

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2020 RM'000	Current Year Ended 31/12/2021 RM'000	Preceding Year Corresponding Period Ended 31/12/2020 RM'000 (Audited)
Revenue	127,379	34,425	245,206	131,220
Cost of sales	(67,137)	(26,867)	(98,946)	(55,720)
Gross Profit	60,242	7,558	146,260	75,500
Other operating income	4,632	524	8,552	3,884
Operating expenses	(15,477)	(63,688)	(75,656)	(115,006)
Operating profit/(loss)	49,396	(55,606)	79,156	(35,622)
Loss on derecognition of subsidiaries	(15,364)	-	(15,364)	-
	34,032	(55,606)	63,792	(35,622)
Finance costs	(6,922)	(2,472)	(14,598)	(16,934)
Profit/(loss) before tax	27,110	(58,078)	49,194	(52,556)
Taxation	(19,501)	(3,133)	(30,082)	(10,865)
Profit/(loss) from Continuing Operations	7,609	(61,211)	19,112	(63,421)
Loss from discontinued operation	(12,106)	(13,146)	(34,925)	(39,226)
Loss for the period	(4,497)	(74,357)	(15,813)	(102,647)
Profit/(loss) for the period attributable to:				
Owners of the parent	(1,766)	(74,938)	(12,466)	(95,214)
Non-controlling interests	(2,731)	581	(3,347)	(7,433)
	(4,497)	(74,357)	(15,813)	(102,647)
Profit/(loss) per share attributable to equity holders of the parent:				
Earning/(loss) per share (sen)	(1.77)	(74.94)	(12.47)	(95.21)
Profit/(loss) per share attributable to equity holders of the parent from continuing operations				
Earning/(loss) per share (sen)	4.68	(67.98)	6.39	(74.18)
Loss per share attributable to equity holders of the parent from discontinued operation				
Loss per share (sen)	(6.45)	(6.96)	(18.85)	(21.03)

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

PERAK CORPORATION BERHAD
Company No: 199101000605 (210915-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	94,979	186,131
Right-of-use assets	133,642	96,702
Port facilities	102,647	139,680
Investment properties	7,588	19,285
Other investments	25	25
Intangible assets	26,058	26,973
Finance lease receivables	-	57
Inventories	520	24,311
	<u>365,459</u>	<u>493,164</u>
CURRENT ASSETS		
Inventories	106,403	161,757
Receivables, deposits and prepayments	21,101	25,728
Finance lease receivable	57	131
Current tax recoverable	1,501	759
Other investment	4,294	4,247
Deposits, bank and balances	45,898	41,734
	<u>179,254</u>	<u>234,356</u>
TOTAL ASSETS	<u>544,713</u>	<u>727,520</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	272,770	272,770
Accumulated losses	(193,761)	(181,295)
	<u>79,009</u>	<u>91,475</u>
Non-controlling interests	139,278	(208,210)
TOTAL EQUITY	<u>218,287</u>	<u>(116,735)</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Loans and borrowings	24,345	67,765
Deferred tax liabilities	12,573	14,964
	<u>36,918</u>	<u>82,729</u>
CURRENT LIABILITIES		
Loans and borrowings	158,847	480,560
Payables and accrued liabilities	127,957	263,653
Current tax payable	2,704	17,313
	<u>289,508</u>	<u>761,526</u>
TOTAL LIABILITIES	<u>326,426</u>	<u>844,255</u>
TOTAL EQUITY AND LIABILITIES	<u>544,713</u>	<u>727,520</u>

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

PERAK CORPORATION BERHAD
Company No: 199101000605 (210915-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Issued and fully paid share capital RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2021	272,770	(181,295)	91,475	(208,210)	(116,735)
<u>Total comprehensive loss for the financial year</u>					
Net loss for the financial year	-	(12,466)	(12,466)	(3,347)	(15,813)
<u>Changes in ownership interests in subsidiaries</u>					
Effects arising from changes in composition of the Group			-	355,835	355,835
<u>Total transactions with owners, recognised directly in equity</u>					
Dividend paid by a subsidiary to non-controlling interests	-	-	-	(5,000)	(5,000)
At 31 December 2021 (unaudited)	272,770	(193,761)	79,009	139,278	218,287
(Audited)					
At 1 January 2020	272,770	(86,081)	186,689	(195,777)	(9,088)
<u>Total comprehensive loss for the financial year</u>					
Net loss for the financial year	-	(95,214)	(95,214)	(7,433)	(102,647)
<u>Total transactions with owners, recognised directly in equity</u>					
Dividend paid by a subsidiary to non-controlling interests	-	-	-	(5,000)	(5,000)
At 31 December 2020	272,770	(181,295)	91,475	(208,210)	(116,735)

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

PERAK CORPORATION BERHAD
Company No: 199101000605 (210915-U)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2021 RM'000	31/12/2020 RM'000 (Audited)
OPERATING CASH FLOW		
Cash collection from trade/other receivables	217,197	145,455
Cash received from other income	1,471	1,099
Cash paid for other expenses	(64,410)	(54,547)
Cash paid to trade/other payables	(36,419)	(44,282)
Cash paid for tax	(11,603)	(11,472)
Cash flow from operating activities (discontinued operation)	(1,176)	(3,166)
Net operating cash flow	<u>105,060</u>	<u>33,087</u>
INVESTING CASH FLOW		
Interest received	463	505
Dividend income received	4	3
Proceeds from disposal of property plant & equipment	38	185
Purchase of property plant & equipment	(644)	(1,168)
Purchase of port facilities	(12,521)	(16,148)
Purchase of investment	-	(100)
Development costs	(587)	-
Advances to related companies	-	(619)
Net cash outflow from loss of control of subsidiaries	(1,040)	-
Cash flow from investing activities (discontinued operation)	7	2
Net investing cash flow	<u>(14,280)</u>	<u>(17,340)</u>
FINANCING CASH FLOW		
Cash repayment from amounts borrowed	(78,477)	(5,834)
Dividend paid to non-controlling interests	(5,000)	(5,000)
Interest paid	(3,559)	(2,868)
Placement of fixed deposits	(322)	-
Placement of fixed deposits pledged	-	(7,235)
Advances from related companies	-	7,016
Cash flow from financing activities (discontinued operation)	1,252	4,647
Net financing cash flow	<u>(86,106)</u>	<u>(9,274)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,674	6,473
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	20,296	13,823
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>24,970</u>	<u>20,296</u>
Cash and cash equivalents comprise :		
Deposits, bank and balances	45,898	41,734
Less:		
Deposits pledged with banks	(2,330)	(3,029)
Overdraft	(5,025)	(5,102)
Fixed deposits with maturity of more than 3 months	(13,573)	(13,307)
Cash and cash equivalents	<u>24,970</u>	<u>20,296</u>

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

PERAK CORPORATION BERHAD
(Company no. 199101000605 (210915-U))
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
- FORTH QUARTER ENDED 31 DECEMBER 2021

A1 Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (the "Group") since the financial year ended 31 December 2020.

The Group reported losses after tax of RM15.8 million for the financial year ended 31 December 2021 and as at that date, the Group's current liabilities exceeded its current assets by RM110.3 million. As at 31 December 2021, cash and bank balances of the Group totalled RM45.9 million and borrowings due for repayment over the next 12 months after reporting date totalled RM158.8 million.

The financial statements of the Group and of the Company are prepared on a non-going concern basis. There has been no change in the basis of preparation since the previous financial year.

The key chronological events are laid out below with the key determinants considered by the directors in concluding on the above basis of preparation.

Key chronological events

Default of syndicated term loan by Animation Theme Park Sdn. Bhd.

