

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

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2021 RM'000	Current Year Ended 31/12/2022 RM'000	Preceding Year Ended 31/12/2021 RM'000
REVENUE	39,570	127,417	148,997	245,244
COST OF SALES	(39,378)	(67,603)	(65,212)	(99,412)
GROSS PROFIT	192	59,814	83,785	145,832
Other income	61,933	187,805	64,909	191,311
Operating expenses	(30,871)	(212,816)	(95,788)	(272,581)
OPERATING PROFIT	31,254	34,803	52,906	64,562
Finance costs	(6,011)	(7,846)	(12,340)	(15,522)
PROFIT BEFORE TAX	25,243	26,957	40,566	49,040
Tax expense	(4,719)	(19,502)	(12,227)	(30,082)
PROFIT FROM CONTINUING OPERATIONS	20,524	7,455	28,339	18,958
LOSS FROM DISCONTINUED OPERATION	-	(12,111)	-	(34,930)
NET PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	20,524	(4,656)	28,339	(15,972)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD, NET OF TAX	-	-	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	20,524	(4,656)	28,339	(15,972)
NET PROFIT/(LOSS) / TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
Owners of the Company	16,119	(1,926)	13,007	(12,626)
Non-controlling interest	4,405	(2,730)	15,332	(3,346)
	20,524	(4,656)	28,339	(15,972)
Profit/(Loss) per share attributable to equity holders of the parent (cent)				
Basic/diluted				
- continuing operations	16.12	5.29	13.01	6.23
- discontinued operation	-	(7.22)	-	(18.86)
Total	16.12	(1.93)	13.01	(12.63)

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

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INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/12/2022 RM'000	As at 31/12/2021 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	70,472	92,845
Right-of-use assets	93,141	93,030
Port facilities	144,031	140,584
Investment properties	7,305	7,588
Other investments	25	25
Intangible assets	25,106	26,058
Inventories	1,330	1,330
	<u>341,410</u>	<u>361,460</u>
CURRENT ASSETS		
Inventories	105,829	105,595
Receivables, deposits and prepayments	19,610	31,445
Finance lease receivable	-	57
Current tax assets	78	461
Other investments	121	4,293
Deposits, bank and cash balances	51,380	45,897
	<u>177,018</u>	<u>187,748</u>
TOTAL ASSETS	<u>518,428</u>	<u>549,208</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	272,770	272,770
Accumulated losses	(180,914)	(193,921)
	<u>91,856</u>	<u>78,849</u>
Non-controlling interests	149,613	139,281
TOTAL EQUITY	<u>241,469</u>	<u>218,130</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Loans and borrowings	55,626	24,593
Deferred tax liabilities	13,250	12,573
	<u>68,876</u>	<u>37,166</u>
CURRENT LIABILITIES		
Loans and borrowings	73,379	158,619
Payables and accrued liabilities	131,605	132,715
Current tax payable	3,099	2,578
	<u>208,083</u>	<u>293,912</u>
TOTAL LIABILITIES	<u>276,959</u>	<u>331,078</u>
TOTAL EQUITY AND LIABILITIES	<u>518,428</u>	<u>549,208</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
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INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2022
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 2022	272,770	(193,921)	78,849	139,281	218,130
<u>Total comprehensive profit for the financial year</u>					
Net profit for the financial year	-	13,007	13,007	15,332	28,339
<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 2022 (unaudited)	272,770	(180,914)	91,856	149,613	241,469
 (Audited)					
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	-	(12,626)	(12,626)	(3,346)	(15,972)
<u>Changes in ownership interests in subsidiaries</u>					
Effects arising from changes in composition of the Group	-	-	-	355,837	355,837
<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	272,770	(193,921)	78,849	139,281	218,130

