

INTERIM REPORT FOR THE FINANCIAL PERIOD 30 SEPTEMBER 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.

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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 30 September 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 30 September 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	9 months ended	3 months ended	9 months ended
	30.9.2024	30.9.2024	30.9.2024	30.9.2024
OPERATING SEGMENTS	RM'000	RM'000	RM'000	RM'000
Maintenance	340,123	569,356	38,655	49,545
Construction	11,161	30,439	(846)	(3,524)
Property	8,014	21,783	(1,914)	(4,744)
Asset Management	922	3,779	4,399	3,376
Hotel & Hospitality	4,044	9,079	502	(741)
Engineering & Consultancy	6,582	20,486	1,689	5,492
Trading & Manufacturing	79,848	198,336	959	1,807
Education	8,835	21,114	(750)	(5,897)
Clean Energy	2,896	16,227	(1,228)	734
Agriventure	122	265	(533)	(1,380)
Others & Eliminations	(11,595)	(23,262)	366	(647)
GROUP	450,952	867,602	41,299	44,021

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8. Valuation of Property, Plant and Equipment

The Group did not carry out any valuation on property, plant and equipment during the current financial quarter.

9. Subsequent Events

There were no material events subsequent to the period under review, except as follows:

On 18 October 2024, Protasco Development Sdn. Bhd. (“PDSB”) (a wholly-owned subsidiary of Protasco Berhad) received a new letter of award from Perbadanan Putrajaya, appointing PDSB as the developer for two projects: 654 apartment units under Projek Residensi MADANI Melur and 984 apartment units under Projek Residensi Prihatin Kenanga. This new letter of award replaces the original, which was issued on 22 July 2022 and has been canceled.

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 period.

12. Capital Commitments

	<u>As at 30.9.2024</u> RM'000
Purchase of property, plant and equipment	412

13. Dividend

No dividend was declared or paid for the financial period ended 30 September 2024.

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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		Variance	Year-to-Date Ended		Variance
	30.9.2024	30.9.2023		30.9.2024	30.9.2023	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
Maintenance	340,123	152,007	124%	569,356	420,121	36%
Construction	11,161	3,254	243%	30,439	14,657	108%
Property	8,014	9,469	-15%	21,783	16,173	35%
Asset Management	922	1,663	-45%	3,779	3,979	-5%
Hotel & Hospitality	4,044	3,936	3%	9,079	9,576	-5%
Engineering & Consultancy	6,582	6,491	1%	20,486	34,597	-41%
Trading & Manufacturing	79,848	134,292	-41%	198,336	209,711	-5%
Education	8,835	6,733	31%	21,114	17,651	20%
Clean Energy	2,896	1,818	59%	16,227	6,106	166%
Agriventure	122	-	100%	265	-	100%
Others & Eliminations	(11,595)	2,145	-641%	(23,262)	(14,839)	-57%
GROUP	450,952	321,808		867,602	717,732	
Profit/(Loss) Before Interest and Tax						
Maintenance	37,526	6,322	494%	48,924	21,156	131%
Construction	(154)	937	-116%	(1,479)	1,207	-223%
Property	(1,232)	(482)	-156%	(2,734)	(4,407)	38%
Asset Management	5,007	1,534	226%	5,173	1,117	363%
Hotel & Hospitality	766	539	42%	86	767	-89%
Engineering & Consultancy	1,762	1,302	35%	5,559	2,055	171%
Trading & Manufacturing	1,624	2,459	-34%	3,373	3,100	9%
Education	(195)	(1,926)	90%	(4,523)	(7,926)	43%
Clean Energy	(911)	529	-272%	1,857	939	98%
Agriventure	(325)	(449)	28%	(884)	(605)	-46%
Others & Eliminations	(482)	(488)	1%	(3,074)	(1,222)	-152%
GROUP	43,386	10,277		52,278	16,181	
Profit/(Loss) Before Taxation						
Maintenance	38,655	6,270	517%	49,545	21,104	135%
Construction	(846)	567	-249%	(3,524)	95	-3809%
Property	(1,914)	(1,090)	-76%	(4,744)	(6,211)	24%
Asset Management	4,399	945	366%	3,376	(601)	662%
Hotel & Hospitality	502	229	119%	(741)	(85)	-772%
Engineering & Consultancy	1,689	1,487	14%	5,492	1,992	176%
Trading & Manufacturing	959	1,754	-45%	1,807	1,820	-1%
Education	(750)	(2,378)	68%	(5,897)	(9,158)	36%
Clean Energy	(1,228)	118	-1141%	734	(269)	373%
Agriventure	(533)	(541)	1%	(1,380)	(786)	-76%
Others & Eliminations	366	226	62%	(647)	266	-343%
GROUP	41,299	7,587		44,021	8,167	

