation facilities
Meru Raya Park Sdn. Bhd. (formerly known as Autumn Nest Sdn. Bhd.) (Note 38 (e))	100	-	Property development and facilities management
Casuarina Taiping Sdn. Bhd. (formerly known as Trans Bid Sdn. Bhd.) (Note 38 (f)(ii))	100	-	Distribution, operation and management of water supply services
Held by PCB Development Sdn. Bhd.			
Casuarina Teluk Intan Sdn. Bhd. (formerly known as PCB Trading & Manufacturing Sdn. Bhd.)	100	100	Trading and manufacturing of building materials
BioD Leisure and Recreation Sdn. Bhd.	100	100	Provision of transport and travel services
Meru Raya Water Park Sdn. Bhd. (formerly known as Beyond Enigma Sdn. Bhd.) (Note 39 (a))	100	100	Dormant
Meru Raya Mall Sdn. Bhd. (formerly known as Empire Approach Sdn. Bhd.) (Note 39 (a))	100	100	Dormant

18. Investments in subsidiaries (contd.)

Name of subsidiaries	Equity interest held* (%) 2015	2014	Principal activities
Held by PCB Taipan Sdn. Bhd. (formerly known as Taipan Merit Sdn. Bhd.)			
Lumut Maritime Terminal Sdn. Bhd.	50 plus 1 share	50 plus 1 share	Development of an integrated privatised project encompassing ownership and operations of multipurpose port facilities, operation and maintenance of a bulk terminal, sales and rental of port related land and other ancillary activities
Casuarina Hotel Management Sdn. Bhd.	79.57	79.57	Hotelier, restaurateur and property developer
Held by Lumut Maritime Terminal Sdn. Bhd.			
LMT Capital Sdn. Bhd.	100	100	Issuance and redemption of Redeemable Preference Shares. The Redeemable Preference Shares were fully redeemed in 2003. The company is currently dormant
Held by Casuarina Hotel Management Sdn. Bhd.			
Silveritage Corporation Sdn. Bhd.	100	100	Development of tourism projects

18. Investments in subsidiaries (contd.)

Name of subsidiaries	Equity interest held* (%) 2015	2014	Principal activities
Held by Silveritage Corporation Sdn. Bhd.			
Cash Complex Sdn. Bhd.	73.91	73.91	Investment holding

* Equals to the proportion of voting rights held

<u>Equity loans to subsidiaries</u>

The amounts due from subsidiaries are unsecured, non-interest bearing and not repayable on demand by the respective subsidiaries and as such, the fair value of these amounts cannot be reliably measured, and consequently, these amounts have been measured at cost and classified as equity contribution by the Company in the respective subsidiaries' financial statements.

The directors are of the opinion that the fair values of the subsidiaries are not less than their carrying values as at 31 December 2015 and 31 December 2014. The Company and its ultimate holding corporation will continue to assist in the development of the projects undertaken by the respective subsidiaries as and when required.

(a) Summarised financial information of Lumut Maritime Terminal Sdn. Bhd. and Casuarina Hotel Management Sdn. Bhd. which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests in respect of Cash Complex Sdn. Bhd. are not material to the Group.

18. Investments in subsidiaries (contd.)

(a) (i) Summarised statements of financial position

	Lumut Maritime Terminal Sdn. Bhd.		Casuarina Hotel Management Sdn. Bhd.		Total	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Non-current assets	90,886,825	91,071,743	85,941,468	88,036,011	176,828,293	179,107,754
Current assets	95,005,589	108,215,391	6,165,177	6,701,544	101,170,766	114,916,935
Total assets	185,892,414	199,287,134	92,106,645	94,737,555	277,999,059	294,024,689
Current liabilities	22,055,151	24,414,884	27,239,687	27,882,311	49,294,838	52,297,195
Non-current liabilities	11,832,495	20,393,202	23,067,784	14,836,356	34,900,279	35,229,558
Total liabilities	33,887,646	44,808,086	50,307,471	42,718,667	84,195,117	87,526,753
Net assets	152,004,768	154,479,048	41,799,174	52,018,888	193,803,942	206,497,936
Equity attributable to						
Owners of the Company	76,017,584	77,254,972	31,806,737	40,837,880	107,824,321	118,092,852
Non-controlling interests	75,987,184	77,224,076	9,992,437	11,181,008	85,979,621	88,405,084
	152,004,768	154,479,048	41,799,174	52,018,888	193,803,942	206,497,936

18. Investments in subsidiaries (contd.)

(a) (ii) Summarised statements of comprehensive income

	Lumut Maritime Terminal Sdn. Bhd.		Casuarina Hotel Management Sdn. Bhd.		Total	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	96,303,495	81,991,035	12,944,014	10,236,397	109,247,509	92,227,432
Profit/(Loss) for the year	32,529,070	28,438,734	(5,808,838)	(6,086,288)	26,720,232	22,352,446
Profit/(Loss) attributable to:						
Owners of the Company	16,265,963	14,222,211	(4,620,267)	(4,842,859)	11,645,696	9,379,352
Non-controlling interests	16,263,107	14,216,523	(1,188,571)	(1,243,429)	15,074,536	12,973,094
	32,529,070	28,438,734	(5,808,838)	(6,086,288)	26,720,232	22,352,446
Total comprehensive income attributable to:						
Owners of the Company	16,265,963	14,222,211	(4,620,267)	(4,842,859)	11,645,696	9,379,352
Non-controlling interests	16,263,107	14,216,523	(1,188,571)	(1,243,429)	15,074,536	12,973,094
	32,529,070	28,438,734	(5,808,838)	(6,086,288)	26,720,232	22,352,446
Dividend paid to non-controlling interests	17,499,999	10,000,000	-	-	17,499,999	10,000,000

18. Investments in subsidiaries (contd.)

(a) (iii) Summarised statements of cash flows

	Lumut Maritime Terminal Sdn. Bhd. 2015 RM	Lumut Maritime Terminal Sdn. Bhd. 2014 RM	Casuarina Hotel Management Sdn. Bhd. 2015 RM	Casuarina Hotel Management Sdn. Bhd. 2014 RM	Total 2015 RM	Total 2014 RM
Net cash from/(used in):						
Operating activities	35,793,334	28,301,911	6,327,159	4,089,845	42,120,493	32,391,756
Investing activities	(1,652,045)	(5,126,702)	(4,784,950)	(7,214,795)	(6,436,995)	(12,341,497)
Financing activities	(48,601,873)	(2,665,844)	(1,641,073)	(1,080,474)	(50,242,946)	(3,746,318)
Net (decrease)/increase in cash and cash equivalents	(14,460,584)	20,509,365	(98,864)	(4,205,424)	(14,559,448)	16,303,941
Cash and cash equivalents at:						
Beginning of the year	55,321,827	34,812,462	398,078	4,603,502	55,719,905	39,415,964
End of the year	40,861,243	55,321,827	299,214	398,078	41,160,457	55,719,905

19. Investments in associates

	Group 2015 RM	Group 2014 RM
Unquoted shares, at cost	12,350,000	7,350,000
Acquisition of associate during the year	-	5,000,000
Group's share of post-acquisition losses	(6,938,308)	(1,765,333)
	5,411,692	10,584,667

Details of the associates are as follows:

Name of associate	Country of incorporation	Principal activity	Percentage of equity held through subsidiary (%) 2015	Percentage of equity held through subsidiary (%) 2014
Held by PCB Development Sdn. Bhd.				
Animation Theme Park Sdn. Bhd. (Note 39 (b))	Malaysia	Develop and operate theme park	49	49
Held by PCB Taipan Sdn. Bhd. (formerly known as Taipan Merit Sdn. Bhd.)				
Visi Cenderawasih Sdn. Bhd.	Malaysia	Network facilities provider	49	49

19. Investments in associates (contd.)

(a) Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statements of financial position

	Animation Theme Park Sdn. Bhd.		Visi Cenderawasih Sdn. Bhd.		Total	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Non-current assets	248,717,949	132,335,928	10,168,162	9,548,716	258,886,111	141,884,644
Current assets	25,910,063	12,065,742	8,834,589	1,095,368	34,744,652	13,161,110
Total assets	274,628,012	144,401,670	19,002,751	10,644,084	293,630,763	155,045,754
Current liabilities	29,462,464	35,504,207	4,823,051	669,739	34,285,515	36,173,946
Non-current liabilities	146,897,465	-	6,503,514	2,370,447	153,400,979	2,370,447
Total liabilities	176,359,929	35,504,207	11,326,565	3,040,186	187,686,494	38,544,393
Total net assets	98,268,083	108,897,463	7,676,186	7,603,898	105,944,269	116,501,361

(ii) Summarised statements of comprehensive income

Revenue	-	-	3,684,330	-	3,684,330	-
(Loss)/Profit for the year	(10,629,380)	(991,750)	72,288	(2,600,184)	(10,557,092)	(3,591,934)

19. Investments in associates (contd.)

(a) (iii) Reconciliation of summarised financial information to net assets of associates