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
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INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2022 RM'000	31/12/2021 RM'000
OPERATING CASH FLOW		
Cash collection from trade/other receivables	216,042	217,197
Cash received from other income	726	1,471
Cash paid for other expenses	(89,461)	(64,410)
Cash paid to trade/other payables	(31,405)	(28,571)
Cash paid for tax	(10,726)	(11,627)
Cash flow from operating activities (discontinued operation)	1	(2,130)
Net operating cash flow	<u>85,177</u>	<u>111,930</u>
INVESTING CASH FLOW		
Interest received	482	492
Dividend income received	2	4
Purchase of property plant & equipment	(855)	(1,055)
Purchase of port facilities	(13,942)	(6,317)
Purchase of intangible assets	-	(92)
Advances to related companies	-	(17,423)
Derecognition of subsidiaries	-	(1,580)
Cash flow from investing activities (discontinued operation)	-	7
Net investing cash flow	<u>(14,313)</u>	<u>(25,964)</u>
FINANCING CASH FLOW		
Cash repayment from amounts borrowed	(58,491)	(79,176)
Dividend paid to non-controlling interests	(5,000)	(5,000)
Interest paid	(6,065)	(3,057)
Uplift of fixed deposits	3,921	433
Advances from related companies	-	4,255
Cash flow from financing activities (discontinued operation)	-	1,252
Net financing cash flow	<u>(65,635)</u>	<u>(81,293)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,229	4,673
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	24,969	20,296
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>30,198</u>	<u>24,969</u>
Cash and cash equivalents comprise :		
Deposits, bank and balances	51,380	45,897
Less:		
Deposits pledged with banks	(2,329)	(2,325)
Fixed deposits with maturity of more than 3 months	(13,824)	(13,578)
Overdraft	(5,029)	(5,025)
Cash and cash equivalents	<u>30,198</u>	<u>24,969</u>

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
- FOURTH QUARTER ENDED 31 DECEMBER 2022

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 (“Bursa Malaysia”). The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021.

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 2021.

As at 31 December 2022, the Group's current liabilities exceeded its current assets by RM31.1 million (2021: RM106.2 million). As at that date, deposits, cash and bank balances of the Group totalled RM51.4 million and borrowing due repayment over the next 12 months after reporting date totalled RM73.4 million.

The financial statements of the Group and 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. As part of the regularisation efforts, management have initiated a private debt settlement arrangement and are in discussion with bankers to complete the proposed debt settlement agreements. At the date of this report, discussions with bankers are ongoing.

On 28 February 2022, Bursa Malaysia extended the regularisation plan submission dateline to 10 August 2022. On 9 August 2022, the Company has submitted an application to Bursa Malaysia to seek a further extension of time of twelve (12) months i.e. up to 9 August 2023 to submit the Company's regularisation plan to the relevant regulatory authorities. On 2 September 2022, Bursa Malaysia has decided to grant the Company an extension of time up to 10 February 2023 to submit its regularisation plan to the relevant regulatory authorities.

On 9 February 2023, the Company submitted a further extension of time application to Bursa Malaysia of twelve (12) months i.e. up to 9 February 2024 to submit the Company's Regularisation Plan to the relevant regulatory authorities. As of the date of this report, the regularisation plan is still being formulated.

The key chronological events are laid out below with the key determinants considered by 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 was 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 drawn 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 now 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, receiver and manager of ATP decided to close the operation 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 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 cash flow position vis-a-vis its total debt obligations payable and the available cash flow then, 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 PN 17 Company, which was due on 11 February 2022. On 28 February 2022, Bursa Malaysia has decided to grant the Company an extension of time up to 10 August 2022 to submit its regularisation plan. On 9 August 2022, the Company has submitted an application to Bursa Malaysia to seek a further extension of time of twelve (12) months i.e. up to 9 August 2023 to submit the Company's regularisation plan to the relevant regulatory authorities. On 2 September 2022, Bursa Malaysia has decided to grant the Company an extension of time up to 10 February 2023 to submit its regularisation plan to the relevant regulatory authorities. At the date of this report, management is in the midst of formulating a proposed regularisation plan.