On 26 September 2019, Animation Theme Park Sdn Bhd ("ATP"), a direct 51% owned subsidiary of PCB Development Sdn Bhd ("PCB Development"), which in turn is a wholly owned subsidiary of the Company, defaulted on a RM25.7 million principal repayment of its syndicated term loan of RM245.1 million representing the principal amount draw down and interest due at the event of default. Subsequently, on 16 October 2019, Affin Hwang Investment Bank ("AHIB"), the facility agent declared an event of default had occurred and gave notice within 14 days from the day of its letter to effect payment of RM25.7 million, failing which all secured obligations due from ATP shall become immediately due and payable. Consequently, in addition to the syndicated term loan of RM245.1 million mentioned above, included in bank borrowings classified as "current liabilities" as at 31 December 2019 are borrowings totalling RM191.8 million with cross default provision under different financing facilities undertaken by companies within the Group which are repayable on demand.

Appointment of receiver and manager

On 4 December 2019, following ATP's failure to meet the demand for the principal repayment of RM25.7 million for the syndicated term loan, AHIB appointed a receiver and manager over the property of ATP. The carrying amount of ATP's charged assets totalled RM87.8 million, was classified as 'assets held for sale' under current assets as at 31 December 2019. On 28 January 2020, the receiver and manager of ATP decided to close the operations of ATP's theme park.

Demand of full payment from PCB Development Sdn. Bhd. of the Syndicated Term loan pursuant to the Corporate Guarantee

On 18 December 2019, AHIB demanded from PCB Development the payment of RM244 million together with interest accrued thereon on the date of full repayment pursuant to the Corporate Guarantee dated 10 July 2014 executed by PCB Development in favour of AHIB for the syndicated term loan provided to ATP.

Event of default declared on the Company

On 6 February 2020, Affin Islamic Bank Berhad (“AIB”) declared an event of default on the Company arising from its failure to pay the scheduled principal repayment due of RM3.3 million on 31 January 2020 for the total outstanding credit facilities of RM75.9 million representing the principal amount drawn down and interest due as at the date of the event of default relating to Musharakah Mutanaqisah Term Financing -i and Tawarruq Revolving Credit -i.

Declaration of PN17 status by the Company

After taking into consideration the Group’s current cash flow position vis-a-vis its total debt obligations payable and the available cash flow, the Directors had, on 11 February 2020, determined that the Company was unable to declare that it was solvent pursuant to paragraph 9.19A(F) of the Listing Requirements. As a result of this and the above defaults on the various loan repayments, the Company was declared a PN 17 company after triggering the prescribed criteria under paragraph 2.1 (f) of the PN 17. As a result of the COVID-19 pandemic, Bursa Malaysia had announced temporary relief on 26 March 2020 whereby the Company has 24 months to submit its regularisation plan to Bursa Malaysia from the date it was first announced as a PN 17 company, which will be due on 11 February 2022. At the date of this report, management was still considering various regularisation options and no preliminary plan was available.

Cross defaults declared on the Company and PCB Taipan Sdn. Bhd.

Following the declaration of an event of default by AIB for the credit facilities extended to the Company and the Company’s declaration being a PN17 company, CIMB Bank Berhad (“CIMB”) had on 28 February 2020 declared an event of cross default in respect of the Revolving Credit Facilities of RM60.0 million and RM30.0 million granted to the Company and its subsidiary, PCB Taipan Sdn Bhd (“PCB Taipan”) respectively and demand full payment of RM91.3 million representing the principal amount drawn down and interest due as at the date of the event of default within 14 days from 28 February 2020.

Proposed Scheme of Arrangement

On 23 July 2020, the High Court of Malaya in Ipoh, Perak Darul Ridzuan has granted the following orders upon hearing an application by the Company and its wholly owned subsidiary, PCB Development (collectively “the Scheme Companies”)

- (i) That the Scheme Companies be given liberty to convene a meeting (“Court Convened Meeting”) with its creditors (“Scheme Creditors”) pursuant to Section 366 of the Companies Act 2016 for the purpose of taking into account and if deemed appropriate, to approve with or without modification, a proposed scheme of arrangement and compromise between the Scheme Companies and its Scheme Creditors.
- (ii) that the Court Convened Meeting shall be held within 180 days from the date of the order dated 23 July 2020; and
- (iii) that all further proceedings or actions and/or any forthcoming proceedings or actions against the abovenamed Scheme Companies by any party (including Scheme Creditors) be restrained for a period of ninety (90) days from the date of the High Court Order, subject to the terms as may be determined or any further extension as the case may be pursuant to section 368 of the Companies Act 2016 (“Restraining Order”).

Extensions of time granted for the Proposed Scheme of Arrangement

On 19 October 2020, on an application made by the Scheme Companies, the High Court of Malaya at Ipoh had granted the Scheme Companies an extension of the restraining order for a period of 90 days from 19 October 2020 for the Scheme Companies to call for its Court Convened Meeting pursuant to Section 366 and 368 of the Companies Act 2016.

On 8 January 2021, the Court Convened Meetings for the Non-Financial Institutions and Direct Financial Institutions of the Company, Corporate Guarantee Financial Institutions and Non-Financial Institutions of PCB Development were adjourned

On 13 January 2021, the High Court of Malaya at Ipoh had granted a further extension of the Restraining Order for an extended period of ninety (90) days and a period of one hundred eighty (180) days from 13 January 2021 to convene a new Court Convened Meeting with the Scheme Creditors pursuant to the provisions of Section 366 of the Companies Act 2016 for the purpose of considering the Proposed Scheme of Arrangement

On 9 April 2021, the Scheme Companies obtained another extension for the restraining order pursuant to Section 366 and 368 of Companies Act 2016 from the High Court of Malaya at Ipoh granting the Scheme Companies additional time of ninety (90) days to finalise the PSOA between the Scheme Companies and the Scheme Creditors pursuant to Section 366 of Companies Act 2016.

Approvals of the Scheme of Arrangement by the Non-Financial Institutions creditors

On 19 April 2021, the Company and PCB Development obtained the approval from their respective Non-Financial Institutions creditors on the Proposed Scheme of Arrangement as detailed in the Explanatory Statement, together with the Notice to convene the meetings of the new scheme creditors, unsecured creditors other than the banks and financial institution ("New Scheme Creditors") issued on 26 March 2021 for the purpose of considering the Proposed Scheme of Arrangement to the New Scheme Creditors pursuant to the Section 366 and other relevant provisions of the Companies Act 2016 .

On 7 May 2021, the High Court had approved and sanctioned the Proposed Scheme of Arrangement as detailed in the Explanatory Statement dated 26 March 2021 and the sealed order granted thereof had been extracted on 11 May 2021 following an application made by the Scheme Companies pursuant to section 366(3), (4), (5), (6) and (7) of the Companies Act 2016 for the sanction and approval of the Proposed Scheme of Arrangement. The Proposed Scheme of Arrangement shall be binding on the Scheme Companies and the New Scheme Creditors.

Proposed Private Debt Settlements with Financial Institutions

On 8 November 2021, the Company had entered into debt settlement agreements with AIB and CIMB for the proposed debt settlement of debts owing by the Company and proposes to undertake the proposed amendments to the Constitution of the Company to facilitate the issuance of redeemable cumulative preference shares under the proposed private debt settlement. The proposed debt settlement of debts and the proposed amendments to the Constitution of the Company were approved by the shareholders of the Company during the Extraordinary General Meeting held on 31 January 2022.

Presently, the Company, PCB Taipan and CIMB are in the midst of negotiating and finalising the private debt settlement agreement for the debt owing by PCB Taipan as part of the private debt settlement plan currently undertaken by the Perak Corp Group.

Creditor's Voluntary Winding-Up of PCB Development

On 20 December 2021, the Company announced that PCB Development is undergoing a Creditors' Voluntary Winding Up pursuant to Section 440(1) of the Companies Act 2016.

On 6 January 2022, a meeting of PCB Development and a meeting of creditors of PCB Development were held, where Mr Andrew Heng and Ms Anoopal Kaur of Baker Tilly Insolvency PLT (“Liquidators”) have been appointed as the Joint and Several Liquidators of PCB Development by way of a resolution of its members and creditors. As a result, the Liquidators has assumed control of PCB Development’s business undertakings and all powers of the directors and management now vest in the Liquidators.