	Animation Theme Park Sdn. Bhd.		Visi Cenderawasih Sdn. Bhd.		Total	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**	**2015 RM**	**2014 RM**
Net assets at 1 January	108,897,463	14,989,213	7,603,898	-	116,501,361	14,989,213
Issuance of shares						
- ordinary shares	-	-	-	10,204,082	-	10,204,082
- RCPS	-	94,900,000	-	-	-	94,900,000
Comprehensive income for the year	(10,629,380)	(991,750)	72,288	(2,600,184)	(10,557,092)	(3,591,934)
Net assets at 31 December	98,268,083	108,897,463	7,676,186	7,603,898	105,944,269	116,501,361
Interest in associate	49%	49%	49%	49%		
Carrying value of Group's interest in associates:	48,150,361	53,358,757	3,761,331	3,725,910	51,911,692	57,084,667
Comprising:						
- Investment in associates	1,650,361	6,858,757	3,761,331	3,725,910	5,411,692	10,584,667
- RCPS with embedded derivative	46,500,000	46,500,000	-	-	46,500,000	46,500,000
	48,150,361	53,358,757	3,761,331	3,725,910	51,911,692	57,084,667

20. Other investments

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Non-current				
Redeemable convertible preference shares ("RCPS")				
Face value of RCPS:				
At 1 January	35,545,847	-	-	-
Addition	-	35,545,847	-	-
At 31 December	35,545,847	35,545,847	-	-
Fair value of embedded derivative:				
At 1 January	12,470,671	-	-	-
Addition	-	10,954,153	-	-
Fair value (loss)/gain for the year	(5,671,956)	1,516,518	-	-
At 31 December	6,798,715	12,470,671	-	-
	42,344,562	48,016,518	-	-
Available-for-sale financial assets				
- Quoted shares in Malaysia *	-	107,938,946	-	-
Unquoted shares in Malaysia				-
at cost	25,000	25,000	25,000	25,000
	42,369,562	155,980,464	25,000	25,000
Current				
Financial asset at fair value through profit or loss				
- Unit Trust Fund (quoted in Malaysia)	14,007,504	10,958,676	326,543	314,783
Market value of quoted investments	14,007,504	118,897,622	326,543	314,783

* In the previous financial year, certain quoted shares of a subsidiary with carrying amount of RM27,800,000 are pledged as security for banking facilities granted to a subsidiary as disclosed in Note 26.

20. Other investments (contd.)

<u>Redeemable convertible preference shares ("RCPS")</u>

The main features of the RCPS issued by Animation Theme Park Sdn. Bhd. ("ATP"), an associate of a subsidiary of the Company are as follows:

(a) The nominal value is RM0.01 each.

(b) The issue size is up to 150,000,000 new RCPS.

(c) The issue price is RM1.00 per RCPS at a nominal value of RM0.01 and share premium of RM0.99 each RCPS ("Issue Price").

(d) The RCPS will be issued in registered form and in multiples of RM0.01 each.

(e) The RCPS are unsecured and shall rank after all secured and unsecured obligations of ATP and pari passu amongst all RCPS in all respects and without discrimination or preference, but in priority to the ordinary shares of ATP.

(f) In the event of liquidation, dissolution or winding-up or other repayment of capital of ATP, the holders of each RCPS shall be entitled to be paid the following out of the available funds and assets of ATP:

   (i) all accrued but unpaid dividends thereon; and

   (ii) an amount per share equivalent to the Issue Price for each RCPS.

   If the available funds and assets shall be insufficient to permit the payment to holders of the RCPS of their full preferential amounts described above, then all the remaining available funds and assets shall be distributed pro rata among the holders of the RCPS then in issue on an equal priority and pari passu basis.

(g) The redemption price is RM1.00 per RCPS ("Redemption Price").

(h) The tenor is twenty years commencing from and inclusive of the date of issue ("Tenor").

(i) The maturity date is the business day immediately before the twentieth anniversary of the date of the issue ("Maturity Date").

(j) From the date of issuance up to and including first ("1st")anniversary date of the issue, the RCPS is redeemable for cash at the Redemption Price at the option of the Issuer ("Redemption").

   Thereafter, the RCPS is redeemable for cash at the Redemption Price by RCPS holders at any time from the first ("1st") anniversary date of the issue up to and including the Maturity Date of RCPS at the option of the RCPS holders subject to the banking facilities to part-finance the proposed theme park at Meru Raya has been fully repaid by the Issuer and availability of funds; or after the fifteenth ("15th") anniversary of the date of issue of RCPS, whichever is later.

20. Other investments (contd.)

Redeemable convertible preference shares ("RCPS") (contd.)

(j) (contd.)

Each redemption of the RCPS shall be made pro rata among the holders of the RCPS then in issue on an equal priority and pari passu basis.

(k) Subject to the conditions stated in the Redemption clause, each RCPS is redeemable at Redemption Price at any time from the date of issuance up to and including the Maturity Date of RCPS.

(l) Annual cumulative preferential dividend rate of four percent (4.0%) per annum calculated based on the issue price of RM1.00 per RCPS.

If all or any part of the RCPS are redeemed or converted into New Shares (as defined herein), the dividend shall accrue on the RCPS surrendered for redemption or conversion for the period commencing from the date of issue of the RCPS or the latest dividend payment date (inclusive), as the case may be, to the day (inclusive) immediately preceding the date of conversion of the RCPS into New Shares or the date of redemption.

The RCPS shall carry only the rights to dividends and shall not participate in the profits of ATP.

(m) Preferential dividends on the RCPS shall be payable annually in arrears on a RCPS Dividend Date up to the Maturity Date. RCPS Dividend Date means the business day immediately before the RCPS anniversary date and if such anniversary date falls on a date which is not a business day, then the next business day.

Dividends not paid at the respective RCPS Dividend Date shall be accrued ("Accrued RCPS Dividend Payments") and paid at the successive RCPS Dividend Date or at the Maturity Date.

(n) The RCPS shall carry no rights to vote at any general meeting of ATP except with regard to any proposal to reduce the capital of ATP, to dispose of the whole of ATP's property, business and undertaking, to wind-up ATP, during the winding up of ATP and on any proposal that affects the rights attached to RCPS. In any such case, the holders of RCPS shall be entitled to vote together with the holders of ordinary shares and to one (1) vote for each RCPS held.

The RCPS shall entitle a holder to one (1) vote for each RCPS held at any class meeting in relation to any proposal by ATP to vary or abrogate the rights of RCPS as stated in the Articles of Association of ATP. In all class meetings, each RCPS shall entitle the holder to one (1) vote.

20. Other investments (contd.)

Redeemable convertible preference shares ("RCPS") (contd.)

(o) ATP may not create or issue further preference shares ranking in all respects pari passu with or in priority to the RCPS, save with the approval of the holders of the RCPS. Subject to such approval, the issue of further RCPS ranking pari passu with or in priority to the existing RCPS will be deemed to be a variation of the special rights attaching to such existing RCPS.

(p) Each nominal value of the RCPS is convertible into one (1) new ordinary shares of RM1.00 each in the Issuer (“New Shares") at a conversion price of RM1.00 each ("Conversion Price").

(q) Any outstanding RCPS which have not been redeemed or cancelled at Maturity Date shall be convertible into fully paid New Shares at the Conversion Price.

Any Accrued RCPS Dividend Payments payable for any outstanding RCPS which have not been redeemed or cancelled at Maturity Date shall be convertible into fully paid New Shares at RM1.00 each at equivalent to its accrual sum.

(r) The conversion of RCPS will not require any cash payment by the RCPS holder. The Conversion Price will be satisfied by surrendering for cancellation the RCPS with an aggregate nominal value equivalent to the Conversion Price. Any fractional New Shares arising from the conversion of the RCPS shall be disregarded.

(s) The New Shares to be issued pursuant to the conversion of the RCPS shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares in the Issuer save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions if the date of allotment of the New Shares is after the declaration date of the dividends, rights, allotments and/or other distributions.

(t) The RCPS will be cancelled upon redemption or conversion.

(u) The terms and conditions of RCPS may at any time and from time to time be varied or amended by mutual consents of the parties thereto by means of a mutual exchange of duly executed letters memorandum and amendments and thereupon such amendments and variations shall be deemed to become effective and the relevant provisions of the terms and conditions shall be deemed to have been amended or varied accordingly and shall be read and construed as if such amendments and variations had been incorporated in and had formed part of the terms and conditions at the time of execution.

21. Intangible assets

	Group 2015 RM	Group 2014 RM
Goodwill		
Cost		
At 1 January and at 31 December	23,829,682	23,829,682
Accumulated impairment losses		
At 1 January and at 31 December	18,679	18,679
Net carrying amount		
At 31 December	23,811,003	23,811,003

The carrying amount of goodwill is attributable to the acquisition of Lumut Maritime Terminal Sdn. Bhd. ("LMTSB"), which is a 50% + one share owned subsidiary of PCB Taipan Sdn. Bhd. (formerly knwon as Taipan Merit Sdn. Bhd.) which in turn is a wholly owned subsidiary of the Company. The principal activities of LMTSB are described in Note 18.

The annual impairment test of goodwill was based on its recoverable amount. The recoverable amount is determined based on value-in-use which was assessed by management using the estimated future net operating cash flows of the various strategic business units within LMTSB with an annual growth rate of 0% (2014 : 0%) discounted at 10% (2014 : 13%) annually to their present value covering a period of 5 years.

There is no impairment of goodwill as at the reporting date as the value-in-use is in excess of its carrying amount.