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 PN 17 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 demanded 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 with Non-Financial Institutions creditors

On 23 July 2020, the High Court of Malaya in Ipoh, Perak Darul Ridzuan granted the Company and its wholly owned subsidiary, PCB Development (collectively "the Scheme Companies") to convene a Secured Creditor's Meeting (hereinafter "the Court Convened Creditors' Meeting") pursuant to Section 366 of the Companies Act 2016 (hereinafter "the Act") 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 Applicant and its Secured Creditors ("the Scheme Creditors") within ninety (90) days from 23 July 2020.

Extensions of time granted for the Proposed Scheme Arrangement with Non-Financial Institutions Creditors

On 19 October 2020, the High Court of Malaya in Ipoh, Perak Darul Ridzuan granted the Scheme Companies further extension of 90 days from 19 October 2020 to convene the Court Convened Creditors' Meeting pursuant to Section 366 of the Companies Act 2016. On 8 January 2021, the Court Convened Creditors' Meetings for the Non-Financial Institutions creditors and Direct Financial Institutions creditors of the Company, Corporate Guarantee Financial Institutions and Non-Financial Institutions creditors of PCB Development were adjourned. On 13 January 2021, the High Court of Malaya in Ipoh, Perak granted a further extension of the Restraining Order for a 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.

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

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

- (a) cash settlement 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 Perak Corp to be undertaken pursuant to the Land Acquisition Act, 1960 ("Government Acquisition") and
- (b) issuance of up to 35,814,980 redeemable cumulative preference shares ("RPS") at an issue price of RM1.00 per RPS.

The proposed debt settlement and proposed amendments to the Constitution of the Company to facilitate the issuance of RPS under the proposed private debt settlement were approved by the shareholders of the Company during the Extraordinary General Meeting held on 31 January 2022. Following the shareholders' approval, the RPS to AIB and CIMB had been allotted on 31 January 2022.

The Government Acquisition was completed on 4 October 2022 and the compensation received from the Government Acquisition has been utilised as payment for the CIMB Cash Settlement Amount and Affin Islamic Cash Settlement Amount.

The debt settlement agreements with CIMB shall be conditional upon certain terms and conditions precedent to be fulfilled. As at the date of this report, the Company is seeking to amend certain terms under the debt settlement agreements with CIMB.

Presently, PCB Taipan and CIMB are still in the midst of formulating the private debt settlement framework for the debt owing by PCB Taipan as part of the private debt settlement plan currently undertaken by the Group.

Creditor's Voluntary Winding-Up of PCB Development Sdn. Bhd.

On 20 December 2021, the Company announced that PCB Development is undergoing a Creditors' Voluntary Winding 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 20 December 2021.

On 6 January 2022, a meeting of PCB Development and a meeting of creditors of PCB Development were held, 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 sanctioned 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 gain associated with the loss of control attributable to the former controlling interest.

Regularisation Plan

The submission of its regularisation plan to Bursa Malaysia was due on 11 February 2022. The Company had on 4 February 2022 submitted an application to Bursa Malaysia for an extension of time for a period of 12 months up to 9 February 2023. On 28 February 2022, Bursa Malaysia extended the regularisation plan submission dateline to 10 August 2022. On 9 August 2022, the Company has submitted an application to Bursa Malaysia to seek a further extension of time of twelve (12) months i.e. up to 9 August 2023 to submit the Company's regularisation plan to the relevant regulatory authorities. On 2 September 2022, Bursa Malaysia has decided to grant the Company an extension of time up to 10 February 2023 to submit its regularisation plan to the relevant regulatory authorities.

On 9 February 2023, the Company submitted a further extension of time application to Bursa Malaysia of twelve (12) months i.e. up to 9 February 2024 to submit the Company's Regularisation Plan to the relevant regulatory authorities.

With the resolutions of majority of the debt issues, the 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 the Group's future debt obligations via the redemption of RPS to be issued to the financial institutions and New Scheme Creditors as well as the settlement to the New Scheme Creditors in the ordinary course of business; and
- (c) improve the financial state of the Group by securing new projects/business to revitalise the Group's existing ports and logistics, property development and hospitality and tourism business segments.