The Creditors’ Voluntary Winding Up is necessary in view of PCB Development’s inability to address and resolve all debts owing to its creditors. The shareholder of PCB Development has resolved to not provide further financial assistance to PCB Development. As such, PCB Development cannot by reason of its liabilities to continue business as usual.

The assets of PCB Development to be realised by the Liquidators will be utilised to settle all the unsecured creditors not settled under the approved and sanction Scheme of Arrangement, including the syndicated term loan lenders.

As the Company lost control of PCB Development and its subsidiary, ATP, the Company derecognised the assets and liabilities of these former subsidiaries from the consolidated statement of financial position as at 20 December 2021 and recognised the loss associated with the loss of control attributable to the former controlling interest.

Regularisation Plan

The Company had on 4 February 2022 submitted an application to Bursa Securities for an extension of time for a period of 12 months of up to 9 February 2023 to submit its regularisation plan to the relevant authorities.

Key determinants in arriving at the basis of preparation of the financial statements on a non-going concern basis

The main determinant to resolve the Group’s and the Company’s non-going concern issue is the ability of the Group and of the Company to repay their loans and borrowings with the financial institutions. As at 31 December 2021, the total loans and borrowings of the Group amounted to RM183.2 million (2020: RM548.3 million), constituted about 56.1% of the total liabilities of the Group.

With the resolutions of majority of the debt issues, Company is in the midst of formulating a plan to regularise its financial conditions to achieve the following:

- (a) complete the Proposed Debt Settlements, which is an important milestone towards resolving/restructuring its debt obligations and rehabilitate its business viabilities through the private debt settlement agreements;
- (b) repayment of Perak Corp’s group’s future debt obligations via the redemption of Redeemable Preference Shares to be issued to the financial institutions and Scheme Creditors as well as the settlement to the Scheme Creditors in the ordinary course of business; and
- (c) improve the financial state of Perak Corp by securing new projects/business to revitalise the Group’s existing ports and logistics, property development and hospitality and tourism business segments.

The bank and cash position of the Group as at 31 December 2021 of RM45.9 million, together with the projected cash inflows to be generated from the on-going projects undertaken by entities within the Group are insufficient to settle the loans and borrowings due for repayment on demand or within 1 year.

As at the date of this report, the directors are of the view that the Group and the Company are unable to realise their assets and discharging their liabilities and obligations in the normal course of business. The directors are of the view that the Group's and the Company's ability to continue its operations and business had been significantly curtailed since the previous financial year and continued to be curtailed up to the date of this report. In view of this, the directors continued to prepare the consolidated financial statements of the Group and the financial statements of the Company on a non-going concern basis. Consequently, the directors applied the requirements of paragraph 25 of MFRS 101 "Presentation of Financial Statements" which states that *"...When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern."*

Basis of measurement

Accordingly, the effect of this is as follows:

- (i) Assets are written down to their recoverable amounts based on conditions existing at the reporting date, taking into consideration the specific circumstances affecting the Group and the Company as disclosed above. This includes realisation of assets through forced sale transactions, where applicable;
- (ii) Assets are classified as current when these are expected to be recovered within twelve months from the reporting period, considering the liquidity constraints and obligations of the Group and of the Company that would fall due within the next twelve months;
- (iii) Assets that management has determined to be recovered principally through a sale transaction rather than through continuing use are classified as "assets held for sale" presented separately from the other assets in the statements of financial position;
- (iv) Liabilities are recorded in accordance with the accounting policies. Provision for future restructuring costs are recognised only when the Group and the Company have a present obligation that is evidenced by a detailed formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring; and
- (v) Liabilities are classified as current if the liability is due to be settled within twelve months after the reporting period or the Group and of the Company do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

A2 Significant Accounting Policies

The significant accounting policies and presentation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020

New standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group and the Company but not yet effective and not early adopted.

The Group and the Company will apply the new standards, amendments to published standards and IC interpretations to existing standards in the following financial periods:

- (a) Financial year beginning on 1 January 2022
 - Amendments to MFRS 116 Property, Plant and Equipment: Proceeds before Intended Use”
 - Amendments to MFRS 137 “Onerous Contracts – Cost of Fulfilling a Contract”
 - Amendments to MFRS 3 Business Combinations: “Reference to the Conceptual Framework”
 - Annual Improvements to MFRSs 2018 – 2020: Amendments to Illustrative Example 13 accompanying MFRS 16 Leases: “Lease Incentives”, Amendments to MFRS 9: “Fees in the “10 per cent” test for Derecognition of Financial Institutions” and Amendments to MFRS 141 “Taxation in Fair Value Measurements”
- (b) Financial year beginning on 1 January 2023
 - Amendments to MFRS 101 “Classification of Liabilities as Current or Non-current” and deterrent of effective date.
 - Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates.
- (c) Date to be determined by IASB
 - Amendments to MFRS 10 and MFRS 128 “Sale of Contribution of Assets between and Investor and its Associate or Joint Venture”

The Group and the Company are in the midst of assessing the impact arising from the adoption of the above amendments and annual improvements to the published accounting standards in the year of initial application.

A3 Discontinued Operations

A discontinued operation is a component of the entity that has been ceased operation. The Group therefore presents and disclose in its financial statements, the financial effects of discontinued operations in accordance to MFRS 5 (Non-Current Assets Held For Sale and Discontinued Operations). The results of discontinued operation are presented separately in the statements of comprehensive income.

On 4 December 2019, Datuk Duar Tuan Kiat of Messrs. Ernst & Young was appointed as Receiver and Manager (“R&M”) of ATP under the terms of a debenture dated 10 July 2014 (“Debenture”) given to Affin Hwang Investment Bank Berhad. As part of receivership strategy, the R&M ceased the operations of MAPS on 28 January 2020. Thereafter, the R&M would proceed to conduct an offer for sale exercise to identify strategic investors for the sale of the charged assets of ATP.

Financial performance and Cash Flow Information of ATP presented as Discontinued Operation

The financial performance and cash flow information presented are for the three months and twelve months ended 31 December 2021.

	Current Quarter ended 31/12/2021 RM'000	Preceding Corresponding Quarter ended 31/12/2020 RM'000	Current Year ended 31/12/2021 RM'000	Preceding Corresponding Year ended 31/12/2020 RM'000 (Audited)
Revenue	-	1	-	415
Cost of sales	-	112	-	(187)
Gross (loss)/ profit	-	113	-	228
Other income	7	1	7	2
Selling and distribution expenses				(97)
Administrative expenses	(959)	(1,148)	(2,464)	(7,388)
Impairment loss	(65)	(9,871)	(65)	(9,911)
Depreciation and amortisation expenses	(836)	-	(3,343)	-
Loss from discontinued operation	(1,852)	(10,905)	(5,864)	(17,166)
Finance costs	(10,285)	(2,313)	(29,308)	(22,349)
Loss before taxation	(12,137)	(13,218)	(35,172)	(39,515)
Tax credit	31	72	247	289
Net loss from discontinued operation	(12,106)	(13,146)	(34,925)	(39,226)
Net operating cash flows	(101)	(1,507)	(1,176)	(3,166)
Net investing cash flows	-	1	7	2
Net financing cash flows	133	339	1,252	4,647
Net change in cash and cash equivalents	32	(1,167)	83	1,483

A4 Changes in Estimates

There were no changes in estimates that have a material effect in the current financial year ended 31 December 2021.

A5 Changes in Composition of the Group

On 20 December 2021, the Company announced that PCB Development is undergoing a Creditors' Voluntary Winding Up where Mr Andrew Heng and Ms Anoopal Kaur of Baker Tilly Insolvency PLT have been appointed as the Interim Liquidators of PCB Development to commence the Creditors' Voluntary Winding Up proceedings pursuant to Section 440(1) of the Companies Act 2016. The meetings of the PCB Development shareholders and the creditors of PCB Development are scheduled to be held within thirty (30) days from the date of this announcement.

