

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

**PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
(MFRS 134)**

1. Basis of Accounting and Accounting Policies

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2023, except for the adoption of the amendments to accounting standards below that are relevant and effective for accounting periods on or after 1 January 2024 as follows: -

| | |
|-----------------------------------|---|
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-Current |
| Amendments to MFRS 101 | Non-Current Liabilities with Covenants |
| Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements |

The adoption of the above amendments to accounting standards do not have any significant impact on the financial results of the Group.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

3. Declaration of Audit Qualification

The audited financial statements of the Group for the financial year ended 31 December 2023 was not subject to any audit qualification.

4. Seasonal or Cyclical Factors

The Group's business operations for the period ended 31 March 2024 were not materially affected by significant seasonal or cyclical fluctuations.

5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2024.

6. Changes in Estimates

There were no major changes in estimates that have had a material effect in the current quarter.

7. Segmental Information

| | REVENUE | | PROFIT/(LOSS) BEFORE TAX | |
|---------------------------|----------------|----------------|--------------------------|----------------|
| | 3 months ended | 3 months ended | 3 months ended | 3 months ended |
| | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| OPERATING SEGMENTS | RM'000 | RM'000 | RM'000 | RM'000 |
| Maintenance | 95,966 | 100,009 | 2,455 | 4,362 |
| Construction | 7,865 | 6,218 | (3,123) | (375) |
| Property | 6,647 | 3,953 | (1,045) | (2,705) |
| Asset Management | 1,434 | 1,272 | (503) | (855) |
| Hotel and Hospitality | 2,546 | 2,938 | (618) | (153) |
| Engineering & Consultancy | 6,342 | 15,418 | 1,516 | 1,110 |
| Trading & Manufacturing | 41,388 | 29,786 | (53) | (184) |
| Education | 6,582 | 6,095 | (1,785) | (2,673) |
| Clean Energy | 1,532 | 2,045 | (534) | (34) |
| Agriventure | 34 | - | (381) | - |
| Others & Eliminations | (6,349) | (5,140) | (1,273) | 1,806 |
| GROUP | 163,987 | 162,594 | (5,344) | 299 |

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

8. Valuation of Property, Plant and Equipment

During the current financial period, the Group carried out two (2) valuation exercises on its retail complex cum SOHO / serviced apartments located within the De'Centrum Mall, and the twelve (12) - storey academic block comprising of workshop, lab(s), offices and classrooms located at Building 11, Infrastructure University Kuala Lumpur, Unipark Suria.

The valuations are based on the Investment method, Comparison method and Reinstatement Cost method respectively.

The aggregate market values of the said properties were higher than its net book values in the previous financial year. As such, there were no impairment losses required to be provided in the financial accounts of the Group.

Property, plant and equipment of the Group are stated at cost less accumulated depreciation and impairment loss, if any.

9. Subsequent Events

There were no material events subsequent to the current period under review.

10. Changes in Composition of the Group

There were no material changes in the composition of the Group for the current financial period under review.

11. Contingent Liabilities

There were no material contingent liabilities of the Group as at the end of the current review.

12. Capital Commitments

| | <u>As at 31.3.2024</u> RM'000 |
|---|----------------------------------|
| Purchase of property, plant and equipment | 33 |

13. Dividend

No dividend was declared or paid for the financial period ended 31 March 2024.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024
PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APP'X 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD
14. Analysis of Unaudited Performance of the Group by Operating Segment