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 to repay their loans and borrowings with the financial institutions. As at 31 December 2022, the total loans and borrowings of the Group amounted to RM129.0 million (2021: RM183.2 million), constituted about 46.6% of the total liabilities of the Group.

In addition, out of the total loans and borrowings of the Group, RM73.4 million (2021: RM158.6 million) are due repayable on demand or within 1 year.

The bank and cash position of the Group as at 31 December 2022 of RM51.4 million, together with the projected cash inflows to be generated from the on-going projects undertaken by the entities within the Group are insufficient to settle the loans and borrowings due for repayment on demand or within 1 year.

As the private debt settlement arrangement is still under discussion with the banks as at the date of this report, the directors are of the view that the Group is unable to realise its assets and discharging its liabilities and obligations in the normal course of business. The directors are of the view that the Group'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 for the financial year ended 31 December 2022 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:

- 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;
- 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;
- 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
- Liabilities are classified as current if the liability is due to be settled within twelve months after the reporting period of the Group and 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 accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2021 except as disclosed below.

During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):

- MFRSs and/or IC Interpretations (Including the Consequential Amendments)
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

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.

On 20 December 2021, the immediate holding company of ATP, PCB Development was put under Creditors’ Voluntary Winding Up pursuant to Section 440(1) of the Companies Act 2016. As a result, the Company lost control of PCB Development and its subsidiary, ATP. Accordingly, the financial performance and cash flow information of ATP were included in discontinued operation up to 20 December 2021.

In presenting the discontinued operations, the Group continued to apply MFRS 10: Consolidated financial statements which requires elimination of the intra-group transactions.

Financial performance and cash flow information of ATP presented as discontinued operation up to 20 December 2021.

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

	Current Year Quarter Ended 31/12/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2021 RM'000	Current Year Ended 31/12/2022 RM'000	Preceding Year Ended 31/12/2021 RM'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	7	-	7
Administrative expenses	-	(963)	-	(2,468)
Impairment losses	-	(65)	-	(65)
Depreciation and amortisation expenses	-	(836)	-	(3,343)
Loss from discontinued operation	-	(1,857)	-	(5,869)
Finance costs	-	(10,285)	-	(29,308)
Loss before taxation	-	(12,142)	-	(35,177)
Tax credit	-	31	-	247
Net loss from discontinued operation	-	(12,111)	-	(34,930)
Net cash flow used in operating activities	-	(101)	-	(2,130)
Net cash flow generated from investing activities	-	-	-	7
Net cash flow generated from financing activities	-	133	-	1,252

A4 Changes in Estimates

There were no changes in estimates that have a material effect in the current financial year ended 31 December 2022.

A5 Changes in Composition of the Group

PCB Land Sdn. Bhd. (formerly known as Casuarina Pangkor Sdn. Bhd.) (“PCB Land”), was a wholly owned subsidiary of PCB Leisure Sdn. Bhd, which in turn a wholly owned subsidiary of the Company. PCB Land was struck off on 21 February 2020 and upon the application to the Court, being reinstated to the Registrar on 7 January 2022. Upon the reinstatement, PCB Land is able to carry on business transactions. During the financial year, PCB Land was disposed by PCB Leisure to PERAK CORP and is now a wholly owned subsidiary of PERAK CORP.