On 6 January 2022, a meeting of PCB Development and a meeting of creditors of PCB Development were held, where Mr Andrew Heng and Ms Anoopal Kaur of Baker Tilly Insolvency PLT ("Liquidators") have been appointed as the Joint and Several Liquidators of PCB Development by way of a resolution of its members and creditors. As a result, the Liquidators has assumed control of PCB Development's business undertakings and all powers of the directors and management now vest in the Liquidators.

As the Company lost control of PCB Development and its subsidiary, ATP, the Company derecognised the assets and liabilities of these former subsidiaries from the consolidated statement

of financial position as at 20 December 2021 and recognised the loss associated with the loss of control attributable to the former controlling interest.

A6 Segmental Information

Segment revenue	Current Quarter Ended		Cumulative Year To Date	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000 (Audited)
Port & Logistics	34,649	30,448	121,706	115,558
Property development	89,680	749	112,719	2,945
Hospitality & tourism	4,932	2,717	11,324	13,034
Management services and others	1,978	5,892	12,087	8,567
Total revenue	131,239	39,806	257,836	140,104
Eliminations	(3,860)	(5,380)	(12,630)	(8,469)
	127,379	34,426	245,206	131,635
Segment results				
Profit/ (loss) before tax				
Port & Logistics	11,177	8,479	42,766	42,988
Property development	46,401	(27,168)	36,562	(59,322)
Hospitality & tourism	(21,777)	(33,201)	(53,087)	(70,700)
Management services and others	(12,545)	(31,504)	49,021	(156,281)
Loss on derecognition of subsidiaries	(15,364)	-	(15,364)	-
	7,892	(83,394)	59,898	(243,315)
Eliminations	7,081	12,098	(45,876)	151,244
	14,973	(71,296)	14,022	(92,071)

The discontinued operation is included and reported under the "Hospitality and Tourism" segment. The split by continuing operations and discontinued operation are as follows:

Revenue	Current Quarter Ended		Cumulative Year To Date	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000 (Audited)
Continuing operations	127,379	34,425	245,206	131,220
Discontinued operation	-	1	-	415
	127,379	34,426	245,206	131,635
PBT/ (LBT)				
Continuing operations	42,474	(58,078)	64,558	(52,556)
Loss on derecognition of subsidiaries	(15,364)	-	(15,364)	-
	27,110	(58,078)	49,194	(52,556)
Discontinued operation	(12,137)	(13,218)	(35,172)	(39,515)
	14,973	(71,296)	14,022	(92,071)

All inter-segment transactions have been entered into in the normal course of business and have been established on negotiated terms.

All activities of the Group's operations are carried out in Malaysia.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last financial statements except for a sub-subsidiary be reclassified from hospitality and tourism segment to management services.

Comparison between Quarter 4 2021 and Quarter 4 2020

Group Summary

The Group recorded revenue of RM127.4 million for the current quarter ended 31 December 2021 compared to revenue of RM34.4 million in the corresponding quarter of the previous financial year, representing an increase of 270%. The higher revenue in current quarter is contributed by realisation of revenue from sale of land in Property Development segment.

Port & Logistics

The port & logistics segment revenue comprises mainly of revenue from port operations for the provision of port facilities and ancillary services at Lumut Maritime Terminal (LMT), operation and maintenance of Lekir Bulk Terminal (LBT) and rental of LMT port related industrial land. For the quarter under review, the revenue of RM34.6 million is higher than corresponding quarter of previous financial year (31/12/2020: RM30.5 million) by 14% due to higher throughput. As a result, the profit before tax for the quarter under review of RM11.2 million is higher than corresponding quarter of previous financial year (31/12/2020: RM8.5 million) by 32%.

The summary results are as follows:

	Current Quarter Ended		
	31/12/2021	31/12/2020	
	RM'000	RM'000	% change
Revenue			
Port Operations	34,649	30,448	14%
Total	<u>34,649</u>	<u>30,448</u>	<u>14%</u>
Profit before tax			
Port Operations	11,177	8,479	32%
Total	<u>11,177</u>	<u>8,479</u>	<u>32%</u>
Throughput	metric tonnes	metric tonnes	% change
LMT	1,325,951	1,063,803	24.64%
LBT	3,180,735	3,133,287	1.51%

Property Development

This segment contributed revenue of 70% (31/12/2020: 2%) to the Group's total revenue for the current financial quarter under review.

The revenue from this segment comprise sales of land, profits from property development joint arrangement and other ancillary services. The property development segment recorded revenue of RM89.7 million in the current quarter, mainly contributed by realisation of revenue from sale of land. The segment pre-tax profit in current quarter amounted to RM46.4 million (31/12/2020: pre-tax loss RM27.2 million).

Hospitality & Tourism

This hospitality & tourism segment recorded revenue from hotel operations, food and beverage amounting to RM4.9 million for the current financial quarter under review compared to RM2.7 million in the corresponding quarter of previous financial year. The segment also generated a loss before tax of RM21.8 million for the current financial quarter (31/12/2020: RM33.2 million).

Management Services and others

This segment reported a revenue of RM1.9 million in the current financial quarter under review (31/12/2020: RM5.9 million). The segment generated loss before tax of RM12.5 million for the current financial quarter under review as opposed to loss before tax of RM31.5 million in the corresponding quarter of previous financial year.

Comparison between Full Year 2021 and Full Year 2020

Group Summary

The Group reported revenue of RM245.2 million for the current financial year, representing an increase of 86% as compared to RM131.6 million recorded in the previous financial year. The higher revenue is mainly contributed by Property Development segment. The Group's profit before tax for the current financial year is RM14.0 million (31/12/2020: pre-tax loss RM92.1 million).

Port & Logistics

The port & logistics segment continues to be the Group's main source of revenue, contributing 50% (31/12/2020: 88%) of the Group's revenue.

This segment recorded revenue amounting to RM121.7 million for the current financial year compared to RM115.6 million in the previous financial year.

The profit before tax for the current financial year is RM42.8 million (31/12/2020: RM42.9 million). The summary results are as follows:

	Cumulative Year To Date		
	31/12/2021	31/12/2020	
	RM'000	RM'000	% change
		(Audited)	
Revenue			
Port Operations	121,706	115,558	5%
Total	<u>121,706</u>	<u>115,558</u>	<u>5%</u>
Profit before tax			
Port Operations	42,766	42,988	-1%
Total	<u>42,766</u>	<u>42,988</u>	<u>-1%</u>
Throughput	metric tonnes	metric tonnes	% change
LMT	4,537,786	4,006,996	13.25%
LBT	12,202,637	11,803,257	3.38%

Property Development

The property development segment recorded revenue of RM112.7 million for the current financial year compared to RM2.9 million in the previous financial year. The higher revenue in the current financial year is contributed by realisation of revenue from sale of land and joint arrangement project. This segment recorded a pre-tax profit of RM36.6 million during the current financial year compared to pre-tax loss of RM59.3 million in the previous financial year.

Hospitality & Tourism

The hospitality & tourism continued to be impacted due to the resurgence of COVID-19 cases and the re-imposition of the Movement Control Order during the year. The hospitality & tourism segment recorded revenue of RM11.3 million in current financial year compared to RM13.0 million in the previous financial year. This segment posted a pre-tax loss of RM53.1 million for current financial year compared to RM70.7 million in the previous financial year.

Management Services and others

The management services and others segment recorded revenue of RM12.1 million for current financial year compared to RM8.6 million in the previous financial year. Higher revenue in current financial year was contributed by a subsidiary which had resumed its operation since previous financial year by providing maintenance and management services to its fellow subsidiaries. This segment recorded pre-tax profit of RM49.0 million compared to pre-tax loss in the previous financial year of RM156.3 million, mainly due to reversal of impairment loss on receivables within the group in the current financial year.