| Operating Segments | Quarter Ended | | | Year-to-Date Ended | | |
|--|----------------|----------------|----------|--------------------|----------------|----------|
| | 31.3.2024 | 31.3.2023 | Variance | 31.3.2024 | 31.3.2023 | Variance |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | | | | | | |
| Maintenance | 95,966 | 100,009 | -4% | 95,966 | 100,009 | -4% |
| Construction | 7,865 | 6,218 | 26% | 7,865 | 6,218 | 26% |
| Property | 6,647 | 3,953 | 68% | 6,647 | 3,953 | 68% |
| Asset Management | 1,434 | 1,272 | 13% | 1,434 | 1,272 | 13% |
| Hotel and Hospitality | 2,546 | 2,938 | -13% | 2,546 | 2,938 | -13% |
| Engineering & Consultancy | 6,342 | 15,418 | -59% | 6,342 | 15,418 | -59% |
| Trading & Manufacturing | 41,388 | 29,786 | 39% | 41,388 | 29,786 | 39% |
| Education | 6,582 | 6,095 | 8% | 6,582 | 6,095 | 8% |
| Clean Energy | 1,532 | 2,045 | -25% | 1,532 | 2,045 | -25% |
| Agriventure | 34 | - | 100% | 34 | - | 100% |
| Others & Eliminations | (6,349) | (5,140) | -24% | (6,349) | (5,140) | -24% |
| GROUP | 163,987 | 162,594 | | 163,987 | 162,594 | |
| Profit/(Loss) Before Interest and Tax | | | | | | |
| Maintenance | 2,945 | 4,507 | -35% | 2,945 | 4,507 | -35% |
| Construction | (2,474) | 191 | -1395% | (2,474) | 191 | -1395% |
| Property | (370) | (1,967) | 81% | (370) | (1,967) | 81% |
| Asset Management | 110 | (298) | 137% | 110 | (298) | 137% |
| Hotel and Hospitality | (332) | 120 | -377% | (332) | 120 | -377% |
| Engineering & Consultancy | 1,552 | 1,200 | 29% | 1,552 | 1,200 | 29% |
| Trading & Manufacturing | 358 | 12 | 2883% | 358 | 12 | 2883% |
| Education | (1,444) | (2,342) | 38% | (1,444) | (2,342) | 38% |
| Clean Energy | (139) | 348 | -140% | (139) | 348 | -140% |
| Agriventure | (233) | - | -100% | (233) | - | -100% |
| Others & Eliminations | (2,090) | 1,544 | -235% | (2,090) | 1,544 | -235% |
| GROUP | (2,117) | 3,315 | | (2,117) | 3,315 | |
| Profit/(Loss) Before Taxation | | | | | | |
| Maintenance | 2,455 | 4,362 | -44% | 2,455 | 4,362 | -44% |
| Construction | (3,123) | (375) | -733% | (3,123) | (375) | -733% |
| Property | (1,045) | (2,705) | 61% | (1,045) | (2,705) | 61% |
| Asset Management | (503) | (855) | 41% | (503) | (855) | 41% |
| Hotel and Hospitality | (618) | (153) | -304% | (618) | (153) | -304% |
| Engineering & Consultancy | 1,516 | 1,110 | 37% | 1,516 | 1,110 | 37% |
| Trading & Manufacturing | (53) | (184) | 71% | (53) | (184) | 71% |
| Education | (1,785) | (2,673) | 33% | (1,785) | (2,673) | 33% |
| Clean Energy | (534) | (34) | -1471% | (534) | (34) | -1471% |
| Agriventure | (381) | - | -100% | (381) | - | -100% |
| Others & Eliminations | (1,273) | 1,806 | -170% | (1,273) | 1,806 | -170% |
| GROUP | (5,344) | 299 | | (5,344) | 299 | |

The Group revenue increased marginally from RM162.59 million to RM163.99 million due mainly to the following:

- (i) higher revenue from the Construction segment due to higher construction progress from roadwork project in Kulim, Kedah;
- (ii) higher revenue from the Property segment due to revenue recognised for property development of Jade Hill, Tampin and sale three (3) units of inventory at Sentrio Pasir Gudang;

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

14. Analysis of Unaudited Performance of the Group by Operating Segment (cont'd)

- (iii) higher revenue from the Trading segment due to higher sales of bitumen and quarry products;
- (iv) higher revenue from the Education segment due to higher tuition fees; and
- (v) higher revenue from the Asset Management segment due to higher office rental and maintenance income.

However, these increases were impaired by the reduction in revenue from the Maintenance, Hotel and Hospitality, Engineering, and Clean Energy business segments.

The Group posted a reversal from a profit before tax of RM0.29 million to a loss before tax of RM5.34 million mainly due to:

- (i) lower gross profit from the Maintenance, Construction and Hotel & Hospitality segments;
- (ii) lower other income from the Hotel & Hospitality and Clean Energy segments; and
- (iii) higher operating expenses from the Maintenance, Construction, Trading and Education segments due to increased staff costs, IT costs and finance costs.

The analysis of the financial performance by each segment is illustrated as follows:

1) Maintenance

Revenue decreased by RM4.03 million (4%) from RM100.00 million to RM95.97 million due to lower periodic and emergency maintenance works performed. Consequently, the profit before tax decreased by RM1.90 million (44%) from RM4.36 million in the preceding corresponding quarter to RM2.46 million in the current quarter due to higher operating expenses.

2) Construction

Revenue increased by RM1.65 million (26%) from RM6.22 million to RM7.87 million due to higher construction progress from upgrading roadwork project in Kulim, Kedah. Despite the increase in revenue, the loss before tax increased from RM0.38 million in the preceding corresponding quarter to RM3.12 million in the current quarter due to higher cost of sales, goodwill written off on the acquisition of a subsidiary company and finance costs.