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

a) Current Quarter

The Group revenue increased from RM321.81 million to RM450.95 million mainly due to the following:

- (i) significant increase in revenue from the Maintenance segment, driven by an increase in routine and periodic maintenance works secured;
- (ii) higher revenue from the Construction segment due to higher construction progress on the upgrading roadwork (FT004 project) in Kulim, Kedah, and the Jade Hill project in Tampin;
- (iii) higher revenue in the Hotel and Hospitality segment, due to increased income from food and beverage (F&B) and ancillary offerings;
- (iv) higher revenue from the Education segment due to increase in student population and franchise fees; and
- (v) higher revenue from the Clean Energy segment mainly attributed from increased in solar panel installation works.

However, these revenue increases were offset by a decline in revenue from the Property, Asset Management and Trading segments.

The Group profit before tax increased by RM33.71 million, from RM7.59 million to RM41.30 million mainly due to:

- (i) higher gross profit from the Maintenance, Construction, Hotel & Hospitality, Engineering and Education business segments;
- (ii) higher other income from the Engineering, Trading and Asset Management business segments mainly from the reversal of impairment on receivables and the reversal of provision for penalty related to the TNB case; and
- (iii) higher share of profit from an associated company from the Maintenance segment.

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

1) Maintenance

Revenue increased significantly by RM188.11 million (124%) from RM152.01 million to RM340.12 million mainly due to higher routine and periodic maintenance works performed. Consequently, the profit before tax increased by RM32.39 million (517%) from RM6.27 million in the preceding corresponding quarter to RM38.66 million in the current quarter.

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

a) Current Quarter (cont'd)

2) Construction

Revenue increased by RM7.91 million (243%) from RM3.25 million to RM11.16 million due to higher construction progress from upgrading roadwork in Kulim, Kedah and Jade Hill project. Despite the increase in revenue, this segment posted a reversal from a profit before tax of RM0.57 million in the preceding corresponding quarter to a loss before tax of RM0.85 million in the current quarter due to non-recurring other income, higher administrative expenses and finance costs.

3) Property

Revenue decreased by RM1.46 million (15%) from RM9.47 million to RM8.01 million due to the lower property development progress of Jade Hill, Tampin and lower rental income from the Mall. In line with the decrease in revenue, the loss before tax increased by RM0.82 million (76%) from RM1.09 million in the preceding corresponding quarter to RM1.91 million in the current quarter due to the increase in operating expenses and finance costs.

4) Hotel & Hospitality

Revenue increased by RM0.10 million (3%) from RM3.94 million to RM4.04 million due to a higher food and beverages (F&B) and ancillary service income in the current quarter. In line with the increase in revenue and lower administrative expenses, profit before tax increased from RM0.23 million in the preceding corresponding quarter to RM0.50 million in the current quarter.

5) Engineering & Consultancy

Revenue increased by RM0.09 million (1%) from RM6.49 million in the preceding corresponding quarter to RM6.58 million in the current quarter mainly due to higher pavement works. Profit before tax increased from RM1.49 million in the preceding corresponding quarter to RM1.69 million in the current quarter due to higher gross profit and other income mainly from the reversal of impairment on receivables.

6) Trading & Manufacturing

Revenue decreased by RM54.44 million (41%) from RM134.29 million to RM79.85 million mainly due to decrease in the sales of bitumen, quarry and building material products. Consequently, the profit before tax decreased from RM1.75 million in the preceding corresponding quarter to RM0.96 million in the current quarter.

7) Education

Revenue increased by RM2.11 million (31%) from RM6.73 million to RM8.84 million due to the increase in student population and franchise fees. The increase in gross profit and lower administrative expenses have resulted in the loss before tax decreased from RM2.38 million in the preceding corresponding quarter to RM0.75 million in the current quarter.

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

a) Current Quarter (cont'd)

8) Clean Energy

Revenue increased from RM1.82 million to RM2.90 million mainly due to higher revenue from solar panel installation works in the current quarter. Despite the increase in revenue, the cost of sales increased at a higher rate due to the timing difference in revenue and cost of sales recognition. Coupled with the increase in operating and administrative expenses, it resulted in the reversal from a profit before tax of RM0.12 million in the preceding corresponding quarter to a loss before tax of RM1.23 million in the current quarter.