22. Inventories

	Group 2015 RM	Group 2014 RM
At cost:		
Completed properties	10,039,452	5,911,998
Tools and spares	5,951,416	6,477,384
	15,990,868	12,389,382

23. Trade and other receivables

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Current				
Trade receivables				
Third parties	27,823,634	19,834,081	-	-
Amounts due from related parties:				
Companies in which a director of a subsidiary has financial interests	-	11,861,281	-	-
	27,823,634	31,695,362	-	-
Less:				
Allowance for impairment loss				
Third parties	(2,783)	(5,800,259)		-
Trade receivables, net	27,820,851	25,895,103	-	-

23. Trade and other receivables (contd.)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Current				
Other receivables				
Amounts due from related parties:				
Ultimate holding corporation	33,545,091	22,807,579	-	1,179,551
Subsidiaries	-	-	26,052,462	57,986,344
Associate	6,435,583	3,544,177	3,753,528	-
Subsidiaries of ultimate holding corporation	84,269,362	79,155,988	79,406,964	75,678,858
	124,250,036	105,507,744	109,212,954	134,844,753
Deposits				
- others	346,979	2,794,937	120,368	3,556,427
- rental	-	1,803,950	-	-
Amount receivable from purchaser	-	11,360,000	-	11,360,000
Goods and services tax receivable	236,981	-	236,981	-
Others	3,292,972	3,501,074	398,076	38,479
Dividend receivable	2,480,000	620,000	-	-
	130,606,968	125,587,705	109,968,379	149,799,659
Less:				
Allowance for impairment				
- Amount due from a subsidiary	-	-	(48,028)	(48,028)
	130,606,968	125,587,705	109,920,351	149,751,631
Total trade and other receivables	158,427,819	151,482,808	109,920,351	149,751,631
Less: Goods and services tax receivable	(236,981)	-	(236,981)	-
	158,190,838	151,482,808	109,683,370	149,751,631
Add: Cash and bank balances (Note 25)	92,578,204	97,074,624	14,408,585	10,998,999
Total loans and receivables	250,769,042	248,557,432	124,091,955	160,750,630

23. Trade and other receivables (contd.)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days terms. Other credit terms are assessed and approved on a case-by-case basis. They are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2015	**2014**
	RM	**RM**
Neither past due nor impaired	8,129,504	11,505,920
1 to 30 days past due not impaired	6,144,742	3,199,001
31 to 60 days past due not impaired	5,909,594	4,202,968
61 to 90 days past due not impaired	1,541,625	2,519,018
91 to 120 days past due not impaired	1,241,578	845,334
More than 121 days past due not impaired	4,853,808	3,622,862
	19,691,347	14,389,183
Impaired	2,783	5,800,259
	27,823,634	31,695,362

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Included in trade receivables that are past due but not impaired are:

(a) amounts due from a related party of a subsidiary amounting to RM8,241,483 in the previous financial year arising from sales made in the ordinary course of business for which consistent payments are received from this debtor. This amount was fully recovered during the year;

23. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Receivables that are past due but not impaired (contd.)

(b) amounts due from related parties of a subsidiary amounting to RM4,887 in the previous financial year which have been long outstanding and unsecured in nature. This amount is no longer a related parties' balance and remains outstanding as at reporting date;

(c) amounts due from land sales debtors amounting to RM5,870 (2014 : RM24,231). These amounts are deemed collectible as the land titles will only be transferred to the respective buyers upon their full settlement of the considerations;

(d) the remaining balance of trade receivables of RM19,680,590 (2014 : RM6,118,582) are due from creditworthy debtors which normally make payments beyond the credit period given with no recent history of default.

All the trade receivables that are past due but not impaired are unsecured in nature except as disclosed above.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2015 RM	2014 RM
Trade receivables - nominal amounts	2,783	5,800,259
Less : Allowance for impairment	(2,783)	(5,800,259)
	-	-

Movement in allowance accounts:

	2015 RM	2014 RM
At 1 January	5,800,259	5,642,759
Charge for the year (Note 9)	-	172,500
Written off	(5,667,476)	-
Reversal of impairment loss on receivables (Note 9)	(130,000)	(15,000)
At 31 December	2,783	5,800,259

23. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Trade receivables that are determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

(b) Related party balances (current)

Amount due from ultimate holding corporation

The amount due from ultimate holding corporation included in other receivables of the Group is unsecured, non-interest bearing and repayable on demand by way of in-kind payment and contra of contract works for value of RM19,468,319 (2014 : RM19,468,319) and RM661,352 (2014 : RM661,352) respectively. The remaining balance will be settled in cash.

The amount due from ultimate holding corporation included in other receivables of the Company is unsecured, non-interest bearing and repayable on demand in cash.

Amounts due from subsidiaries of ultimate holding corporation

Included in the amounts due from subsidiaries of the ultimate holding corporation of the Group and of the Company are remaining long outstanding advances together with accrued interests amounting to RM75,033,486 (2014 : RM72,859,295) due from Perak Equity Sdn. Bhd., ("PESB") a subsidiary of its ultimate holding corporation, which are unsecured, bear interest rate of 3% (2014 : 3%) per annum and are repayable on demand.

On 28 February 2012, the Company had entered into a conditional Settlement Agreement with PESB, to partially settle RM70.27 million of the total debts owing.

Further details of the settlement agreement are disclosed in Note 38(a).

Based on the information available at the date these financial statements are authorised for issue, the directors are of the opinion that the amounts due from subsidiaries of the ultimate holding corporation of the Group and of the Company are fully recoverable as the ultimate holding corporation has undertaken to provide financial support to these companies to meet their payment obligations.

24. Other current assets

	Group	
	2015	2014
	RM	RM
Other receivables	9,633,280	-
Prepayments	436,308	435,426
	10,069,588	435,426

Included in other receivables is an amount of RM2,043,357 representing fee incurred to date as at reporting date by a subsidiary for preliminary design works in the design, construction and operation of Themed Water Park ("Project") under a turnkey contract. Such fee shall form part of the contract's overall fee when the turnkey project is signed. The Project is in its preliminary stage and the amounts committed to date are disclosed in Note 36.

Also included in other receivables are amounts totalling RM7,589,923 representing fee incurred to date as at reporting date by a subsidiary for preliminary design works in the design, construction and operation of a port at Bagan Datoh.

Such costs incurred will need to be written off should the projects undertaken do not proceed as planned.

25. Cash and bank balances

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	11,321,709	13,752,125	1,880,789	498,999
Deposits with licensed banks	81,256,495	83,322,499	12,527,796	10,500,000
	92,578,204	97,074,624	14,408,585	10,998,999

Included in cash and bank balances of the Group in the previous financial year was an amount of RM159,834 held in trust on behalf of the charity fund initiated by its ultimate holding corporation known as "Tabung Anak Yatim Islam dan Kebajikan PKNP".

Also included in cash and balances are cash deposited in designated disbursement and proceed accounts of a subsidiary amounting to RM21,657 and RM12,838,134 respectively (2014 : RM1,198 and RM14,098,500 respectively) and are not available for use by the Group as these amounts are reserved for the redemption of BaIDS as disclosed in Note 26.

Included in the deposits with licensed banks of the Group are amounts totalling RM9,189,988 (2014 : RM1,140,370) pledged as securities for guarantees and other bank facilities granted to certain subsidiaries as disclosed in Note 26.

The average interest rates of the deposits with licensed banks during the year range between 1.95% to 4.41% (2014 : 2.50% to 3.40%) per annum and the maturities of the deposits as at 31 December 2015 were between 1 day to 3 months (2014 : 1 day to 3 months).

26. Loans and borrowings

	Maturity	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Current					
Secured:					
Hire purchase and finance lease liabilities (Note 27)	2016	613,268	121,726	42,111	54,924
Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")	2016	10,000,000	10,000,000	-	-
Term loan		1,776,000	1,776,000	-	-
Revolving credits	On demand	-	12,000,000	-	-
Overdraft		898,000	-	-	-
		13,287,268	23,897,726	42,111	54,924
Unsecured:					
Revolving credits	On demand	-	60,000,000	-	60,000,000
		13,287,268	83,897,726	42,111	60,054,924
Non-current					
Secured:					
Hire purchase and finance lease liabilities (Note 27)	2017 - 2115	6,740,947	106,639	52,645	89,356
Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")	2017	5,000,000	15,000,000	-	-
Term loan	2017 - 2019	4,144,000	5,920,000	-	-
		15,884,947	21,026,639	52,645	89,356
Total borrowings					
Hire purchase and finance lease liabilities (Note 27)		7,354,215	228,365	94,756	144,280
Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")		15,000,000	25,000,000	-	-
Term loan		5,920,000	7,696,000	-	-
Revolving credits		-	72,000,000	-	60,000,000
Overdraft		898,000	-	-	-
		29,172,215	104,924,365	94,756	60,144,280

26. Loans and borrowings (contd.)

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Maturity of borrowings (excluding hire purchase and finance lease and BaIDS):				
On demand or within one year	2,674,000	73,776,000	-	60,000,000
More than 1 year and less than 2 years	-	1,776,000	-	-
More than 2 years and less than 5 years	4,144,000	4,144,000	-	-
	6,818,000	79,696,000	-	60,000,000

<u>Hire purchase and finance lease liabilities</u>

The finance leases of the Group and of the Company bear interest at rates which range between 2.35% to 4.19% (2014 : 2.35% to 3.88%) per annum.