3) Property

Revenue increased significantly by RM2.70 million (68%) from RM3.95 million to RM6.65 million due to the property development progress of Jade Hill, Tampin and sale of three (3) units of inventory at Sentrico, Pasir Gudang. In line with the increase in revenue, the loss before tax decreased by RM1.66 million (61%) from RM2.71 million in the preceding corresponding quarter to RM1.05 million in the current quarter due to an increase in other income and decrease in operating and administrative expenses and finance costs.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

14. Analysis of Unaudited Performance of the Group by Operating Segment (cont'd)

4) Hotel and Hospitality

Revenue decreased by RM0.39 million (13%) from RM2.94 million to RM2.55 million due to lower occupancy rate and food & beverage (F&B) income in the current quarter. This has resulted in the increase in loss before tax from RM0.15 million in the preceding corresponding quarter to RM0.62 million in the current quarter.

5) Engineering and Consultancy

Revenue decreased significantly by RM9.08 million (59%) from RM15.42 million in the preceding corresponding quarter to RM6.34 million in the current quarter due to lower construction, structural and certification works. Despite the decrease in revenue, the profit before tax increased marginally from RM1.11 million in the preceding corresponding quarter to RM1.52 million in the current quarter due to gain on disposal of a subsidiary company.

6) Trading and Manufacturing

Revenue increased by RM11.60 million (39%) from RM29.79 million to RM41.39 million mainly due to the increase in the sales of bitumen and quarry products. Consequently, the loss before tax decreased from RM0.18 million in the preceding corresponding quarter to RM0.05 million in the current quarter.

7) Education

Revenue increased by RM0.48 million (8%) from RM6.10 million to RM6.58 million due to the increase in tuition fees. The increase in gross profit, other income and decrease in operating expenses have resulted in the loss before tax decreased from RM2.67 million in the preceding corresponding quarter to RM1.79 million in the current quarter.

8) Clean Energy

Revenue decreased by RM0.52 million (25%) from RM2.05 million to RM1.53 million mainly due to lower revenue from solar panel installation works in the current quarter. The decrease in revenue and increase in operating and administrative expenses have resulted an increase in loss before tax from RM0.03 million in the preceding corresponding quarter to RM0.53 million in the current quarter.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

14. Analysis of Unaudited Performance of the Group by Operating Segment (cont'd)

9) Asset Management

Revenue increased by RM0.16 million (13%) from RM1.27 million to RM1.43 million in current quarter mainly due to higher revenue from office rental and maintenance income. Consequently, the loss before tax decreased from RM0.86 million in the preceding corresponding quarter to RM0.50 million in the current quarter mainly due to decrease in cost of sales and operating expenses.

10) Agriventure

Revenue achieved was RM0.03 million, and the loss before tax of RM0.38 million due to the main business of exporting fruit products has yet to commence.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024
15. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

| Operating Segments | Quarter Ended | | Difference |
|--|----------------|----------------|------------------|
| | 31.3.2024 | 31.12.2023 | |
| | RM'000 | RM'000 | RM'000 |
| Revenue | | | |
| Maintenance | 95,966 | 284,403 | (188,437) |
| Construction | 7,865 | 9,187 | (1,322) |
| Property | 6,647 | 4,011 | 2,636 |
| Asset Management | 1,434 | 2,024 | (590) |
| Hotel and Hospitality | 2,546 | 3,829 | (1,283) |
| Engineering & Consultancy | 6,342 | 22,652 | (16,310) |
| Trading & Manufacturing | 41,388 | 80,664 | (39,276) |
| Education | 6,582 | 7,352 | (770) |
| Clean Energy | 1,532 | 4,902 | (3,370) |
| Agriventure | 34 | 141 | (107) |
| Others and Eliminations | (6,349) | (5,337) | (1,012) |
| GROUP | 163,987 | 413,828 | (249,841) |
| Profit/(Loss) Before Interest and Tax | | | |
| Maintenance | 2,945 | 4,507 | (1,562) |
| Construction | (2,474) | 191 | (2,665) |
| Property | (370) | (1,967) | 1,597 |
| Asset Management | 110 | (298) | 408 |
| Hotel and Hospitality | (332) | 120 | (452) |
| Engineering & Consultancy | 1,552 | 1,200 | 352 |
| Trading & Manufacturing | 358 | 12 | 346 |
| Education | (1,444) | (2,342) | 898 |
| Clean Energy | (139) | 348 | (487) |
| Agriventure | (233) | - | (233) |
| Others and Eliminations | (2,090) | 1,544 | (3,634) |
| GROUP | (2,117) | 3,315 | (5,432) |
| Profit/(Loss) Before Taxation | | | |
| Maintenance | 2,455 | 26,852 | (24,397) |
| Construction | (3,123) | (11,630) | 8,507 |
| Property | (1,045) | (2,457) | 1,412 |
| Asset Management | (503) | 487 | (990) |
| Hotel and Hospitality | (618) | 374 | (992) |
| Engineering & Consultancy | 1,516 | 1,207 | 309 |
| Trading & Manufacturing | (53) | 1,440 | (1,493) |
| Education | (1,785) | 2,739 | (4,524) |
| Clean Energy | (534) | 357 | (891) |
| Agriventure | (381) | (374) | (7) |
| Others and Eliminations | (1,273) | 7,766 | (9,039) |
| GROUP | (5,344) | 26,761 | (32,105) |