A7 Comments about Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal and cyclical factors. There is a compensating effect on its results due to the performance of the various segmental activities of the Group.

A8 Loss for the Period

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Loss for the period is arrived at after crediting/(charging):				
<u>Continuing Operations</u>				
Interest income	1,285	215	2,854	1,223
Dividend income	(0)	-	4	3
Gain on disposal of property, plant & equipment	-	-	38	148
Interest expense	(6,922)	(2,472)	(14,598)	(16,934)
Depreciation and amortisation	4,046	(9,191)	(11,953)	(13,957)
Impairment losses on property, plant & equipment	(6,576)	(8,085)	(7,623)	(8,087)
Impairment losses on investment properties	-	-	(1,431)	-
Impairment losses on financial guarantee liabilities	(6,189)	(13,340)	(6,189)	(13,340)
Impairment losses on trade receivables	(1,106)	(42,657)	(1,166)	(5,803)
Impairment losses on other receivables	(179)	-	(179)	(157)
Impairment losses on amount due from ultimate holding corporation	(1,514)	-	(1,514)	(13,455)
Impairment losses on amount due from fellow subsidiaries	(101)	-	(393)	(10,151)
Impairment losses on amount due from associates	(1,398)	-	(1,632)	(1,461)
Reversal of allowance for loss on receivables	-	-	371	7
Allowance for write down inventories to net realisable value	-	-	-	(445)
Property, plant and equipment written off	-	-	-	(992)
Provision for slow moving inventories	(177)	-	(177)	(329)
<u>Discontinued Operation:</u>				
Interest expense	(10,285)	(2,313)	(29,308)	(22,349)
Depreciation	(836)	-	(3,343)	-
Impairment losses on property, plant & equipment	-	(9,870)	-	(9,870)
Impairment losses on trade receivables	(12)	(41)	(12)	(41)
Impairment losses on other receivables	(52)	-	(52)	-

Save as disclosed above, there were no gain/loss on disposal of the quoted investment, during the current financial year as well as in the preceding corresponding quarter.

A9 Taxation

The taxation charge for the Group comprises:

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
				(Audited)
For continued operations:				
Income tax	18,390	2,825	28,045	10,344
Deferred Tax	1,112	308	2,037	521
	<u>19,501</u>	<u>3,133</u>	<u>30,082</u>	<u>10,865</u>

The Group's effective tax rate for the current financial quarter was higher than the statutory tax rate of 24% (2020: 24%) principally due to losses incurred by certain subsidiaries not available to offset against profit made by other entities within the Group and certain expenses being disallowed for tax purposes.

A10 Profit/(Loss) Per Share

Basic profit/(loss) per share is calculated by dividing profit/(loss) for the quarter/year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the current financial quarter/year by the Company.

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
				(Audited)
Loss for the period attributable to ordinary equity holders of the parent (RM'000)	<u>(1,766)</u>	<u>(74,938)</u>	<u>(12,466)</u>	<u>(95,214)</u>
Weighted average number of ordinary shares in issue ('000)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Basic loss per share (sen) for:	<u>(1.77)</u>	<u>(74.94)</u>	<u>(12.47)</u>	<u>(95.21)</u>
<u>Continuing Operations</u>				
Profit/(loss) for the period attributable to ordinary equity holders of the parent (RM'000)	<u>4,680</u>	<u>(67,977)</u>	<u>6,387</u>	<u>(74,185)</u>
Weighted average number of ordinary shares in issue ('000)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Basic profit/(loss) per share (sen) for :	<u>4.68</u>	<u>(67.98)</u>	<u>6.39</u>	<u>(74.19)</u>
<u>Discontinued Operation</u>				
Loss for the period attributable to ordinary equity holders of the parent (RM'000)	<u>(6,445)</u>	<u>(6,961)</u>	<u>(18,853)</u>	<u>(21,029)</u>
Weighted average number of ordinary shares in issue ('000)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Loss per share (sen) for :	<u>(6.45)</u>	<u>(6.96)</u>	<u>(18.85)</u>	<u>(21.03)</u>

No diluted loss per share calculated as the Company does not have potential convertible shares.

A11 Intangible assets

There were no changes in estimates of the amounts reported on 31 December 2020 and current financial year ended 31 December 2021.

A12 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000 (Audited)
Deposits, bank and balances	45,898	41,734
Less:		
Deposits pledged with banks	(2,330)	(3,029)
Overdraft	(5,025)	(5,102)
Fixed deposits with maturity of more than 3 months	(13,573)	(13,307)
Cash and cash equivalents	<u>24,970</u>	<u>20,296</u>

A13 Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

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

Level 2 - Inputs that are based on observable market data, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2021				
Other investments	4,294	-	25	4,319
31 December 2020 (Audited)				
Other investments	<u>4,247</u>	<u>-</u>	<u>25</u>	<u>4,272</u>

A14 Borrowings

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

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000 (Audited)
<u>Secured</u>		
(a) <u>Current</u>		
Hire purchase and finance lease liabilities	983	559
Term financing-i	5,720	5,720
Business financing-i and cash line-i	28,942	28,942
Syndicated term loan	-	258,491
Term loans	-	28,726
Revolving credits	118,176	153,020
Overdrafts	5,025	5,102
	<hr/> 158,847	<hr/> 480,560
(b) <u>Non-current</u>		
Hire purchase and finance lease liabilities	15,905	16,664
Term financing-i	8,440	14,160
RCPS	-	36,941
	<hr/> 24,345	<hr/> 67,765
Total borrowings	<hr/> 183,192	<hr/> 548,325

(c) Currency

None of the Group's borrowings is denominated in foreign currency.

(d) There was no borrowing default or breach of any borrowing's agreement by the Group during the current financial year except as disclosed in Note A20.

(e) All long-term borrowings which have cross default clauses in their loan agreements have been reclassified to current liabilities.

A15 Debt and Equity securities

There were no issuance and repayment of debt securities, share buy-backs and share cancellations in the current financial year.

A16 Dividend paid

No dividend was paid during the current financial year ended 31 December 2021.

A17 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 31 December 2021 are as follows:

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000 (Audited)
(i) Authorised but not contracted for	86,057	-
(ii) Authorised and contracted for	17,916	28,074
	<hr/>	<hr/>

A18 Changes in Contingent Liabilities and Contingent Assets

The Group does not have any material contingent liabilities nor contingent assets during the current financial year except for:

- (a) On 18 January 2016 and 11 April 2016, the Company has provided a corporate guarantee of RM26 million and RM21.7 million to a financial institution for facilities granted to subsidiary companies, Casuarina Teluk Intan Sdn Bhd and Lanai Casuarina Sdn Bhd. As at the reporting date, Casuarina Teluk Intan Sdn Bhd have utilised up to RM9.5 million and Lanai Casuarina Sdn Bhd has utilised up to RM19.4 million.

For corporate guarantee granted to associates and subsidiaries, the Group has performed the assessment on the risk of defaults and has made the necessary loss allowance on impairment for the financial guarantee contracts.