9) Asset Management

Revenue decreased by RM0.74 million (45%) from RM1.66 million in the preceding corresponding quarter to RM0.92 million in the current quarter mainly due to lower revenue from office rentals. The increase in other income mainly from the reversal of provision on penalty related to the TNB case, has resulted in the increase in profit before tax from RM0.95 million in the preceding corresponding quarter to RM4.40 million in the current quarter.

10) Agriventure

Revenue achieved was RM0.12 million and the loss before tax decreased marginally from RM0.54 million in the corresponding quarter of the previous year to RM0.53 million in the current quarter. The decrease was mainly due to revenue recognised from the sale of durian products which commenced in the current quarter.

b) Year-to-Date

The Group recorded a revenue of RM867.60 million, an increase of RM149.87 million as compared to RM717.73 million mainly attributed to the following:

- (i) higher routine and periodic maintenance works performed by the Maintenance business segment;
- (ii) higher construction progress from upgrading roadwork project in Kulim, Kedah and Jade Hill Tampin project from the Construction business segment;
- (iii) higher property development progress of Jade Hill, Tampin project, and sale of nine (9) units of inventory at Sentries Pasir Gudang from the Property business segment;
- (iv) higher tuition fees, international student fees and franchise fees from the Education business segment; and
- (v) higher solar panel installation works from the Clean Energy business segment.

The Group recorded a higher profit before tax of RM44.02 million as compared to the prior year's corresponding period of RM8.17 million. This improvement was mainly driven by the increase in gross profit and other income.

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

b) Year-to-Date (cont'd)

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

1) Maintenance

Revenue was RM569.36 million as compared to RM420.12 million due to higher routine and periodic works awarded. The increase in revenue has resulted in the profit before tax increased to RM49.55 million as compared to RM21.10 million in the previous corresponding quarter.

2) Construction

Revenue was RM30.44 million as compared to RM14.66 million due to higher construction progress from upgrading roadwork in Kulim, Kedah and construction of Jade Hill, Tampin. Despite the increase in revenue, this segment posted a reversal from a profit before tax of RM0.09 million in the previous corresponding quarter to a loss before tax of RM3.52 million in the current quarter due to decrease in other income, increase in operating and administrative expenses as well as increase in finance costs.

3) Property

Revenue was RM21.78 million as compared to RM16.17 million due to higher property development progress from the Jade Hill, Tampin, sale of nine (9) units of inventory at Sentrico Pasir Gudang projects and higher rental income from student accommodation.

The loss before tax decreased from RM6.21 million to RM4.74 million mainly due to higher gross profit and lower operating and administrative expenses.

4) Hotel & Hospitality

Revenue was RM9.08 million as compared to RM9.58 million mainly due to lower occupancy rate and average room rate. This segment recorded a loss before tax of RM0.74 million in the current year as compared to RM0.08 million in the corresponding period of the prior year, due to lower gross profit, increased in operating expenses, as well as increase in finance costs.

5) Engineering & Consultancy

Revenue decreased by 41% from RM34.60 million to RM20.49 million due to lower construction, structural and civil works and certification services performed.

Despite the decrease in revenue, profit before tax increased from RM1.99 million in the prior year's corresponding period to RM5.49 million in the current year due to higher other income mainly from the reversal of impairment on receivables and gain on disposal of a subsidiary company.

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

b) Year-to-Date (Cont'd)

6) Trading & Manufacturing

Revenue decreased by 5% from RM209.71 million to RM198.34 million due to lower sales of quarry, building material and project RF product.

In line with the decrease in revenue, the profit before tax decreased marginally from RM1.82 million to RM1.81 million.

7) Education

Revenue increased by 20% (RM3.46 million), from RM17.65 million to RM21.11 million, mainly due to increase in student population, which resulted in higher tuition fees and international student fees.

This segment's loss before tax decreased from RM9.16 million in the prior year's corresponding period to RM5.90 million in the current period. This improvement was driven by higher gross profit and other income, mainly from the recognition of income from the completed NCER project, along with reduced costs of sales and lower administrative expenses.

8) Clean Energy

Revenue increased by 166% (RM10.12 million) from RM6.11 million to RM16.23 million due to the increase in solar panel installation works.

In line with the increase in revenue, this segment posted a reversal from a loss before tax of RM 0.27 million to a profit before tax of RM0.73 million. This improvement was due to higher gross profit resulting from better revenue achieved and lower interest costs.

9) Asset Management

Revenue decreased mainly due to lower maintenance and security income in the current period. The segment posted a reversal from a loss before tax of RM0.60 million in the prior year's corresponding period to a profit before tax at RM3.38 million in the current period due to higher other income mainly from the reversal of provision on penalty related to the TNB case.