The Group revenue decreased from RM413.83 million to RM163.99 million due to the decrease in revenue from the following segments:

- (i) Maintenance: lower routine and periodic maintenance works;
- (ii) Construction: lower construction progress from roadwork project in Kulim, Kedah;
- (iii) Hotel and Hospitality: lower occupancy rate and F&B income;
- (iv) Engineering: lower construction, pavement, geotechnical and certification works;
- (v) Trading: lower demand of bitumen, quarry and building material products;
- (vi) Education: lower franchise fees and international students fee;
- (vii) Clean Energy: lower revenue from solar panel installation works; and
- (viii) Asset Management: lower rental and miscellaneous income.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

15. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter (Cont'd)

The decreased revenue of RM249.84 million resulted in the Group posting a reversal from a profit before tax of RM26.76 million in the immediate preceding quarter to a loss before tax of RM5.34 million in the current quarter. This was due to lower revenue generated, higher operating expenses mainly from staff costs, and a lower reversal of impairment of receivables in the current quarter compared to the immediate previous quarter.

16. Commentary on Prospects

The Group incurred a net loss in the current quarter under review following a positive financial result in the financial year 2023.

The net loss for the current quarter was within our expectations as business activities slowed down after the previous financial year end, especially for the Maintenance business segment, which secured lower periodic maintenance works. Consequently, this has also affected the Trading business segment, which is the supplier for the sub-contractors of road maintenance works.

Barring unforeseen circumstances, the Group expects to maintain its profit trajectory for the current financial year as the business activities are gaining momentum in progress development. To further strengthen the financial performance of the Group, we will continue our adopted prudent financial and operating measures, which include but not limited to:

- (i) Customer-oriented approach in business development and revenue generation;
- (ii) Cost-sensitivity awareness in the generation of income which will optimise operating and administrative expenses;
- (iii) Collective and improved efforts in the recovery of impaired trade receivables and reduce current-year impairments;
- (iv) Strategic collaborations or partnerships to strengthen the business models for the loss-making business units;
- (v) Divestment of non-core and non-performing assets to enhance returns to the Group; and
- (vi) Review and revise business strategies to optimise revenue and profits.

The Board remains positive and confident of the medium and long-term business prospects. The Group is also actively and diligently pursuing other business opportunities to enhance shareholders' returns.

17. Profit Forecast or Profit Guarantee

Not applicable.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

18. Taxation

Taxation represents current year provision.

The effective tax rate for the current year was higher than the statutory tax rate principally due to losses of certain subsidiary companies where no group relief is granted and non-allowable expenses.

19. Profit after Taxation

| | <u>Current</u> <u>Year To Date</u> <u>31.3.2024</u> RM'000 | <u>Corresponding</u> <u>Year To Date</u> <u>31.3.2023</u> RM'000 |
|---|---|---|
| Profit/(Loss) after taxation for the financial year is arrived at after charging / (crediting): | | |
| Depreciation of property, plant and equipment | 3,046 | 3,465 |
| Depreciation of investment properties | 456 | 456 |
| Depreciation of right-of-use assets | 663 | 613 |
| Interest expense | 3,379 | 3,095 |
| Gain on disposal of property, plant and equipment | - | 167 |
| Interest income | (358) | (388) |
| Reversal of impairment losses on: | | |
| - Receivables | - | 1,617 |
| | <hr/> | <hr/> |

20. Corporate Proposals

During the current period up to 30 May 2024, being the last practicable date from the date of the issue of this report, the Company announced the proposed disposal of the Education business segment, subject to the completion of due diligence period of up to three (3) months from the date of the announcement and certain condition precedents to be finalised in the Share Sale Agreement ("SSA").

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

21. Borrowings and Debt Securities

| | <u>As at 31.3.2024</u> | <u>As at 31.3.2023</u> |
|-------------------------|------------------------|------------------------|
| | RM'000 | RM'000 |
| Secured: | | |
| - Short term borrowings | 142,960 | 116,779 |
| - Long term borrowings | 34,848 | 50,304 |
| - Bank overdrafts | 47,611 | 34,759 |
| Total borrowings | 225,419 | 201,842 |

The total borrowings increased from RM201.84 million as at 31 March 2023 to RM225.42 million as at 31 March 2024. The term loans repayments for IUKL, student accommodation, Park Inn by Radisson Hotel, Trading, and Solar Park plant were off-set by the increase in bills payable and drawdown of banking facilities granted to DC Resort Homes Sdn Bhd for Jade Hill, Tampin project.