<u>Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")</u>

	Group	
	2015	2014
	RM	RM
Primary bonds	15,000,000	25,000,000
Secondary bonds	1,312,500	3,187,500
	16,312,500	28,187,500
Less: Secondary bonds	(1,312,500)	(3,187,500)
	15,000,000	25,000,000

	2015		2014	
	Primary bonds	Secondary bonds	Primary bonds	Secondary bonds
	RM	RM	RM	RM
Maturity of BaIDS:				
Not later than 1 year	10,000,000	1,125,000	10,000,000	1,875,000
Later than 1 year but not later than 5 years	5,000,000	187,500	15,000,000	1,312,500
	15,000,000	1,312,500	25,000,000	3,187,500

26. Loans and borrowings (contd.)

Pursuant to the financing procedure under the Syariah principle of Bai Bithaman Ajil, a subsidiary has entered into an asset sale and re-purchase agreement on 22 November 2004 under which a bank has agreed to grant the subsidiary the BaIDS facility with an aggregate face value of RM60 million. The BaIDS are constituted by a Trust Deed dated 22 November 2004 between the subsidiary and the Trustee for the holders of the BaIDS.

The BaIDS are of negotiable value, non-interest bearing secured Primary Bonds together with non-detachable Secondary Bonds. The Primary Bonds were issued in 10 series, with maturities between 2007 to 2017.

Each series of BaIDS comprises Primary BaIDS with a face value of between RM5 million and RM10 million each, to which shall be attached an appropriate number of Secondary Bonds, the face value of which represents the semi-annual profit of the bonds. The Secondary Bonds are redeemable every 6 months commencing from the issue date and the last of which shall be payable on the maturity date. The face value of the Secondary Bonds are computed based on the profit rate of 7.5% per annum.

The BaIDS are secured by way of:

(i) an assignment of the subsidiary's rights under the operations and maintenance agreements ("OMA") with Lekir Bulk Terminal Sdn. Bhd. ("LBT");

(ii) a charge over a Designated Account of the subsidiary into which only the Fixed Project Consideration received from LBT under the OMA will be paid; and

(iii) a Power of Attorney from the subsidiary for the appointment by the security trustee for the BaIDS, of a competent port operator as a sub-contractor of the subsidiary to fulfill its responsibilities in the event of non-performance by the subsidiary under the OMA.

The major covenants of the BaIDS are as follows:

Positive Covenants

The subsidiary shall:

(i) maintain a debt to equity ratio of not exceeding 70:30;

(ii) maintain all insurance necessary for its business as required under the OMA;

(iii) cause and ensure that the current shareholders remain unchanged unless with the prior consent of the Trustee; and

(iv) perform and carry out all and any of its obligations under the OMA.

26. Loans and borrowings (contd.)

Negative Covenants

The subsidiary shall not without the prior written consent of the Trustee:

(i) reduce its authorised and/or issued ordinary shares save and except for redemption of preference share capital and any decrease in its issued capital resulting from purchases of its own shares;

(ii) incur, assume, guarantee or permit to exist any debt that will in aggregate exceed its Debt to Equity Ratio of 70:30;

(iii) save for the Leasehold Industrial Land, dispose of any such assets which will materially and adversely affect its business operations;

(iv) amend the OMA so as to affect the Fixed Project Consideration; and

(v) declare, pay dividends or make any distribution to equity investors or payment on any subordinated debt if an event default has occurred or the proceeds accounts is at any time less than the profit and principal payment due within the next six months.

Term loan

Term loan is secured by a charge over certain land held for property development amounting to RM12,500,000 (2014 : RM12,500,000) of the Group. The term loan bears interest at 7.40% to 7.65% (2014 : 7.40% to 7.65%) per annum. The term loan is repayable in 60 monthly instalments.

Revolving credits (secured)

The revolving credits for share financing bear interest at a rate of 4.88% (2014 : 4.88%) per annum and are secured by way of:

(a) Third party first fixed legal charge over a piece of leasehold land of the Company as disclosed in Note 17;

(b) Quoted shares of a subsidiary as disclosed in Note 20 which were released during the year;

(c) Deposits with licensed banks of a subsidiary as disclosed in Note 25; and

(d) Corporate guarantee of the Company.

The facility is not utilised as at reporting date.

26. Loans and borrowings (contd.)

Revolving credits (unsecured)

The revolving credits of the Group and of the Company bear interest at a rate of 5.9% (2014 : 5.9%) per annum.

Interest on revolving credits is subject to floating interest rates which is repriced annually.

Overdraft (secured)

The overdraft of the Group bears interest at a rate of 10.85% (2014 : Nil) per annum and is secured by way of:

(a) Fresh Asset Sale Agreement ("ASA") for RM7,712,500 over Shariah compliant commodities; and

(b) deposits with a licensed bank of a subsidiary as disclosed in Note 25.

27. Hire purchase and finance lease commitments

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Minimum lease payments:				
Not later than 1 year	650,336	124,376	42,111	54,924
Later than 1 year and not later than 5 years	30,129,561	125,657	59,561	108,129
	30,779,897	250,033	101,672	163,053
Less: Finance charges	(23,425,682)	(21,668)	(6,916)	(18,773)
	7,354,215	228,365	94,756	144,280
Present value of payments:				
Amount due within 12 months (Note 26)	613,268	121,726	42,111	54,924
Amount due after 12 months (Note 26)	6,740,947	106,639	52,645	89,356
	7,354,215	228,365	94,756	144,280

28. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Non-current				
Other payables				
Third party	424,528	-	-	-
Current				
Trade payables				
Third parties	12,216,967	15,988,816	308,100	891,836
Amount due to related parties:				
Companies in which a director of a subsidiary has financial interests	-	333,000	-	-
	12,216,967	16,321,816	308,100	891,836
Other payables				
Third party	-	477,000	-	477,000
Subsidiary	-	-	32,440,164	6,956,211
Amounts due to related parties:				
Ultimate holding corporation	2,833,407	3,186,162	1,055,209	1,307,734
Related parties	3,035	-	1,653	-
	2,836,442	3,663,162	33,497,026	8,740,945
Deposits received	1,251,807	4,788,208	-	11,600
Advances from purchasers	13,201,947	23,813,026	-	-
Tender deposits received from contractors	191,590	243,995	-	-
Accruals	9,413,638	9,048,156	569,182	418,885
Accruals for development expenditure	3,539,308	3,539,309	-	-
Goods and services tax payable	93,059	-	-	-
Sundry payables	7,678,279	3,419,139	270,557	-
	38,206,070	48,514,995	34,336,765	9,171,430
Total trade and other payables (current)	50,423,037	64,836,811	34,644,865	10,063,266

28. Trade and other payables (contd.)

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total trade and other payables (non-current and current)	50,847,565	64,836,811	34,644,865	10,063,266
Less: Goods and services tax payable	(93,059)	-	-	-
	50,754,506	64,836,811	34,644,865	10,063,266
Add: Loans and borrowings (Note 26)	29,172,215	104,924,365	94,756	60,144,280
Total financial liabilities carried at amortised cost	79,926,721	169,761,176	34,739,621	70,207,546

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled within 7 to 90 days.

(b) Other payables

Included in sundry payables of the Group in the previous financial year was an amount of RM1,011,161 representing the balance of amount due arising from the acquisition of certain properties.

(c) Amounts due to related parties (current)

The amounts due to related parties of the Group and of the Company are unsecured, non-interest bearing and repayable on demand.

29. Deferred tax

Deferred tax as at 31 December of the Group relates to the following:

	At 1 January 2014 RM	Recognised in profit or loss RM	At 31 December 2014 RM	Recognised in profit or loss RM	As at 31 December 2015 RM
Deferred tax liabilities:					
Property, plant and equipment and port facilities	7,552,789	653,177	8,205,966	(1,160,327)	7,045,639
Deferred tax assets:					
Other provisions	(1,410,690)	(39,374)	(1,450,064)	1,439,042	(11,022)
	6,142,099	613,803	6,755,902	278,715	7,034,617

	Group 2015 RM	Group 2014 RM
Deferred tax assets	(11,022)	(1,450,064)
Deferred tax liabilities	7,045,639	8,205,966
	7,034,617	6,755,902

Deferred tax assets have not been recognised in respect of the following items:

	Group 2015 RM	Group 2014 RM
Unutilised business losses	4,282,447	1,685
Unabsorbed capital allowances	106,272	265,560
Other deductible temporary differences	30,141	603,343
	4,418,860	870,588
Potential deferred tax benefits @ 24%/25%	1,060,526	217,647

29. Deferred tax (contd.)

Deferred tax as at 31 December of the Company relates to the following:

	At 1 January 2014 RM	Recognised in profit or loss RM	At 31 December 2014 RM	Recognised in profit or loss RM	As at 31 December 2015 RM
Deferred tax liabilities:					
Property, plant and equipment and port facilities	39,787	69,667	109,454	84,606	194,060

Deferred tax assets have not been recognised in respect of the following items:

	Company 2015 RM	2014 RM
Other deductible temporary differences	30,141	30,141
Potential deferred tax benefits @ 24%/25%	7,234	7,535

30. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid	100,000,000	100,000,000	100,000,000	100,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

31. Share premium

The share premium account may be applied in paying up unissued shares as fully paid bonus shares.

32. Fair value adjustment reserve

	Group	
	2015 RM	2014 RM
At 1 January	34,605,257	24,663,512
Available-for-sale financial assets:		
- gain on fair value changes	-	9,941,745
- transfer to profit or loss	(34,605,257)	-
At 31 December	-	34,605,257

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

33. Retained earnings

The Company is able to distribute dividends out of its entire retained earnings as at 31 December 2015 and 31 December 2014 under the single tier system.