10) Agriventure

Revenue achieved was RM0.27 million and the loss before tax increased from RM0.79 million in the preceding corresponding period to RM1.38 million in the current period due to higher operating and administrative expenses and finance costs.

INTERIM REPORT FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2024
15. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

Operating Segments	Quarter Ended		Difference
	30.9.2024	30.6.2024	
	RM'000	RM'000	RM'000
Revenue			
Maintenance	340,123	133,267	206,856
Construction	11,161	11,414	(253)
Property	8,014	7,122	892
Asset Management	922	1,424	(502)
Hotel & Hospitality	4,044	2,489	1,555
Engineering & Consultancy	6,582	7,562	(980)
Trading & Manufacturing	79,848	77,100	2,748
Education	8,835	5,697	3,138
Clean Energy	2,896	11,799	(8,903)
Agriventure	122	109	13
Others and Eliminations	(11,595)	(5,320)	(6,275)
GROUP	450,952	252,663	198,289
Profit/(Loss) Before Interest and Tax			
Maintenance	37,526	8,453	29,073
Construction	(154)	1,149	(1,303)
Property	(1,232)	(1,132)	(100)
Asset Management	5,007	57	4,950
Hotel & Hospitality	766	(348)	1,114
Engineering & Consultancy	1,762	2,245	(483)
Trading & Manufacturing	1,624	1,391	233
Education	(195)	(2,884)	2,689
Clean Energy	(911)	2,907	(3,818)
Agriventure	(325)	(325)	-
Others and Eliminations	(482)	(504)	22
GROUP	43,386	11,009	32,377
Profit/(Loss) Before Taxation			
Maintenance	38,655	8,435	30,220
Construction	(846)	445	(1,291)
Property	(1,914)	(1,785)	(129)
Asset Management	4,399	(520)	4,919
Hotel & Hospitality	502	(624)	1,126
Engineering & Consultancy	1,689	2,288	(599)
Trading & Manufacturing	959	901	58
Education	(750)	(3,362)	2,612
Clean Energy	(1,228)	2,496	(3,724)
Agriventure	(533)	(467)	(66)
Others and Eliminations	366	259	107
GROUP	41,299	8,066	33,233

The Group revenue increased from RM252.66 million to RM450.95 million due to the increase in revenue from the following business segments:

- (i) Maintenance: higher routine and periodic maintenance works;
- (ii) Property: higher take up rates and development progress at Jade Hill, Tampin project, sales of two (2) units of inventory at Sentrico Pasir Gudang and higher rental income from student accommodation;
- (iii) Hotel & Hospitality: higher hotel rooms, food & beverages and ancillary service income;
- (iv) Trading: higher demand for bitumen and project RF products; and
- (v) Education: higher tuition fee, international student fee and franchise fee.

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

The increased revenue of RM198.29 million resulted in the Group profit before tax increased from RM8.07 million in the immediate preceding quarter to RM41.30 million in the current quarter. The increase in Group profit before tax was also driven by several factors, including higher gross profit, increased other income mainly from reversal of impairment of receivables and reversal of provision for TNB's penalty, lower administrative expenses incurred, and higher share of profit from associates.

16. Commentary on Prospects

The Group posted a substantial increase in net profit for the current quarter, achieving two consecutive quarters of profitability. This progress marks a significant turnaround from the previous net loss position, transitioning from the preceding period of net loss to a positive year-to-date net profit position.

The significant increase in the current quarter's net profit can be attributed to higher revenue in the Maintenance segment, leading to an increase in gross profit relative to the immediate preceding quarter. In addition, the Group also recorded higher other income due to the recognition of a completed one-off project, the recovery of impaired debts and the reversal of impairments.

Moving forward, upon the successful completion of the proposed disposal of the Education segment, the Group is expected to realise a gain on disposal and the resulting de-consolidation of this loss-making segment will boost the group's earnings.

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

- (i) Customer-oriented approach in business development and revenue generation;
- (ii) Cost awareness to optimise operating and administrative expenses;
- (iii) Collective and improved efforts in the recovery of impaired trade receivables and curtailing current-year impairments;
- (iv) Strategic alliances to strengthen the business models for under-performing 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 confident of the medium and long-term business prospects and the Group is also proactively and diligently pursuing other business opportunities to enhance shareholders' returns.

17. Profit Forecast or Profit Guarantee

Not applicable.