A19 Related party transactions

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

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000 (Audited)
Transactions with: Ultimate Holding Corporation ("UHC")				
Interest expenses	(90)	(228)	(360)	(463)
Interest income	-	-	-	-
Advances received	-	1,280	165	1,382
Rental receivable	280	361	1,236	1,435
Other transaction	-	9	59	127
Fellow subsidiaries of the UHC				
Advances received	-	50	84	47
Rental receivable	-	127	214	240
Other transaction	-	27	18	(30)
Related parties				
Port services receivable	11,970	11,459	46,104	44,473

Account balances with significant related parties of the Group at the current financial year ended 31 December 2021 and 31 December 2020 are as follows:

	As at 31-Dec-21 RM'000	As at 31-Dec-20 RM'000 (Audited)
<u>Account balance with UHC</u>		
Receivables	5,600	14,023
Payables	(37,232)	(41,335)
<u>Account balances with fellow subsidiaries</u>		
Receivables	10,300	13,128
Payables	(1,676)	(10,246)
<u>Account balances with related parties</u>		
Receivables	7,967	12,548

A20 Significant event

There was no significant event during the current financial year except for:

- 1) On 17 December 2020, the Company had issued an Explanatory Statement, together with a Notice calling for the Court Convened Meetings to be held on 8 January 2021 pursuant to the provisions of Section 366 of the Companies Act 2016 for the purpose of considering a proposed scheme of arrangement to the Scheme Creditors. On 8 January 2021, the Court Convened Meetings for the Non-Financial and Direct Financial Institutions of the Company, Corporate Guarantee Financial Institutions and Non-Financial Institutions of PCB Development Sdn Bhd were adjourned.
- 2) On 13 January 2021, the High Court of Malaya at Ipoh had granted a further extension of the Restraining Order for an extended period of ninety (90) days and a period of one hundred eighty (180) days from 13 January 2021 to convene a new Court Convened Creditors' Meeting with the Scheme Creditors pursuant to the provisions of Section 366 of the Companies Act 2016 for the purpose of considering the Proposed Scheme of Arrangement
- 3) On 26 March 2021, the Company has issued an Explanatory Statement, together with a Notice to call for a Court Convened Meetings consisting of unsecured creditors other than the banks and financial institutions ("New Scheme Creditors"), to be held on 19 April 2021 pursuant to the provisions of Section 366 of the Companies Act 2016 for the purpose of considering the Proposed New Scheme of Arrangement.
- 4) On 19 April 2021, the Company and PCB Development obtained the approval from their respective Non-Financial Institutions creditors on the Proposed Scheme of Arrangement as detailed in the Explanatory Statement, together with the Notice to convene the meetings of the new scheme creditors, unsecured creditors other than the banks and financial institution ("New Scheme Creditors") issued on 26 March 2021 for the purpose of considering the Proposed Scheme of Arrangement to the New Scheme Creditors pursuant to the Section 366 and other relevant provisions of the Companies Act 2016.
- 5) On 7 May 2021, the High Court had approved and sanctioned the Proposed Scheme of Arrangement as detailed in the Explanatory Statement dated 26 March 2021 and the sealed order granted thereof had been extracted on 11 May 2021 following an application made by the Scheme Companies pursuant to section 366(3), (4), (5), (6) and (7) of the Companies Act 2016 for the sanction and approval of the Proposed Scheme of Arrangement. The Proposed Scheme of Arrangement shall be binding on the Scheme Companies and the New Scheme Creditors.
- 6) PCB Development, a wholly-owned subsidiary of the Company, has on 17 December 2020, entered into two (2) separate inter-conditional sale and purchase agreements ("SPAs") with Pertubuhan Keselamatan Sosial ("PERKESO" or "Purchaser") for the disposal of four (4) pieces of vacant commercial land and one (1) piece of vacant residential land all situated at Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan ("PERKESO Properties"), for a total cash consideration of RM78,679,531.26 ("Disposal Sum") ("Disposal of PERKESO Properties").

The written approval from the State Authority dated 22 February 2021 for the transfer of the Properties has been received by PCB Development.

On 8 June 2021, the resolution on proposed Disposal of PERKESO Properties was duly passed by the shareholders of the Company by way of poll at the Extraordinary General Meeting on the even date.

The Disposal of PERKESO Properties was completed on 13 October 2021.

- 7) The Company had on 29 October 2021 appointed M& A Securities Sdn Bhd as the Principal Adviser to the Company for submission of its regularisation plan.
- 8) On 8 November 2021, the Company had entered into debt settlement agreements with CIMB and AIB as follows:
 - (a) debt settlement agreement with CIMB for the proposed debt settlement of the debt owing by PCB to CIMB amounting to RM34,717,826.86 ("CIMB Debt") based on the amount outstanding as at the cut-off date as at 31 December 2021.

The proposed debt settlement shall be settled in the following manner:

- (i) the Company shall remit the cash sum of RM13,817,517.86 from the compensation amount payable for the acquisition by the Federal Government of Malaysia of all piece of leasehold land held under H.S.(D) 932771 PT 279467 in the Mukim of Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan currently owned by the Company to be undertaken pursuant to the Land Acquisition Act, 1960 ("Land") ("Government Acquisition") within 5 business days of receiving the compensation amount. The remittance shall be to an account designated by CIMB and shall amount to satisfaction of the CIMB Debt to the extent and equal to the value of the remitted amount
 - (ii) issuance and allotment of 20,900,309 redeemable cumulative preference shares ("RPS-A1") amounting to RM20,900,309 at the issue price of RM1.00 per RPS-A1.
- (b) debt settlement agreement with AIB for the proposed debt settlement of the debt owing by the Company to AIB amounting to RM53,867,709.75 ("AIB Debt") based on the amount outstanding as at the cut-off date as at 31 March 2022.

The proposed debt settlement shall be settled in the following manner:

- (i) the Company shall remit the cash sum of RM38,953,038.75 from Government Acquisition within 5 business days from the date of the compensation amount. The remittance shall be to an account designated by AIB and shall amount to partial satisfaction of the AIB Debt to the extent and equal to the value of the remitted amount.
- (ii) settlement via issuance of 14,914,671 redeemable cumulative preference shares ("RPS-A2") amounting to RM14,914,671.00 at the issue price of RM1.00 per RPS-A2.

(collectively known as "Proposed Debt Settlement")

In conjunction with the proposed debt settlement, the Company also proposes to undertake the proposed amendments to the Constitution of the Company to facilitate the issuance of redeemable cumulative preference shares under the Proposed Debt Settlement ("Proposed Amendments").

The Proposed Debt Settlement and Proposed Amendments to the Constitution of the Company are conditional upon the approval of the shareholders of the Company.

- 9) On 20 December 2021, the Company announced that PCB Development is undergoing a Creditors' Voluntary Winding Up where Mr Andrew Heng and Ms Anoopal Kaur of Baker Tilly Insolvency PLT have been appointed as the Interim Liquidators of PCB Development to commence the Creditors' Voluntary Winding Up proceedings pursuant to Section 440(1) of the Companies Act 2016. The meetings of the PCB Development shareholders and the creditors

of PCB Development are scheduled to be held within thirty (30) days from the date of this announcement.

The Creditors' Voluntary Winding Up is necessary in view of PCB Development's inability to address and resolve all debts owing to its creditors. The shareholder of PCB Development has resolved to not provide further financial assistance to PCB Development. As such, PCB Development cannot by reason of its liabilities to continue business as usual.

A21 Material events subsequent to the end of the current financial year

There were no material events subsequent to the end of the current financial year that have not been reflected in this interim financial report except for:

- 1) The proposed debt settlement of debts and the proposed amendments to the Constitution of the Company were approved by the shareholders of the Company during the Extraordinary General Meeting held on 31 January 2022.
- 2) On 6 January 2022, a meeting of PCB Development and a meeting of creditors of PCB Development were held, where Mr Andrew Heng and Ms Anoopal Kaur of Baker Tilly Insolvency PLT ("Liquidators") have been appointed as the Joint and Several Liquidators of PCB Development by way of a resolution of its members and creditors.
- 3) The Company had on 4 February 2022 submitted an application to Bursa Securities for an extension of time for a period of 12 months of up to 9 February 2023 to submit its regularisation plan to the relevant authorities.

Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

B1 Performance Review

Explanatory comments on the performance of each the Group's business activities are provided in Note A6.