The Group net gearing ratio increased from 0.32 times as at 31 March 2023 to 0.36 times as at 31 March 2024 due to decrease in cash and cash equivalents from RM125.17 million in the preceding financial year to RM43.61 million in the current financial year.

There is no borrowing denominated in foreign currency. The effective interest rate ranges from 4.52% to 8.14% for the conventional borrowings and from 5.08% to 8.26% for the Islamic borrowings.

22. Trade Receivables

The trade receivables ageing, net of impairment and expected credit loss can be analysed as follows:

| | <u>As at 31.3.2024</u> | <u>As at 31.3.2023</u> |
|--------------------|------------------------|------------------------|
| | RM'000 | RM'000 |
| Less than 6 months | 195,960 | 170,630 |
| 6 to 12 months | 50,503 | 10,531 |
| 1 to 2 years | 12,085 | 12,557 |
| More than 2 years | 1,899 | 1,338 |
| | 260,447 | 195,056 |

Normal credit terms range from 21 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

23. Material Litigations

Other than stated below, there were no changes in material litigation since the last annual balance sheet date:

- (i) **High Court of Malaya at Kuala Lumpur (“KL High Court”) Suit No: 22NCC-362-09/2014 between Protasco Berhad (“Company”) as plaintiff against PT Anglo Slavic Utama (“PT ASU”) as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant**

On 28 December 2012, our Company entered into a conditional Sale and Purchase Agreement (“**Conditional SPA**”) with PT ASU to acquire 95,000,000 ordinary shares of IDR1,000 each in PT Anglo Slavic Indonesia (“**PT ASI**”), representing 76% equity interest in PT ASI for a proposed purchase consideration of USD55,000,000.

PT ASI holds 95% equity interest in PT Firman Andalan Sakti (“**PT FAS**”) which in turn holds 70% equity interest in PT Hase Bumou Aceh (“**PT Haseba**”) (“**PT ASI Group**”). PT ASU as vendor represented in the Conditional SPA that PT Haseba had a 10-year production management partnership agreement (“**PMP Agreement**”) with PT Pertamina (PERSERO) (“**Pertamina**”) to develop and to produce oil and gas in the Kuala Simpang Timur Field from 14 December 2004.

On 29 January 2014, our Company entered into an Amended and Restated Sale and Purchase Agreement (“**Restated SPA**”) with PT ASU to amend vary and restate, in its entirety, the Conditional SPA. With the execution of the Restated SPA, the Company agreed to acquire 78,750,000 ordinary shares of IDR1,000 each in PT ASI representing 63% equity interest in PT ASI from PT ASU for a total purchase consideration of USD22,000,000 (RM68,393,170) (“**Purchase Consideration**”). Parties thereto agreed that the Purchase Consideration was to be settled by way of setting off the deposit of USD16,340,563 (equivalent to RM50,000,000 based on the agreed exchange rate of USD1:RM3.05987 as at 28 December 2012) initially paid by our Company to PT ASU pursuant to the Conditional SPA and the balance thereof in cash.

The Restated SPA was subject to, among others, the following conditions subsequent to the completion of the Restated SPA which were to be fulfilled within six months from the date of the Restated SPA (“**Conditional Period**”):-

- (i) Consent of Pertamina for the sale and purchase of the shares pursuant to the Restated SPA;
- (ii) Extension of the PMP Agreement for a further 10-year period; and
- (iii) Issuance of Surat Keterangan Terdaftar Minyak & Gas license by the Ministry of Energy and Mineral Resources’ General of Oil and Gas Indonesia to PT Haseba.

Upon execution of the Restated SPA, our Company paid the balance Purchase Consideration amounting to USD5,659,437 (RM18,393,170) to PT ASU. In February 2014, pursuant on the terms of the Restated SPA, our Company made a further advance of USD5,000,000 (RM16,250,000) to PT ASI for working capital purposes (“**Advance**”). The total amounts paid to PT ASU and PT ASI collectively amounted to USD27,000,000 being the Purchase Consideration and the Advance.

On 5 August 2014, our Company announced that the conditions subsequent pursuant to the completion of Restated SPA had not been fulfilled by PT ASU within the Conditional Period and accordingly, the Restated SPA lapsed on 28 July 2014. Our Company terminated the Restated SPA on 4 August 2014 and 14 August 2014.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

23. Material Litigations (Cont'd)

(i) High Court of Malaya at Kuala Lumpur (“KL High Court”) Suit No: 22NCC-362-09/2014 between Protasco Berhad (“Company”) as plaintiff against PT Anglo Slavic Utama (“PT ASU”) as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (cont'd)

On 22 September 2014, our Company filed a legal suit against PT ASU and the two former Directors, namely the 2nd and the 3rd defendant for, among others, the refund of the Purchase Consideration and Advance.