34. Dividend

	Group and Company			
	Dividends in respect of Year		Dividends Recognised in Year	
	2015 RM	2014 RM	2015 RM	2014 RM
Recognised as at 31 December				
Special interim single tier dividend for 2015: 30.0% on 100,000,000 ordinary shares	30,000,000	-	30,000,000	-

35. Related party disclosures

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Transactions with the ultimate holding corporation				
Advances paid	(25,327,193)	-	(14,379,995)	-
Advances received	9,811,337	1,150,947	9,500,000	-
Administrative fee	-	240,265	-	-
Management fee expense	-	200,000	-	200,000
Project expenditure	-	200,000	-	200,000
Rental payable	-	752,842	-	46,706
Rental income	(1,049,468)	(292,903)	-	(602,960)
Repayment of advances	-	(8,212,888)	-	(583,169)
Transactions with subsidiaries				
Repayment of advances	-	-	-	(4,078,703)
Advances paid	-	-	(7,556,004)	(23,428,288)
Advances received	-	-	28,601,287	-
Management fee income	-	-	-	(33,000)
Recharge of property	-			
development cost	-	-	-	9,178,367
Administrative fees	-	-	-	207,000
Rental expenses	-	-	-	37,240
Interest charged	-	-	-	(418,423)
Expenses payable	-	-	-	1,814,337
Transactions with subsidiaries of the ultimate holding corporation				
Interest income	(404,532)	(942,749)	(404,532)	(942,749)
Advances paid	(4,708,842)	(3,152,752)	(3,323,574)	(2,570,227)
Repayment of advances	-	1,079,848	-	1,000,000

35. Related party disclosures (contd.)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM

Transactions with related parties

Companies in which Amin bin Halim Rasip, a director of a subsidiary, Lumut Maritime Terminal Sdn. Bhd. had substantial interests:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Port services receivable	-	(35,105,942)	-	-

Account balances with significant related parties of the Group and of the Company at year end are as follows:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Account balances with the ultimate holding corporation				
Receivables	33,545,091	22,807,579	-	1,179,551
Payables	(2,833,407)	(3,186,162)	(1,055,209)	(1,307,734)
Account balances with subsidiaries of ultimate holding corporation				
Receivables	84,269,362	79,155,988	79,406,964	75,678,858

35. Related party disclosures (contd.)

Companies in which Amin bin Halim Rasip, a director of a subsidiary, Lumut Maritime Terminal Sdn. Bhd., had substantial interests:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Receivables	-	11,861,281	-	-
Payables	-	(333,000)	-	-

The remuneration of directors and other key management personnel during the year was as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Salaries and allowances	1,431,768	1,694,143	882,633	567,143

Included in the total remuneration of key management personnel are:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Directors' remuneration	567,110	537,910	399,650	330,450

36. Commitments

(a) Capital commitments

Capital expenditure as at the reporting date are as follows:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
(i) Authorised but not contracted for:				
Property, plant and equipment	4,000,000	-	-	-
Port facilities	8,050,000	11,062,700	-	-
	12,050,000	11,062,700	-	-
(ii) Authorised and contracted for:				
Port facilities	1,132,362	-	-	-
Themed Water Park Project	4,641,780	-	-	-
	5,774,142	-	-	-

(b) Operating lease commitments - as lessor

A subsidiary has entered into a non-cancellable operating lease agreement to rent out an investment property to a third party.

This lease has a remaining non-cancellable lease term period of 5 years, commencing on 1 August 2011. The lease includes a clause with an option to renew the lease at the written request given not less than two months before the expiration of the lease term and upward revision of the rental charge on a yearly basis which shall not be more than ten percent of the last monthly rental upon renewal of the lease.

36. Commitments (contd.)

(b) Operating lease commitments - as lessor (contd.)

The future minimum lease payments under non-cancellable operating lease contracted for as at the reporting date but not recognised as receivables are as follows:

	Group	
	2015	2014
	RM	RM
Not later than 1 year	-	120,000
Later than 1 year and not later than 5 years	-	70,000
	-	190,000

The rental income recognised in profit or loss is disclosed in Note 9 and no contingent rent has been recognised during the financial year.

37. Financial guarantees

The Company has provided the following guarantees as at the reporting date:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Corporate guarantees given to banks for revolving credit facilities granted to a subsidiary (Note 26)	-	-	-	12,000,000
Corporate guarantees given to banks for term loan facilities granted to an associate	300,000,000	280,000,000	-	-

As at the reporting date, no values are ascribed to the corporate guarantees provided by the Company to secure banking facilities granted to the subsidiary and associate whereby the Company monitors the performance of the subsidiary and associate concerned closely to ensure the subsidiary and associate meet their financial obligations. In view that there is minimal risk of default, the directors regard the value of the credit enhancement provided by the corporate guarantees as minimal.

38. Significant and/or recurring events

(a) On 28 February 2012, the Company had entered into a conditional Settlement Agreement (“Settlement Agreement”) with Perak Equity Sdn. Bhd. ("PESB"), a subsidiary of its ultimate holding corporation 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 properties to be acquired by the Company from PESB (“Proposed Settlement”).

In tandem with the execution of the Settlement Agreement on 28 February 2012, the Company had entered into two separate conditional Sale and Purchase Agreements (“S&P Agreements”) to acquire the Settlement Lands from PESB (“Proposed Acquisitions”).

The Settlement Lands with a total attributed value of RM70.27 million consist of the following:

(1) 1,002.939 acres of land to be provided with main infrastructure for the purpose of development of Bio-Tech Industrial Park, Forest Arboretum Technology Park and Herbal Park located at a proposed Perak Hi-Tech Park (“PHTP”), Off Jalan Kanthan/Sg Siput, Kanthan, Perak valued at RM38.13 million comprising:

(i) 96.118 acres of industrial land together with main infrastructure with an attributed value of RM17.80 million; and

(ii) 906.821 acres of agricultural land together with main infrastructure with an attributed value of RM20.33 million.

(collectively known as the "PHTP Lands")

(2) Lands and buildings at Teluk Dalam Resort located at Pantai Teluk Dalam, Pulau Pangkor, Perak, valued at RM32.14 million comprising:

(i) land measuring approximately 10.33 acres together with one block of main building, office, cafeteria, hall, 32 units of chalets (Tanjung-Seaview) and 69 units of chalets (Melati) erected on the land with an attributed value of RM23.63 million; and

(ii) land measuring approximately 4.17 acres together with 34 units of bungalow chalets erected on the land with an attributed value of RM8.51 million,

all in 35 titles of land all in the Mukim of Lumut, District of Manjung in the state of Perak Darul Ridzuan, with one title, namely, H.S.(D) 29371, P.T. No. 13222 in Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan, designated as Malay Reserved Land (“Reserved Land”).

(collectively known as the “Teluk Dalam Lands”)

38. Significant and/or recurring events (contd.)

(a) **(contd.)**

The Proposed Settlement and Proposed Acquisitions were subject to fulfillment of conditions precedent of the Agreements and the approvals of the following:

(i) the Shareholders of the Company at an Extraordinary General Meeting to be convened; and

(ii) the relevant authorities for the transfer and issue of the document of titles of the Settlement lands.

On 26 July 2012, the Proposed Settlement and Proposed Acquisitions had been duly approved by the Shareholders at an Extraordinary General Meeting.

On 27 February 2013, the Company had agreed to grant PESB an extension of time to the Extended Conditional Period, which was first due on 28 November 2012 and extended automatically to 28 February 2013, for an additional period of 6 months to 28 August 2013.

On 28 August 2013, an additional period of 6 months to 28 February 2014 ("Further Extended Conditional Period") was granted.

On 26 February 2014, the Company had agreed to grant PESB an additional period of one year to the Further Extended Conditional Period to be due on 28 February 2015.

On 12 February 2015, the Company had entered into a Supplementary Settlement Agreement and a Supplementary Sale and Purchase Agreement (collectively be referred to as the “Revised Agreements”) with PESB to vary the terms of the Settlement Agreement and one of the two Sale and Purchase Agreements respectively, both dated 28 February 2012, with regard to the PHTP Lands (“Proposed Variation to PHTP Lands”).

The Proposed Variation to PHTP Lands arises following the issuance of the new layout plan for Perak Hi-Tech Park which has been recently approved by the State Authority. Accordingly, certain pieces of the PHTP Lands stated in the Sale and Purchase Agreement are to be substituted, as set out below, which revised the acreage to an area of 959.87 acres (“Revised PHTP Lands”) priced at a consideration of RM38.22 million instead of the earlier indicative area of 1,002.939 acres priced at a consideration of RM38.13 million. Consequently, the original total purchase consideration of RM70.27 million for the PHTP Lands and Teluk Dalam Lands is now revised to RM70.36 million.

38. **Significant and/or recurring events (contd.)**

(a) **(contd.)**

A valuation has been carried out on the Revised PHTP Lands by Messrs Suleiman & Co Property Consultants Sdn Bhd adopting the residual method and comparison method in assessing the market values of the Revised PHTP Lands similar to that used in the valuation of the Settlement Lands. The valuation report thereon dated 12 November 2014 has indicated a market value of RM44.05 million for the Revised PHTP Lands adopting the residual method.

The Proposed Variation to PHTP Lands is in the best interest of PCB Group in moving towards the completion of the Proposed Settlement.