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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>30.9.2024</u> RM'000	<u>Corresponding</u> <u>Year To Date</u> <u>30.9.2023</u> RM'000
Profit after taxation for the financial period is arrived at after charging / (crediting):		
Depreciation of property, plant and equipment	9,998	10,121
Depreciation of investment properties	1,367	1,367
Depreciation of right-of-use assets	1,987	1,875
Interest expense	10,010	9,367
(Gain)/Loss on disposal of property, plant and equipment	(30)	(64)
Interest income	(746)	(932)
Reversal of impairment losses on:		
- Receivables	(6,196)	(6,381)
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20. Corporate Proposals

Following the Group's announcement on 2 May 2024, the corporate proposal involving the proposed disposal of equity interest in Ikram Education Sdn Bhd ("IESB") by Kumpulan Ikram Sdn Bhd's ("KISB"), a wholly-owned subsidiary of Protasco Berhad to Star Teenagers International Sdn. Bhd. ("STISB"), remains ongoing and is subject to fulfillment of all conditions precedent.

The Completion date is now deferred to on or before 20 January 2025 as per Share Sale Agreement entered into between KISB and STISB on 19 July 2024.

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21. Borrowings and Debt Securities

	<u>As at 30.9.2024</u>	<u>As at 30.9.2023</u>
	RM'000	RM'000
Secured:		
- Short term borrowings	143,384	126,231
- Long term borrowings	33,599	45,797
- Bank overdrafts	52,064	45,231
Total borrowings	<u>229,047</u>	<u>217,259</u>

The total borrowings increased from RM217.26 million as at 30 September 2023 to RM229.05 million as at 30 September 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, invoice financing and drawdown of banking facilities by DC Resort Homes Sdn Bhd for Jade Hill, Tampin project.

The Group net gearing ratio decreased from 0.35 times as at 30 September 2023 to 0.27 times as at 30 September 2024 due to increase in cash and cash equivalents from RM46.47 million in the preceding financial period to RM62.97 million in the current financial period.

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 30.9.2024</u>	<u>As at 30.9.2023</u>
	RM'000	RM'000
Less than 6 months	344,742	278,500
6 to 12 months	52,722	25,987
1 to 2 years	20,539	21,218
More than 2 years	1,548	2,607
	<u>419,551</u>	<u>328,312</u>

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

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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.

INTERIM REPORT FOR THE FINANCIAL PERIOD 30 SEPTEMBER 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 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.

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.

INTERIM REPORT FOR THE FINANCIAL PERIOD 30 SEPTEMBER 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 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.

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 3 September 2025.

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 30 SEPTEMBER 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.

The 2nd and 3rd Defendants have filed an appeal at the High Court and the appeal has been fixed for Hearing on 23 January 2025.

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.

The Shah Alam High Court had on 3 July 2024, dismissed the new applications with costs of RM400.00 per application to be paid to the Company by each of them.

INTERIM REPORT FOR THE FINANCIAL PERIOD 30 SEPTEMBER 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)**

Meanwhile, the Company has presented a creditor petition to the High Court at Malaya in Shah Alam on 24 May 2024, following an act of bankruptcy by the 2nd and 3rd Defendants on 8 May 2024. The date for the creditor petition hearing is fixed on 26 August 2024.

Prior to the hearing of the creditor petition, both the 2nd and 3rd Defendants had on 19 and 21 August 2024, filed their respective applications via Summons in Chambers to stay the creditor petition and the entire bankruptcy proceedings pending their appeal at the Court of Appeal (“**Stay Applications**”). In this regard, the Shah Alam High Court fixed the date for decision of the Stay Applications filed by both the 2nd and 3rd Defendants on 18 October 2024. The Shah Alam High Court had on 18 October 2024 allowed both the 2nd and 3rd Defendants’ Stay Applications pending the disposal of their appeal at the Court of Appeal which is fixed for hearing on 3 September 2025.

In the premises, the creditor petition filed by the Company on 24 May 2024 following an act of bankruptcy by Tey Por Yee and Ooi Kock Aun on 8 May 2024 is now fixed for hearing on 12 September 2025.

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.

- (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.

INTERIM REPORT FOR THE FINANCIAL PERIOD 30 SEPTEMBER 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 (cont'd)

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 30 SEPTEMBER 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>30.9.2024</u>	<u>9 months</u> <u>ended</u> <u>30.9.2024</u>
Net Profit for the financial quarter / period (RM'000)	18,925	13,731
Weighted average number of ordinary shares in issue ('000)	481,735	481,735
Basic earnings per share (sen)	<u>3.93</u>	<u>2.85</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 28 November 2024.