A6 Segmental Information

Segment revenue	Current Quarter Ended		Cumulative Year To Date	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Port & Logistics	34,633	34,650	127,777	121,706
Property development	-	89,680	-	112,719
Hospitality & tourism	5,084	4,934	21,770	11,326
Management services and others	6,203	1,977	11,621	12,086
Total revenue	45,920	131,241	161,168	257,837
Eliminations	(6,350)	(3,824)	(12,171)	(12,593)
	39,570	127,417	148,997	245,244
Segment results				
Profit/ (loss) before tax				
Port & Logistics	13,528	11,181	42,599	42,770
Property development	48,923	40,340	47,327	30,501
Hospitality & tourism	(21,218)	(26,526)	(22,199)	(57,836)
Management services and others	(14,165)	(12,574)	(21,457)	48,992
	27,068	12,421	46,270	64,427
Eliminations	(1,825)	2,394	(5,704)	(50,564)
	25,243	14,815	40,566	13,863

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

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Revenue				
Continuing operations	39,570	127,417	148,997	245,244
Discontinued operation	-	-	-	-
	39,570	127,417	148,997	245,244
Profit/ (loss) before tax				
Continuing operations	25,243	26,957	40,566	49,040
Discontinued operation	-	(12,142)	-	(35,177)
	25,243	14,815	40,566	13,863

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

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

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last financial statements.

Comparison between Quarter 4 2022 and Quarter 4 2021

Group Summary

The Group recorded revenue of RM39.6 million for the current quarter ended 31 December 2022 compared to revenue of RM127.4 million in the corresponding quarter of the previous financial year. Higher revenue in corresponding quarter of the previous financial year was mainly due to realisation of revenue from sale of land in property development segment by a former subsidiary. This is mitigated with higher revenue generated in current quarter from hospitality & tourism 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 at par compared to the corresponding quarter of previous financial year (31/12/2021: RM34.7 million). The profit before tax for the quarter under review of RM13.5 million is higher than corresponding quarter of previous financial year (31/12/2021: RM11.2 million) due to lower operating expenses (i.e. impairment loss and finance cost) in current quarter.

The summary results are as follows:

	Current Quarter Ended		% change
	31/12/2022	31/12/2021	
	RM'000	RM'000	
Revenue			
Port Operations	34,633	34,650	0%
Total	<u>34,633</u>	<u>34,650</u>	0%
Profit before tax			
Port Operations	13,528	11,181	21%
Total	<u>13,528</u>	<u>11,181</u>	21%
Throughput	metric tonnes	metric tonnes	% change
LMT	3,261,995	3,180,735	2.55%
LBT	1,214,385	1,325,951	-8.41%
	<u>4,476,380</u>	<u>4,506,686</u>	-0.67%

Property Development

The revenue in corresponding quarter of previous financial year was contributed by realisation of revenue from sale of land by a former subsidiary. The profit before tax generated in current financial quarter is in relation to the compensation received from Government Acquisition.

Hospitality & Tourism

The hospitality & tourism segment gradually recover from the slowdown caused by the global outbreak of COVID-19 pandemic and the implementation of various lockdown measures in Malaysia. This segment recorded revenue from hotel operations, food and beverage amounting to RM5.1 million for the current financial quarter under review compared to RM4.9 million in the corresponding quarter of previous financial year. The segment generated a lower loss before tax of RM21.2 million for the current financial quarter compared to loss before tax of RM26.5 million in the corresponding quarter of previous financial year as a result of the improvement in revenue and the loss before tax from discontinued operations in corresponding quarter of previous financial year which is non-recurring due to the derecognition as at 20 December 2021.

Management Services and others

This segment reported a revenue of RM6.2 million in the current financial quarter under review (31/12/2021: RM2.0 million). Higher revenue in the current quarter is mainly contributed by dividend income from a subsidiary. The segment recorded a loss before tax of RM14.2 million for the current financial quarter under review as opposed to loss before tax of RM12.6 million in the corresponding quarter of previous financial year. Lower loss before tax recorded in the corresponding quarter of previous financial year mainly due to reversal of impairment loss on receivables within the group.

Comparison between Full Year 2022 and Full Year 2021

Group Summary

The Group recorded revenue of RM148.9 million for the current financial year ended 31 December 2022 compared to RM245.2 million in previous financial year. Higher revenue in previous financial year was mainly due to realisation of revenue from sale of land and joint arrangement project in property development segment by a former subsidiary. This is mitigated with higher revenue generated in the current financial year from port & logistics segment and hospitality & tourism segment. The Group generated a profit before tax of RM40.6 million for current financial year as opposed to a profit before tax of RM13.9 million in the previous financial year, covering both continuing and discontinued operations. The improvement in the profit before tax is mainly due to the loss from discontinued operation in previous financial year of RM35.2 million which is non-recurring as the subsidiaries have been derecognised as at 20 December 2021.