On 25 February 2015, the Company had agreed to grant PESB an additional period of one year to the Further Extended Conditional Period to be due on 28 February 2016.

The Company has agreed to grant PESB the said extension on the basis that the following are still pending:

(i) issuance of new land title after the revocation of the status of "Pengisytiharan Rezab Melayu" on the Reserved Land in respect of the Teluk Dalam Lands before the land title could be transferred; and

(ii) the approval by the State Authority for the transfer of the PHTP Lands and Teluk Dalam Lands to the Company or its appointed nominee.

On 29 February 2016, the Company had agreed to grant PESB a further extension of four months to the Further Extended Conditional Period to be due on 30 June 2016.

The Company has agreed to grant PESB the said extension on the basis that the settlement process is now at the final stage. The Company has secured all the necessary approvals from the relevant authorities for the transfer of Teluk Dalam Lands and PHTP Lands and the transfer of both parcels of land is now subject to execution of Form 14A for the transfer of ownership and submission of the said form to Pejabat Tanah dan Galian to affect the transfer.

38. Significant and/or recurring events (contd.)

(b) On 23 July 2012, the Company had entered into a Transfer of Asset Agreement with a subsidiary to enable the rights of a parcel of land to be transferred to the subsidiary for a total consideration of RM4,883,076. This was to enable the subsidiary to enter into a formal sale and purchase agreement with a third party.

Subsequently, the Company had signed a supplemental agreement with the subsidiary to further clarify certain terms and conditions to be fulfilled.

On 27 February 2013, the subsidiary had entered into a Sale and Purchase agreement with a third party to dispose of the parcel of land for a total consideration of RM5,654,088.

As at the reporting date, the subsidiary has received full settlement of the total consideration of RM5,654,088 from the third party and has recognised the sale of land as the terms and conditions of the respective agreements have been fulfilled.

(c) On 9 January 2015, Tenaga Nasional Berhad (“TNB”) ("Offeror") has served a notice of take-over offer on the Board of Directors (“Board”) of Integrax (“Notice”) informing them of its intention to undertake a conditional take-over-offer in accordance to the Malaysian Code on Take-Overs and Mergers 2010 to acquire all the remaining Integrax Shares, which are not already held by TNB (“Offer Shares”) for a cash offer price of RM2.75 for each Offer Share (“Offer Price”).

As at the date of this announcement, Taipan Merit Sdn. Bhd. ("Taipan Merit"), a wholly-owned subsidiary of Perak Corporation Berhad ("PCB"), holds 47,341,643 Integrax Shares, representing approximately 15.74% equity interest in Integrax.

On 30 January 2015, the Board of Taipan Merit has received the offer document dated on even date from the Offeror, setting out the details, terms and conditions of the Take-Over Offer (“Offer Document”). The matter has been referred to the Board of PCB.

On 16 February 2015, the Board of Taipan Merit received the Independent Advice Circular from the Independent Adviser of Integrax, being M&A Securities Sdn. Bhd. (“IA”), which sets out the IA’s views and recommendation in relation to the Take-Over Offer (“IAC”).

PCB has also appointed AFFIN Hwang Investment Bank Berhad (“AFFIN Hwang”) as its Adviser to evaluate and provide a recommendation to the Board of PCB in respect of the Take-Over Offer.

38. **Significant and/or recurring events (contd.)**

(c) **(contd.)**

The Board of PCB has announced on 23 February 2015 that it has deliberated on the Take-Over Offer and taken into consideration the following:-

(i) the views of and recommendation by the IA as contained in the IAC; and

(ii) the views of and recommendation by AFFIN Hwang after taking into consideration the financial, investment and strategic objectives of PCB as well as PCB's view on the outlook and prospects on Integrax whereby AFFIN Hwang has derived an indicative equity valuation range of between RM2.98 and RM3.25 per Integrax Share.

In view of the above, the Board of PCB has resolved to reject the Take-Over Offer. However, the Board of PCB is prepared to recommend to its shareholders to approve the acceptance of a revised Take-Over Offer, in a general meeting, if TNB revises the Offer Price to RM3.25 per Integrax Share, being the highest value in the indicative equity valuation range provided by AFFIN Hwang.

On 25 February 2015, CIMB Investment Bank Berhad on behalf of TNB, has announced that the Offeror has on even date served notice to the Board of Integrax informing them that TNB has revised the Offer Price from RM2.75 to RM3.25 per Offer Share ("Revised Offer Price") ("Revised Offer") and extension of the closing date and time for acceptance of the Revised Offer from 27 February 2015 at 5.00 p.m. to 31 March 2015 at 5.00 p.m.

On 26 February 2015 the Board of PCB has, after careful examination of the terms and conditions of TNB Offer, agreed to present the Proposed Disposal to the shareholders of PCB at the Extraordinary General Meeting ("EGM") to be convened for their consideration and approval.

The Notice of EGM to be held on 27 March 2015 was issued on 10 March 2015.

On 18 March 2015, the Board of PCB has received a Letter of Offer ("LO") dated 18 March 2015 from Amin bin Halim Rasip, who currently holds a direct and indirect equity interest of 24.55% in Integrax, making an offer to acquire 15,040,296 ordinary shares of RM1.00 each in Integrax, representing 5% equity interest in Integrax for a cash offer price of RM3.50 per Integrax share (" AHR Offer"), held by Taipan Merit.

The Board of PCB has examined and considered the terms, conditions and implications of the AHR Offer in its entirety. The Board of PCB has also taken into consideration the on-going conditional take-over offer by TNB to acquire the remaining ordinary shares of RM1.00 each in Integrax that TNB has not already owned at RM3.25 each based on the terms and conditions of the Offer Document dated 30 January 2015 ("Offer Document") and Notice of Revised Offer dated 25 February 2015 ("TNB Offer"). The Board of PCB was of the view that the current TNB Offer was a superior offer.

38. **Significant and/or recurring events (contd.)**

(c) **(contd.)**

At the EGM of the Company held on 27 March 2015, the resolution as set out in the Notice of Extraordinary General Meeting dated 10 March 2015 was duly passed by the shareholders of the Company by way of poll with 99% voting in favour.

The disposal of the Integrax shares was completed on 17 April 2015 following the receipt of the disposal consideration from TNB of approximately RM150.31 million.

(d) PCB Leisure Sdn. Bhd. (formerly known as Magni D'Corp Sdn. Bhd.) (“PCBL”), a wholly-owned subsidiary of the Company, has on 1 July 2015 acquired the entire issued and paid up share capital of Lanai Casuarina Sdn. Bhd. ("LCSB") and Casuarina Boathouse Sdn. Bhd. ("CBSB") for a cash consideration of RM2 for each company (“Acquisitions”). Upon completion of the Acquisitions, LCSB and CBSB have become wholly-owned subsidiaries of PCBL and indirect wholly-owned subsidiaries of the Company.

(e) On 6 July 2015, PCBL acquired the entire issued and paid up share capital of Casuarina Pangkor Sdn. Bhd. ("CPSB"), Casuarina Tanjong Malim Sdn. Bhd. ("CTM") and Meru Raya Park Sdn. Bhd ("MRP") for a cash consideration of RM2 for each company. Upon completion of the Acquisitions, CPSB, CTM and MRP have become wholly-owned subsidiaries of PCBL and indirect wholly-owned subsidiaries of the Company.

(f) Pursuant to a corporate group restructuring exercise of the Company, PCB Leisure Sdn. Bhd. (formerly known as Magni D'Corp Sdn. Bhd.) ("PCBL"), a wholly-owned subsidiary of the Company has agreed to acquire the following subsidiaries:

(i) On 12 November 2015, PCBL has agreed to acquire the entire issued and paid up capital of Casuarina Teluk Intan Sdn. Bhd. (formerly known as PCB Trading & Manufacturing Sdn. Bhd.) ("CTI") for a cash consideration of RM972,587 ("Acquisition"). As at the reporting date, the acquisition has yet to be completed. Upon completion of the Acquisition, CTI will become a wholly owned subsidiary of PCBL.

(ii) On 17 November 2015, PCBL acquired the entire issued and paid up capital of Casuarina Taiping Sdn. Bhd. (formerly known as Trans Bid Sdn. Bhd.) ("CTSB") from the Company and Potensi Menara Sdn. Bhd. for a cash consideration of RM510 and RM490 respectively ("Acquisition"). The acquisition was completed on 31 December 2015. Upon completion of the Acquisition, CTSB became a wholly owned subsidiary of PCBL.

39. Subsequent events

(a) PCB Leisure Sdn. Bhd. ("PCBL"), a wholly-owned subsidiary of the Company, has on 1 February 2016 acquired the entire issued and paid up capital of Meru Raya Mall Sdn. Bhd. (formerly known as Empire Approach Sdn. Bhd.) ("MRM") and Meru Raya Water Park Sdn. Bhd. (formerly known as Beyond Enigma Sdn. Bhd.) ("MRWP") for a cash consideration of RM2 ("Acquisition") each from PCB Development Sdn. Bhd. ("PCBD"), a fellow subsidiary of PCBL. Upon completion of Acquisition, MRM and MRWP will become wholly owned subsidiaries of PCBL.