The total amount claimed against PT ASU and the two former Directors (“**2nd and 3rd Defendants**”) are as follows: -

Against PT ASU

- i. A payment of USD22,000,000;
- ii. Pre-judgement interest on USD22,000,000 pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
- iii. Post-judgement interest on USD22,000,000 pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum; and
- iv. Damages for the breach of the Restated SPA.

Against the 2nd and 3rd Defendants

- i. A payment of USD27,000,000 (including the Advance);
- ii. Pre-judgement interest on USD27,000,000 pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
- iii. Post-judgement interest on USD27,000,000 pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum;
- iv. Damages for fraud and conspiracy; and
- v. General damages, aggravated and exemplary.

The status of this suit is as follows: -

The Full Trial for the Kuala Lumpur High Court Suit No.: 22NCC-362-09/2014 commenced from 15 October 2021 and continued on various dates. The Full Trial is scheduled to continue on 25 and 26 April 2023 and on 12 May 2023. The Full Trial has been concluded on 12 May 2023. The Kuala Lumpur High Court has fixed 30 August 2023 for clarification and/or decision of the Kuala Lumpur High Court Suit No.: 22NCC-362-09/2014.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

23. Material Litigations (Cont'd)

(i) High Court of Malaya at Kuala Lumpur (“KL High Court”) Suit No: 22NCC-362-09/2014 between Protasco Berhad (“Company”) as plaintiff against PT Anglo Slavic Utama (“PT ASU”) as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (cont'd)

The Kuala Lumpur High Court Judge had on 30 August 2023 delivered the following judgement (“**Judgement**”) in favour of the Company:

- i. The Company has established its claim for breach of fiduciary duties, breach of Sections 131 and 132E of the Companies Act 1965, fraud and conspiracy to defraud on the part of the 2nd and 3rd Defendants.
- ii. The Company’s claim for a declaration that the 2nd and 3rd Defendants have acted in breach of their fiduciary duties as directors of the Company has been allowed.
- iii. The 2nd and 3rd Defendants are adjudged to pay a sum of RM84,643,170.00 to the Company (“**Judgement Sum**”) with interest of 5% per annum to be calculated from 22 September 2014 (the date of filing of the Writ of Summons) until full and final settlement of the Judgement Sum.
- iv. Costs in the sum of RM650,000.00 has been awarded in favour of the Company to be paid by 2nd and 3rd Defendants.

The 2nd and 3rd Defendants had on 8 September 2023 filed an appeal (“**Appeal**”) at the Court of Appeal to appeal against the Judgement of the Kuala Lumpur High Court on 30 August 2023. The Appeal has been fixed for Hearing on 13 November 2024.

The 2nd and 3rd Defendants had on 4 September 2023 filed an application for a stay of proceeding (“**Stay Application**”) at the Kuala Lumpur High Court to stay the execution of the Judgement delivered by the Kuala Lumpur High Court on 30 August 2023. The Stay Application was dismissed by the High Court on 17 October 2023 with costs of RM4,500.00 to be paid to the Company.

The 2nd and 3rd Defendants had on 23 October 2023 filed a notice of motion for a stay of proceeding (“**Stay Motion**”) at the Court of Appeal to stay the execution of the Judgement dated 30 August 2023. The Stay Motion has been fixed for hearing on 22 November 2023 and the Court of Appeal has dismissed the stay of execution with costs of RM10,000.00 to be paid to the Company.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

23. Material Litigations (Cont'd)

- (i) **High Court of Malaya at Kuala Lumpur (“KL High Court”) Suit No: 22NCC-362-09/2014 between Protasco Berhad (“Company”) as plaintiff against PT Anglo Slavic Utama (“PT ASU”) as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (cont'd)**

Further to the Judgement obtained by the Company against the 2nd and 3rd Defendants on 30 August 2023 and the dismissal of the Stay Application and the Stay Motion, the Company has executed the Judgement by filing:

1. A Bankruptcy Notice against the 2nd Defendant in the Shah Alam High Court, Bankruptcy No.: BA-29NCC-3214-12/2023 on 13 December 2023 demanding the total sum of RM124,370,961.74 from the 2nd Defendant; and
2. A Bankruptcy Notice against the 3rd Defendant in the Shah Alam High Court, Bankruptcy No.: BA-29NCC-3213-12/2023 on 13 December 2023 demanding the same amount from the 3rd Defendant.