	Current Quarter Ended		Changes (%)	Cumulative Year To Date		Changes (%)
	31/12/2021 RM'000	31/12/2020 RM'000		31/12/2021 RM'000	31/12/2020 RM'000 (Audited)	
Revenue	127,379	34,425	270%	245,206	131,220	87%
Operating profit/(loss)	49,396	(55,606)	189%	79,156	(35,622)	322%
Profit/(loss) before tax	27,110	(58,078)	147%	49,194	(52,556)	194%
Profit/(loss) after tax from continuing operations	7,609	(61,211)	112%	19,112	(63,421)	130%
Loss after tax from discontinued operation	(12,106)	(13,146)	8%	(34,925)	(39,226)	11%
Loss for the period	(4,497)	(74,357)	94%	(15,813)	(102,647)	85%
Loss attributable to ordinary equity holders of the parent	(1,766)	(74,938)	98%	(12,466)	(95,214)	87%

B2 Comment on Material Change in Profit Before Taxation

	Current Quarter Ended 31/12/2021 RM'000	Immediate Preceding Quarter Ended 30/09/2021 RM'000	Changes	
			RM'000	%
Revenue	127,379	50,661	76,718	151%
Operating profit	49,396	17,900	31,496	176%
Profit before tax	27,110	13,822	13,288	96%
Profit after tax from continuing operations	7,609	8,983	(1,375)	-15%
Loss after tax from discontinued operation	(12,106)	(7,781)	(4,325)	-56%
(Loss)/profit for the period	(4,497)	1,202	(5,699)	-474%
(Loss)/profit attributable to ordinary equity holders of the parent	(1,766)	1,621	(3,386)	-209%

The Group reported a pre-tax profit of RM27.1 million from continuing operations in the current financial quarter ended 31 December 2021 compared to a pre-tax profit of RM13.8 million for the immediate preceding quarter ended 30 September 2021. The increase in revenue and profit for the period is mainly contributed by realisation of revenue from sale of land in property development segment. The higher cost of sales in current financial quarter ended 31 December 2021 compared immediate preceding quarter ended 30 September 2021 is mainly due to cost of sales of land in property development segment and reclassification of certain operating costs from operating expenses to cost of sales.

B3 Commentary on Prospects

Port & Logistic

The Group foresees continued challenges on the prospect due to ongoing COVID-19 global pandemic and the uncertainties in local and global economic environment. The LMT2 new port operation and dragging works at Sg Dinding channel are expected to improve the overall performance of port & logistic segment. With the economic activity gradually picked up, the port & logistics segment remain resilient to contribute positive results to the Group.

Property Development

Based on Property Market Review 2021/2022 by Rahim & Co Research, Year 2022 outlook of property market is expected to show gradual recovery. This however is dependent on higher vaccination coverage, coupled with continued government support, accommodative policies and phased opening of international borders. The residential sector shows slow sales performance by developers and it is hoped that the Home Ownership Campaign which ends in 2021 will be extended to 2022 to boost residential market.

For Perak, existing supply of residential units stands at 503,003 units as at 1H2021 with landed homes as the biggest contributor to total supply, making up 94% of dwelling supply. There is an overall increase of 1.7% in dwelling supply compared to the previous year.

40,590 new dwellings under construction is made up of 23% high rise, which adds pressure to readily-available presence of overhang dwelling. A good third of the overhang stock are condominiums/apartments which shows demand is influenced by more than just affordable price but also location and product type.

Transaction volume and value in 1H2021 increased by 11.5% (10,672 units) and 10.2% (RM2,344.38 mil) respectively compared to the previous year. With the supply side facing the challenge of matching the current housing demand, this volume and value indicate demand maintains its steady pace after 1H2020's minimal impact from last year's heavy hitting pandemic situation. This performance brings a higher chance to seeing a sustaining upturn in market activity movement.

Hospitality & Tourism

The extensive and recurring lockdown, couple with other limitations imposed to curb the resurgence of COVID-19, had curtailed business activities and income with hospitality and tourism emerged as one of the most heavily hit segments. However, with the prospect of effective vaccines dissemination and reopening of economic sectors, the Company envisaged its hospitality and tourism business and earnings visibility to gradually recover from the slowdown caused by the global outbreak of COVID-19, the implementation of Movement Control Order in Malaysia.

Corporate Restructuring

The Proposed Debt Settlement is a first step for the Group to restructure its debt obligations on a self-rescue plan. The Proposed Debt Settlement was agreed and decided upon after taking into consideration that the Disposal Sum from the Disposal of PERKESO Properties has been earmarked as partial repayment of the outstanding amounts towards the CIMB Debt and AIB Debt.

In this regard, the Disposal sum has since been utilised for the partial repayment of the outstanding amount owing by the Company in the following manner:

- (i) partial repayment to CIMB of RM40,757,023.20 as partial settlement of the outstanding amount owing to CIMB prior to the CIMB Debt Settlement Agreement; and
- (ii) partial repayment to AIB of RM27,000,000.00 as partial settlement of the outstanding amount owing to AIB prior to the AIB Debt Settlement Agreement.

Included in the Proposed Debt Settlement is partial cash settlement amount to be remitted by the Company from the compensation amount received from Government Acquisition in the following manner:

- (i) cash sum of RM13,817,517.86 to CIMB within 5 business days of receiving the compensation amount and shall amount to satisfaction of the CIMB Debt to the extent and equal to the value of the remitted amount; and
- (ii) cash sum of RM38,953,038.75 to AIB within 5 business days from the date of the compensation amount and shall amount to satisfaction of the AIB Debt to the extent and equal to the value of the remitted amount.

The Proposed Debt Settlement has been formulated to address the outstanding debts owing by the Company to CIMB and AIB and is expected to put the Company on a better footing.

The issuance of redeemable cumulative preference shares is akin to deferred cash payment, as redemption of the RPS-A1 and RPS-A2 is at the Company's option at any time during the 1st and/or 2nd anniversary of the issue date. As compared to an onset issuance of new ordinary shares of the Company, the issuance of RPS-A1 and RPS-A2 also minimises immediate dilutive effect on the earnings and shareholding structure of the Company as the Company retains the option to redeem the RPS-A1 and RPS-A2 which will enable it to manage its share base.

The Proposed Debt Settlement will also enable the Group to achieve the following objectives:

- (a) the Proposed Debt Settlement is a prelude propose to secure the participation of the secured creditors to comprehensively restructure the Group's debt obligation, which in turn enables the Group to preserve its cash flow position, thus further strengthening the capital base of the Company; and

- (b) allowing the Group to have the financial flexibility to formulate and implement its operational strategies which are important towards the formulation of its regularisation plan to regularise its financial condition under the PN17 Listing Requirements.

The Group's future prospect is dependent on its efforts to formulating a suitable regularisation plan with all other stakeholders and boost its existing business activities as well as venture into new businesses, if it deems fit and proper, in order to uplift the Company from being an Affected Listed Issuer under the PN17 Listing Requirements. The Group will continue to explore new opportunities and review its capital and business structure to gear itself towards the exit of being an Affected Listed Issuer. At this juncture, the Group is still evaluating its options and in the midst of formulating a proposed regularisation plan to regularise the Company's Affected Listed Issuer status.

B4 Profit Forecast or Profit Guarantee

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

B5 Corporate Proposals

Saved for the Proposed Debt Settlement and as disclosed below, there are no corporate proposals which have been announced and not completed as at the date of this announcement:

(a) Scheme of Arrangements

The Scheme Companies propose to undertake the Proposed Scheme of Arrangement pursuant to Section 366 of the Act for the settlement of the Scheme Companies' outstanding liabilities and debt obligations.

On 26 March 2021, the Company has issued an Explanatory Statement, together with a Notice to call for a Court Convened Meetings consisting of unsecured creditors other than the banks and financial institutions ("New Scheme Creditors"), to be held on 19 April 2021 pursuant to the provisions of Section 366 of the Companies Act 2016 for the purpose of considering the Proposed New Scheme of Arrangement.