(b) PCB Development Sdn. Bhd. ("PCBD"), a wholly-owned subsidiary of the Company, has on 8 April 2016 subcribed for an additional 600,000 ordinary shares of RM1.00 each in ATP at par for a total cash consideration of RM600,000 and an additional 3,900,000 redeemable convertible preference shares at an issue price of RM1.00 each comprising a par value of RM0.01 and attached premium of RM0.99 in ATP for a total consideration of RM3,900,000 (collectively hereinafter referred to as the "Subscription").

PCBD has originally held 49% equity interest in ATP prior to the Subscription. Upon completion of the Subscription, ATP effectively becomes a subsidiary of PCBD and indirect subsidiary of the Company.

40. Fair value of financial instruments

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments Level 1 RM	Significant other observable inputs Level 2 RM	Significant unobservable inputs Level 3 RM	Total RM
Group				
At 31 December 2015				
Financial assets:				
Available-for-sale financial assets - Quoted shares (Note 20)	14,007,504	-	-	14,007,504
Redeemable convertible preference shares with embedded derivative (Note 20)	-	42,344,562	-	42,344,562
As 31 December 2014				
Financial assets:				
Available-for-sale financial assets - Quoted shares (Note 20)	118,897,622	-	-	118,897,622
Redeemable convertible preference shares with embedded derivative (Note 20)	-	48,016,518	-	48,016,518

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements as disclosed in Note 2.28.

There have been no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 December 2015 and 31 December 2014.

40. Fair value of financial instruments (contd.)

(a) Fair value of financial instruments that are carried at fair value (contd.)

Determination of fair value

Fair value of the quoted shares are determined directly by reference to their published market bid price at reporting date.

Fair value of the embedded derivative is determined using the Binomial Option Pricing Model, a type of lattice tree model.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

		Group 31 December 2015		Company 31 December 2015	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial assets:					
Other investments (non-current)					
- Unquoted shares in Malaysia	20	25,000	#	25,000	#
Financial liabilities:					
Loans and borrowings (non-current)					
- Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")	26	5,000,000	3,611,395	-	-
- Hire purchase and finance lease liabilities	27	6,740,947	4,133,614	52,645	96,085

40. Fair value of financial instruments (contd.)

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (contd.)

		Group 31 December 2014		Company 31 December 2014	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial assets:					
Other investments (non-current)					
- Unquoted shares in Malaysia	20	25,000	#	25,000	#
Financial liabilities:					
Loans and borrowings (non-current)					
- Bai Bithaman Ajil Islamic Debt Securities ("BaIDS")	26	15,000,000	14,129,711	-	-
- Hire purchase and finance lease liabilities	27	106,639	159,659	89,356	94,302

\# Fair value information has not been disclosed for the Group's and the Company's investments in equity instruments that are carried at cost because fair value cannot be measured reliably.

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	23
Loans and borrowings (current)	26
Trade and other payables (current)	28

40. Fair value of financial instruments (contd.)

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (contd.)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

41. Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity, foreign exchange, credit and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(i) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts, as the Group had no substantial long-term interest-bearing assets as at 31 December 2015 and 31 December 2014. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

41. Financial risk management objectives and policies (contd.)

(i) Interest rate risk (contd.)

Sensitivity analysis for the interest rate risk

		Effective interest rate per annum		Group		Company	
	Note	2015 (%)	2014 (%)	2015 RM	2014 RM	2015 RM	2014 RM
Loans and borrowings							
- Hire purchase and finance lease liabilities	(a)	2.75 - 4.19	2.35 - 3.88	7,354,215	228,365	94,756	144,280
- BaIDS	(b)	7.50	7.50	15,000,000	25,000,000	-	-
- Term loan		7.40 - 7.65	7.40 - 7.65	5,920,000	7,696,000	-	-
- Revolving credits							
- secured	(c)	-	4.88	-	12,000,000	-	-
- unsecured	(d)	-	5.9	-	60,000,000	-	60,000,000
Overdraft	(a)	10.85	-	898,000	-	-	-
				29,172,215	104,924,365	94,756	60,144,280

41. Financial risk management objectives and policies (contd.)

(i) Interest rate risk (contd.)

Sensitivity analysis for the interest rate risk (contd.)

(a) Any fluctuation in interest rate is not expected to have a material impact on the financial performance of the Group and the Company.

(b) The Group did not account for the fixed rate BaIDS at fair value through profit or loss. Therefore, a change in interest rate at the end of the reporting period would not affect the financial performance of the Group.

(c) The interest rate charged by the financial institution is at fixed rate. The amount is repayable on demand. The Group expects that any fluctuation or revision in interest rate will have no significant impact on the financial performance of the Group.

(d) The borrowings are given to a subsidiary of the ultimate holding corporation and all interest being charged by the bank are also being recharged to the fellow subsidiary. The Company also charges 3% administrative charges for any amount of interest that was paid on its behalf. Therefore, any fluctuation in interest rate is not expected to have a material impact on the financial performance of the Group.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

41. **Financial risk management objectives and policies (contd.)**

(ii) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Note	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
At 31 December 2015								
Group								
Financial liabilities:								
Trade and other payables	28	50,329,978	-	424,528	-	-	-	50,754,506
Loans and borrowings								
- Hire purchase and finance lease liabilities	27	655,013	352,956	321,928	310,000	310,000	28,830,000	30,779,897
- Bai Bithaman Ajil Islamic Debt Securities	26	10,000,000	5,000,000	-	-	-	-	15,000,000
- Term loan	26	1,776,000	1,776,000	1,776,000	592,000	-	-	5,920,000
- Overdraft	26	898,000	-	-	-	-	-	898,000

41. Financial risk management objectives and policies (contd.)

(ii) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

	Note	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
At 31 December 2015								
Company								
Financial liabilities:								
Trade and other payables	28	34,644,865	-	-	-	-	-	34,644,865
Loans and borrowings								
- Hire purchase and finance lease liabilities	27	46,788	42,956	11,928	-	-	-	101,672

41. Financial risk management objectives and policies (contd.)

(ii) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

	Note	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
At 31 December 2014								
Group								
Financial liabilities:								
Trade and other payables	28	64,836,811	-	-	-	-	-	64,836,811
Loans and borrowings								
- Hire purchase and finance lease liabilities	27	124,376	70,793	42,966	11,898	-	-	250,033
- Bai Bithaman Ajil Islamic Debt Securities	26	10,000,000	15,000,000	-	-	-	-	25,000,000
- Term loan	26	1,776,000	1,776,000	1,776,000	1,776,000	592,000	-	7,696,000
- Revolving credits	26	72,000,000	-	-	-	-	-	72,000,000

41. Financial risk management objectives and policies (contd.)

(ii) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

	Note	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
At 31 December 2014								
Company								
Financial liabilities:								
Trade and other payables	28	10,063,266	-	-	-	-	-	10,063,266
Loans and borrowings								
- Hire purchase and finance lease liabilities	27	54,924	53,265	42,966	11,898	-	-	163,053
- Revolving credits	26	60,000,000	-	-	-	-	-	60,000,000

41. **Financial risk management objectives and policies (contd.)**

(iii) Foreign exchange risk

The Group’s sales transactions are mainly in Malaysian Ringgit and are thus not exposed to foreign exchange risk.

(iv) Credit risk

The Group’s credit policy and guidelines assess, evaluate and monitor credit risk of trade receivables. Credit risk is controlled via credit worthiness checking, credit limits, credit term setting and approval and credit risk exception reporting. Trade receivables are monitored on an ongoing basis as well as on a case by case basis, especially for the purchasers of land.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 23.

At the reporting date, approximately 78% (2014 : 87%) of the Group's trade and other receivables were due from related parties while 96% (2014 : 90%) of the Company's receivables were balances with related parties.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 23. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

<u>Financial assets that are either past due or impaired</u>

Information regarding financial assets that are either past due or impaired is disclosed in Note 23.

(v) Market price risk

The Group's principal exposure to market price risk arises mainly from changes in equity prices. The Group does not use derivative financial instruments to manage equity risk. Equity investments classified as non-current are held for the long term and the Group keeps itself updated on the latest financial performance and viability of such investments.

41. Financial risk management objectives and policies (contd.)

(v) Market price risk (contd.)

Sensitivity analysis for market price risk

At the reporting date, if the stock exchange quoted market bid prices had been 5% higher/lower, with all other variables held constant, the Group's total comprehensive income for the year would have been approximately RMNil (2014 : RM1,486,000) higher/lower, arising as a result of higher/lower fair value gains on available-for-sale financial assets.

42. Capital management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the businesses.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to ensure that the gearing ratio is kept low in order that it does not exceed 30% as far as possible to enable the Group to meet its financial obligations without encountering difficulties. The gearing equity ratios at 31 December 2015 and 31 December 2014 were as follows:

		Group	
	Note	**2015 RM**	**2014 RM**
Loans and borrowings	26	29,172,215	104,924,365
Trade and other payables	28	50,847,565	64,836,811
Less: Cash and bank balances	25	(92,578,204)	(97,074,624)
Net debt		(12,558,424)	72,686,552
Equity attributable to the owners of the Company		578,492,502	563,018,485
Less:- Fair value adjustment reserve		-	(34,605,257)
Total capital		578,492,502	528,413,228
Capital and net debt		565,934,078	601,099,780
Gearing ratio		0%	12%

43. Segmental information

Segment information is presented in respect of the Group's business segments. No geographical segment analysis is prepared as the Group's business activities are predominantly located in Malaysia.