The respective sealed Bankruptcy Notices were extracted on 21 December 2023. The Court has fixed 12 March 2024 for Case Management of the Bankruptcy Notice against the 2nd Defendant and 13 March 2024 for Case Management of the Bankruptcy Notice against the 3rd Defendant.

The Bankruptcy Notices were personally served on the 2nd and 3rd Defendants on 16 January 2024.

The 2nd and 3rd Defendants have filed their respective applications to set aside the said Bankruptcy Notices on 26 January 2024. In this regard, the Shah Alam High Court fixed the date for hearing the said applications by the 2nd and 3rd Defendants on 8 May 2024.

The Shah Alam High Court had on 8 May 2024 dismissed their applications to set aside the Bankruptcy Notice with costs of RM400.00 to be paid to the Company by each of them. Consequently, it was also held that the 2nd and 3rd Defendants had committed an act of bankruptcy on 8 May 2024. Hence the final date for filing creditor's petition against the 2nd and 3rd Defendants is on 7 November 2024.

On 6 May 2024, both the 2nd and 3rd Defendants have filed their respective applications via Summons in Chambers to set aside the Bankruptcy Notices and to stay the entire bankruptcy proceedings (“**new applications**”). In this regard, the Shah Alam High Court fixed the date for decision of the new applications filed by both the 2nd and 3rd Defendants on 3 July 2024.

Notwithstanding the above litigation, the purchase consideration paid and advance made amounting to RM68,393,170 and RM16,250,000 respectively have been fully impaired in the financial year ended 31 December 2014.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

23. Material Litigations (Cont'd)

(ii) High Court of Malaya at Shah Alam (“SA High Court”) Suit No. 22NCVC-561-11/2014 between Protasco Trading Sdn Bhd (“PTSB”) as plaintiff against PT Goldchild Integritas Abadi (“Goldchild”) and Ooi Kock Aun (“OKA”) as defendants

PTSB, a wholly owned subsidiary of our Company, had entered into an agreement dated 4 February 2013 (“**Agreement**”) to undertake coal trades with Goldchild.

Pursuant to the terms of the Agreement and to facilitate coal purchases, a deposit (“**Deposit**”) of USD5,161,290 (approximately RM16,000,000) was paid by PTSB to Goldchild on 4 February 2013. The Deposit is to be deducted in stages against future coal trades.

On 19 July 2013, PTSB entered into a Coal Stockpile Joint Venture Agreement with Goldchild to provide a sum of not exceeding USD900,000 (approximately RM2,904,000) for the purpose of the joint venture to purchase coal in Indonesia and resell the coal to potential buyers, subject to such terms and conditions as stipulated in the Coal Stockpile Joint Venture Agreement.

On 21 November 2014, PTSB filed a legal suit against Goldchild and one of the former directors of our Company, OKA, when our Company uncovered that OKA has an undisclosed interest in Goldchild.

The status of this suit is as follows: -

OKA filed an application to strike out the legal suit against him and the application was dismissed on 19 October 2015. Thereafter, OKA filed an appeal against the SA High Court decision to the Court of Appeal. OKA’s appeal has been struck off with liberty to file afresh and with no order as to costs by the Court of Appeal on 17 May 2018.

Goldchild’s application to stay this legal proceeding pending arbitration was allowed by the SA High Court on 19 October 2015. Thereafter, PTSB filed an appeal against the SA High Court decision to the Court of Appeal. This appeal was withdrawn by PTSB on 24 August 2016.

Since the legal suit against Goldchild has been stayed pending arbitration, OKA filed an application for stay pending arbitration between PTSB and Goldchild which was allowed on 13 January 2016. PTSB then filed an appeal against the SA High Court decision to the Court of Appeal. This application was dismissed by the Court of Appeal on 24 August 2016. PTSB had on 23 September 2016 filed an application for leave via notice of motion seeking leave to appeal to the Federal Court of Malaysia at Wilayah Persekutuan Putrajaya (“**Federal Court**”). The Motion has been dismissed by the Federal Court on 11 January 2018.

Pursuant to the decision of the Federal Court, the action against PT Goldchild and OKA in the SA High Court is now stayed pending the arbitration proceedings between PT Goldchild and PTSB in Jakarta, Indonesia in accordance with the rules of Badan Arbitrase Nasional Indonesia (“**BANI**”).