On 19 April 2021, the Company and PCB Development obtained the approval from their respective Non-Financial Institutions creditors on the Proposed Scheme of Arrangement as detailed in the Explanatory Statement, together with the Notice to convene the meetings of the new scheme creditors, unsecured creditors other than the banks and financial institution ("New Scheme Creditors") issued on 26 March 2021 for the purpose of considering the Proposed Scheme of Arrangement to the New Scheme Creditors pursuant to the Section 366 and other relevant provisions of the Companies Act 2016..

On 7 May 2021, the High Court had approved and sanctioned the Proposed Scheme of Arrangement as detailed in the Explanatory Statement dated 26 March 2021 and the sealed order granted thereof had been extracted on 11 May 2021 following an application made by the Scheme Companies pursuant to section 366(3), (4), (5), (6) and (7) of the Companies Act 2016 for the sanction and approval of the Proposed Scheme of Arrangement. The Proposed Scheme of Arrangement shall be binding on the Scheme Companies and the New Scheme Creditors.

On 17 December 2021, the Company has completed the proof of debt exercise to verify the outstanding liabilities and debt obligations of the New Scheme Creditors for the Proposed Scheme of Arrangement.

B6 Changes in Material Litigation

There were no pending material litigations as at the latest practicable date except for:

a) Kayan Logistics Sdn Bhd

On 28 August 2019, the Company served a writ of summon to Kayan Logistics Sdn Bhd for claiming an amount of RM116,080 as at 28 August 2019 for the not settling the charges to LMT. The Company received summary judgment on 17 March 2020. Defendant has filed an appeal on 23.4.2020 contested on the decision made by Session Court on 17 March 2020. The case management for appeal from Kayan Logistics Sdn Bhd was on 23 September 2020.

Kayan's Application for Abridgement of Time to File Record of Appeal is allowed with costs to be paid to LMSTB. The matter is now fixed for case management on 17 December 2021 to enable Parties to clarify and continue to submit Preliminary Objections together with the merits of the Appellant's appeal by way of submission

Court then has fixed for Hearing on 29 March 2022 for parties to clarify and continue with Hearing of the Appeal as scheduled.

b) Department of Occupational Safety and Health

A Writ of Summons was served on LMT on 16 January 2020, by Department of Occupational Safety and Health, for non-compliance with Section 15(1) of Occupational Safety and Health Act 1994.

A prima facie case had been established by the prosecution. The learned trial Judge called for LMTSB to enter defense. Witnesses will also be required to appear to be cross examined on 28 September 2021, 4 October 2021 and 18 November 2021.

Decision of the case has been fixed on 24 January 2022. LMTSB was fined a maximum of RM50,000 after being found guilty under Section 15(1) of the Occupational Safety and Health Act 1994.

c) Other Legal Cases as listed herein below: -

COURT PROCEEDINGS – PERAK CORPORATION BERHAD

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
1.	Industrial Court: Proposed joinder parties 2 and 3 1. State 2. PKNP 3. Perak Corporation Berhad 4. PCB Development 5. Receiver Animation Theme Park vs. 1. 10/1-670/21-Hasbullah bin Padzil 2. 10/1-675/21-Mohd Shamsudin bin Mukhtar 3. 10/1-666/21-Inderjit Singh a/l Cuar 4. 10/1-674/21-Ng Yoot Mei 5. 10/1-669/21-Zaber Nassar bt Painsa Khan 6. 10/1-664/21-Hamiruddin bin Bakar 7. 10/1-667/21-Choo Kam Ming 8. 10/1-665/21-Rejinimala a/p Gopal 9. 10/1-676/21-Liew Wei Chee 10.10/1-671/21-Suguneswari a/p Subramaniam 11. 10/1-672/21-Shahrul Efendy bin Shukur 12. 10/1-668/21-Ashwin Kumar Kaura a/l Krishan Kumar	In respect of IR Matters in Industrial Court.	Awards was received on: 21 January 2021 (for all claimants) Notice of Application received on 09.09.2021 (From Shared Services) Notice of Application and Affidavit in Support was sent to solicitor by Madam on 28.08.2021 On 17.1.2022, the Court directed as follows :- PCBD is to file its Affidavit in Reply on or before 26.1.2022 ; The Complainants are to file their Affidavit in Reply on or before 10.2.2022 ; All parties are to file their respective written submissions on or before 28.2.2022 ; All parties are to file their respective written submissions in reply (if any) on or before 11.3.2022 ; Next case management on: 14.3.2022 at 8:30am for the Court to give further directions / to fix hearing date of this matter.	-

COURT PROCEEDINGS - PCB TAIPAN SDN BHD

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
1.	<p>Nova Spectra Sdn Bhd vs. Integrated Media Sdn Bhd & Azenan Bin Azalan AND Third Parties 1. Taipan Merit Sdn Bhd 2. Perbadanan Kemajuan Negeri Perak</p> <p>Shah Alam Sessions No. BA-A52NCvC-694-11/2019</p> <p>Third Parties 1) Taipan Merit Sdn. Bhd. 2) Perbadanan Kemajuan Negeri Perak (PKNP)</p>	<p>Third installation and testing two panel LED screen with three years guarantee in Contract party proceeding for non-payment of supply of works, design, No. 2.</p>	<p>Summons Received on: 02/10/2020 Defence Filed on: 20/11/2020</p> <p>The 1st 3rd Party filed an application to strike out the third-party proceeding.</p> <p>The application was heard on 17.02.2021 and the striking out application was allowed with cost of RM 1,000.00</p>	
	<p>Appeal against the decision in relation to the striking out of the third-party proceeding by Taipan Merit Sdn Bhd.</p> <p>Integrated Media Sdn. Bhd. vs. Taipan Merit Sdn. Bhd. & Perbadanan Kemajuan Negeri Perak</p> <p>Mahkamah Tinggi Shah Alam Rayuan Sivil No. BA-12ANCvC-32-03/2021</p> <p>Court of Appeal No; B-01(IM)(NCvC)-523-09/2021</p> <p>Integrated Media ...Appellant Taipan Merit ...Respondent</p> <p>Defendant (Appellant): Aziz Hassan & Co 1st 3rd Party (Respondent): Messrs Azman Tahir Tan & Co</p>	<p>Third installation and testing two panel LED screen with three years guarantee in Contract party proceeding for non-payment of supply of works, design, and No. 2.</p> <p>Third installation and testing two panel LED screen with three years guarantee in Contract party proceeding for non-payment of supply of works, design, and No. 2</p>	<p>The appeal has been dismissed with costs on 16.08.2021</p> <p>The appellant had filed a Notice of Appeal in the Court of Appeal on 21.10.2021.</p> <p>The Court has fixed this matter for a case management on 01.03.2022</p>	<p align="center">275,000.00</p>

COURT PROCEEDINGS FOR LANAI CASUARINA SDN BHD					
NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE		CLAIM AMOUNT (RM)
1.	TNB vs Lanai Casuarina Sdn Bhd Kuala Kangsar Session Court AG-A52NCVC-6-11/2021 PS: Lau Cheong & Co DS: Azman Tahir Tan & Co	Outstanding payment to TNB from 1/11/2020 to 1/08/2021	Summons Received on:18/11/2021 Case management was on: 20.12.2021	Consent judgement has been recorded.	163,299.78

- B7** Disclosure of nature of outstanding derivatives
There were no outstanding derivatives as at the end of the reporting year.
- B8** Rationale for entering into derivatives
The Group did not enter into any derivatives during the year 31 December 2021 or the previous financial year ended 31 December 2020.
- B9** Risk and policies for derivatives
The Group did not enter into any derivatives during the current financial year.
- B10** Disclosure of gain/losses arising from fair value changes of financial liabilities
The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2021 and 31 December 2020.
- B11** Auditors' report on preceding annual financial statements
The auditors' report on the financial statements for the financial year ended 31 December 2020 was unmodified.
- B12** Dividends
The Directors do not recommend a payment of dividend by the Company in respect of the current financial year.