The Group is organised into four (2014 : four) major business segments:

(i) Infrastructure

Maritime services in respect of the development of an integrated privatised project and encompassing operations of multipurpose port facilities, operation and maintenance of a bulk terminal, sales and rental of port related land and other ancillary activities;

(ii) Township development

Township development of real property and ancillary services;

(iii) Hotel and tourism

Hotelier and restaurateur; and

(iv) Management services and others

Provision of management services and other business segments which include property investment and distribution, none of which are of a sufficient size to be reported separately.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of the Group's business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Within the Group's business segments, the financing resources (including finance costs) and income taxes are not apportioned to the individual strategic operating units. These are managed and allocated as a whole against the total operating profit or loss of the business segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated terms.

43. Segmental information (contd.)

2015	Infrastructure RM	Property development RM	Hospitality and tourism RM	Management services and others RM	Total RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:								
External revenue	96,303,495	20,396,215	12,944,014	3,960,385	133,604,109			133,604,109
Inter-segment revenue	-	-	-	52,383,077	52,383,077	(47,500,001)	A	4,883,076
Total revenue	96,303,495	20,396,215	12,944,014	56,343,462	185,987,186	(47,500,001)		138,487,185
Results:								
Interest income	1,577,815	139,522	16,252	4,865,577	6,599,166	(1,672,985)		4,926,181
Dividend income	-	-	-	51,050,625	51,050,625	(47,500,001)	B	3,550,624
Depreciation	(3,414,547)	(143,003)	(3,648,613)	(1,637,020)	(8,843,183)			(8,843,183)
Finance costs	(1,813,001)	(1,446)	(1,667,873)	(241,025)	(3,723,345)	1,587,806		(2,135,539)
Share of result of associates	-	(5,210,446)	-	-	(5,210,446)	37,471		(5,172,975)
Reportable segment profit/(loss) before income tax	45,610,581	3,958,993	(5,808,838)	115,862,262	159,622,998	(47,500,001)		112,122,997
Reportable segment profit/(loss) after income tax	32,529,070	816,019	(5,808,838)	115,117,560	142,653,811	(47,500,001)	C	95,153,810

43. **Segmental information (contd.)**

	Infrastructure RM	Township development RM	Hotel and tourism RM	Management services and others RM	Total RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
2015 (contd.)								
Other non-cash items:								
Gain on disposal of:								
property, plant and equipment	-	(14,023)	-	(101,654)	(115,677)	-		(115,677)
Reversal of allowance for impairment loss in receivables	(130,000)	-	-	-	(130,000)	-		(130,000)
At 31 December 2015								
Assets and liabilities								
Additions to non-current assets								
Property, plant and equipment	781,697	22,235	4,794,342	19,253,366	24,851,640	(6,669,531)		18,182,109
Port facilities	2,448,163	-	-	-	2,448,163	-		2,448,163
Reporting segment assets	185,892,414	197,090,587	92,106,645	616,513,947	1,091,603,593	(339,450,792)	D	752,152,801
Reporting segment liabilities	(33,887,646)	(46,657,739)	(50,307,471)	(46,763,558)	(177,616,414)	89,935,736	E	(87,680,678)

43. **Segmental information (contd.)**

2014	Infrastructure RM	Township development RM	Hotel and tourism RM	Management services and others RM	Total RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:								
External revenue	81,472,927	73,439,439	10,236,397	1,894,097	167,042,860	-		167,042,860
Inter-segment revenue	-	-	-	31,248,319	31,248,319	(31,248,319)	A	-
Total revenue	81,472,927	73,439,439	10,236,397	33,142,416	198,291,179	(31,248,319)		167,042,860
Results:								
Interest income	1,777,222	131,906	108	3,303,152	5,212,388	(139,610)		5,072,778
Dividend income	-	-	-	17,367,085	17,367,085	(15,000,003)	B	2,367,082
Depreciation	(3,311,730)	(206,790)	(2,736,184)	(795,987)	(7,050,691)	-		(7,050,691)
Finance costs	(611,324)	(5,733)	(1,080,474)	(2,189,740)	(3,887,271)	1,080,474		(2,806,797)
Share of result of associates	-	(485,957)	-	(1,274,090)	(1,760,047)	-		(1,760,047)
Reportable segment profit/(loss) before income tax	37,688,961	36,121,045	(5,682,758)	17,961,446	86,088,694	(15,000,003)	B	71,088,691
Reportable segment profit/(loss) after income tax	28,437,734	27,751,718	(6,096,409)	16,676,230	66,769,273	(15,000,003)	C	51,769,270

43. Segmental information (contd.)

	Infrastructure RM	Township development RM	Hotel and tourism RM	Management services and others RM	Total RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
2014 (contd.)								
Other non-cash items:								
Allowance for impairment loss in receivables	172,500	-	-	-	172,500	-		172,500
Gain on disposal of: property, plant and equipment	-	-	-	(3,279,981)	(3,279,981)	-		(3,279,981)
Reversal of allowance for impairment loss in receivables	(15,000)	-	-	-	(15,000)	-		(15,000)
At 31 December 2014								
Assets and liabilities								
Additions to non-current assets								
Property, plant and equipment	90,625	6,860	7,214,910	9,895,104	17,207,499	-		17,207,499
Port facilities	6,813,299	-	-	-	6,813,299	-		6,813,299
Reporting segment assets	199,287,284	194,458,704	91,594,759	694,209,174	1,179,549,921	(351,574,477)	D	827,975,444
Reporting segment liabilities	(44,811,586)	(45,109,028)	(43,986,747)	(84,667,083)	(218,574,444)	42,022,569	E	(176,551,875)

43. Segmental information (contd.)

Note	Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements
A	Inter-segment revenue are eliminated on consolidation.
B	The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated statement of comprehensive income.

	2015 RM	2014 RM
Inter-segment dividends elimination	(47,500,001)	(15,000,003)
Inter-segment sales elimination	(4,883,076)	-
	(52,383,077)	(15,000,003)

C The following items are added to/(deducted from) segment profit to arrive at "Profit net of tax" presented in the consolidated statement of comprehensive income.

	2015 RM	2014 RM
Inter-segment dividends elimination	(47,500,001)	(15,000,003)

D The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2015 RM	2014 RM
Inter-segment assets elimination		
- subsidiaries	(363,261,795)	(375,385,480)
Goodwill on consolidation	23,811,003	23,811,003
	(339,450,792)	(351,574,477)

43. Segmental information (contd.)

Note	Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (contd.)
E	The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2015 RM	2014 RM
Inter-segment assets/liabilities elimination - subsidiaries	89,935,736	29,724,820

44. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 28 April 2016.

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45. Supplementary information - breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and the Company as at 31 December 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits of the Company and its subsidiaries				
- Realised	369,781,679	348,704,616	54,226,085	67,965,995
- Unrealised	(1,522,807)	613,802	-	-
	368,258,872	349,318,418	54,226,085	67,965,995
Less: Consolidation adjustments	(62,536,810)	(93,675,630)	-	-
Retained profits as per financial statements	305,722,062	255,642,788	54,226,085	67,965,995

Perak Corporation Berhad
(Company No. 210915-U) INCORPORATED IN MALAYSIA

FORM OF PROXY

I/We ______________________________ NRIC/Passport/Company No. ______________
(FULL NAME IN BLOCK CAPITALS)

of ____
(FULL ADDRESS)

being a member / members of PERAK CORPORATION BERHAD, hereby appoint ______________

______________________________ NRIC/Passport/Company No. ______________
(FULL NAME IN BLOCK CAPITALS)

of ____
(FULL ADDRESS)

or failing him/her, ______________________________ NRIC/Passport/Company No. ______________
(FULL NAME IN BLOCK CAPITALS)

of ____
(FULL ADDRESS)

as my/our proxy to vote for me/us and on my/our behalf, at the TWENTY-FIFTH ANNUAL GENERAL MEETING of the Company to be held at Amanjaya Convention Centre, Casuarina@Meru Hotel, No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak Darul Ridzuan on Wednesday, 25 May 2016 at 10:00 a.m. or at any adjournment thereof in the manner indicated below:

No.	Resolutions	For	Against
1.	To approve the increase in Directors' fees for the year ended 31 December 2015 and the payment of Directors' fees thereon.		
2.	To re-elect Dato' Abd Karim bin Ahmad Tarmizi who retires in accordance with Article 80 of the Company's Articles of Association.		
3.	To re-elect Dato' Aminuddin bin Md Desa who retires in accordance with Article 80 of the Company's Articles of Association.		
4.	To re-appoint Tuan Haji Ab Rahman bin Mohammed as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	As special business: Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

(Please indicate with an "X" in the appropriate box above how you wish to cast your vote. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.)

Dated this _____ day of ________________ in the year ______.

Number of ordinary shares held

____
Signature/Seal

Notes:

1. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and Section 149 (1)(b) of the Companies Act, 1965 shall not apply.*
2. *When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*
3. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at D-3-7, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for holding the Annual General Meeting or at any adjournment thereof.*
6. *Only members whose names appear in the Record of Depositors as at 19 May 2016 will be entitled to attend and vote at the above Meeting.*
7. *The registration for the above Meeting will commence on Wednesday, 25 May 2016 at 9:30 a.m.*

First Fold

stamp

THE SECRETARY
PERAK CORPORATION BERHAD Co. No. 210915-U
D-3-7, Greentown Square,
Jalan Dato' Seri Ahmad Said,
30450 Ipoh,
Perak Darul Ridzuan, Malaysia.

Second Fold

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