Notwithstanding the above litigation, the coal trade deposits made to Goldchild amounted to RM18,904,000 had been fully impaired in the financial year ended 31 December 2014.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

23. Material Litigations (Cont'd)

(iii) High Court of Malaya at Penang ("Penang High Court") Suit No: PA-22NCVC-155-09/2020 between Tenaga Nasional Berhad ("TNB") as Plaintiff against Kumpulan Ikram Sdn Bhd ("KISB") as the Defendant

TNB had, vide an agreement dated 13 July 2015 ("TNB Agreement"), appointed KISB to carry out construction works known as "The Construction and Commission of Retention Pond at Gelugor Power Station" ("Project") whereby the scope of works includes amongst others designing flow system improvements, drainage system expansion and replacing U-drain size from 600mm to 750mm in Loji Kuala Gelugor ("Works"). KISB had in turn, vide a Letter of Award dated 26 May 2015 ("LOA"), appointed Qemudi Nekad Resources as sub-contractor ("Sub-Contractor"):

- i) to identify the utilities within the Project site and further prepared a utility mapping to be approved by TNB; and
- ii) to carry out the entire Works.

TNB alleged that upon KISB carried out the drain breaking for the existing U-drain, the workers of KISB had carried out the picking up of the surplus and remnants debris of the broken U-drain left in the drain by using a backhoe ("Picking up the U-drain surplus and remnants works").

TNB further alleged that due to the picking up the U-drain surplus and remnants works by KISB, the same had caused the TNB's cable 2 ("TNB's Cable") destroyed. It was alleged that the bucket of the backhoe had caused damage on TNB's Cable. Subsequent to that, TNB lodged a police report on the said damage. TNB then terminated KISB's permit to work certificate and issued a stop-work order on KISB on the reason that the damage caused by KISB is a breach under Section 37(11) (b) and/or 37(12) (a) of the Electricity Supply Act 1990 ("Act").

TNB had managed to recover RM150,000.00 only from the Construction All Risks Insurance taken by KISB for this Project from TNB's panel insurance company, QBE Insurance (Malaysia) Berhad. The policy limit is RM150,000.00 only. The said insurance does not have "principal existing property" cover which will protect the insured against loss or damage to property located on or surrounding the site belonging to or held in care, custody or control by the insured.

In view thereof, TNB filed a suit against KISB pursuant to Section 41(1) of the Act under the strict liability tort on the reason that KISB's workers have neglected during the carrying out of the picking up the U-drain surplus and remnants works and caused damage on the TNB's cable. The damage on the TNB's Cable had caused the followings: -

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

23. Material Litigations (Cont'd)

(iii) High Court of Malaya at Penang (“Penang High Court”) Suit No: PA-22NCVC-155-09/2020 between Tenaga Nasional Berhad (“TNB”) as Plaintiff against Kumpulan Ikram Sdn Bhd (“KISB”) as the Defendant (cont'd)

- i) a power outage to TNB's customers hence, TNB suffered loss of income during the period of the power outage; and
- ii) rectification cost incurred to rectify the damage and replace the new cable.

TNB further alleged that TNB had issued a Notice of Claim for damages by way of letter dated 23 March 2016 and also a Letter of Demand dated 11 January 2018 to KISB to inform on the damage and to claim on the rectification cost amounting to RM6,799,961.83.

TNB's claims are as follows: -

- 1) General damages to be assessed;
- 2) Special damages amounting to RM6,799,961.83;
- 3) General damages to be assessed together with interest of 5% per annum calculated from the date of the filing of the writ until full settlement;
- 4) Economic damages to be assessed together with interest of 5% per annum calculated from the date of the filing of the writ until full settlement;
- 5) Interest of 5% per annum on the sum of RM6,799,961.83 calculated from the date of the filing of the writ until full settlement;
- 6) Aggravated and exemplary damages;
- 7) Cost; and
- 8) Any other relief court deems fit.

The status of this suit is as follows: -

KISB had filed its Defence on 2 October 2020. TNB had filed its Reply on 9 November 2020.

The full trial fixed on 29 and 30 August 2023 and on 25 and 26 October 2023 has been concluded. The Penang High Court has fixed 3 July 2024 for oral submission.

Notwithstanding the above litigation, the claim amount has been fully impaired in the financial year ended 31 December 2020.

INTERIM REPORT FOR THE FINANCIAL PERIOD 31 MARCH 2024

24. Earnings Per Share

The basic earnings per share of the Group is calculated by dividing the profit attributable to the owners of the Company over the weighted average number of ordinary shares in issue, excluding treasury shares.

| | <u>3 months</u> <u>ended</u> <u>31.3.2024</u> | <u>3 months</u> <u>ended</u> <u>31.3.2023</u> |
|--|---|---|
| Net loss for the financial quarter / year (RM'000) | (6,208) | (1,747) |
| Weighted average number of ordinary shares in issue ('000) | 481,735 | 481,735 |
| | <hr/> | <hr/> |
| Basic loss per share (sen) | <u>(1.29)</u> | <u>(0.36)</u> |

25. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the directors on 30 May 2024.