Port & Logistics

The port & logistics segment remain the largest contributor to the Group's revenue amounting to RM127.8 million for the current financial year compared to RM121.7 million in the previous financial year. The increase in revenue was mainly contributed by LMT activities such as wharf handling, diesel recovery, and stevedore coupled with increase in charge to LBT base operating payment.

The profit before tax of RM42.6 million in the current financial year is slightly lower than RM42.8 million in the previous financial year due to higher operating expenses for the year.

The summary results are as follows:

	Cumulative Year To Date		
	31/12/2022	31/12/2021	% change
	RM'000	RM'000	
		(Audited)	
Revenue			
Port Operations	127,777	121,706	5%
Total	127,777	121,706	5%
Profit before tax			
Port Operations	42,599	42,770	0%
Total	42,599	42,770	0%
Throughput			
	metric tonnes	metric tonnes	% change
LMT	12,172,792	12,202,637	-0.24%
LBT	4,679,896	4,537,785	3.13%
	16,852,688	16,740,422	0.67%

Property Development

The revenue from this segment in the previous financial year comprised realisation of revenue from sale of land and joint arrangement project by a former subsidiary. The profit before tax generated in current financial year is in relation to the compensation received from Government Acquisition.

Hospitality & Tourism

The hospitality & tourism segment recorded revenue of RM21.8 million for the current financial year compared to RM11.3 million in the previous financial year. This segment posted a lower loss before tax of RM22.2 million for the current financial year compared to loss before tax of RM57.8 million in the previous financial year. The improvement is mainly due to the loss before tax from discontinued operations in previous financial year which is non-recurring due to the derecognition of the former subsidiary as at 20 December 2021.

Management Services and others

This segment recorded a revenue of RM11.6 million in the current financial year compared to RM12.1 million in the previous financial year. This segment recorded pre-tax loss of RM21.5 million for the current financial year compared to profit before tax of RM49.0 million in the previous financial year. Profit before tax recorded in the previous financial year mainly contributed to reversal of impairment loss on receivables within the group.

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 Profit/(Loss) for the Period

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period is arrived at after crediting/(charging):				
<u>Continuing Operations</u>				
Interest income	740	1,222	1,031	2,819
Dividend income	-	4	2	4
Compensation from Government Acquisition	59,691	-	59,691	-
Reversal of allowance for impairment loss on amount due from trade receivables	-	-	-	372
Reversal of allowance for impairment loss on amount due from other receivables	-	-	3	-
Reversal of allowance for impairment loss on amount due from ultimate holding corporation	-	-	1,164	43
Reversal of allowance for impairment loss on amount due from associate	-	1,664	711	1,664
Gain on derecognition of subsidiaries	-	183,849	-	183,849
Interest expense	(6,011)	(7,846)	(12,340)	(15,522)
Depreciation and amortisation	(2,734)	(3,595)	(14,088)	(10,743)
Impairment losses on property, plant & equipment	(18,020)	(8,701)	(18,040)	(9,748)
Impairment losses on right-of-use assets	-	(2,700)	-	(2,700)
Impairment losses on investment properties	-	-	-	(118)
Impairment losses on intangible assets	-	(923)	-	(923)
Impairment losses on financial guarantee liabilities	(195)	(6,189)	(195)	(6,189)
Impairment losses on trade receivables	(964)	(752)	(964)	(812)
Impairment losses on other receivables	(234)	(623)	(364)	(623)
Impairment losses on amount due from ultimate holding corporation	(307)	(1,515)	(307)	(1,515)
Impairment losses on amount due from fellow subsidiaries	(62)	(97)	(62)	(389)
Impairment losses on amount due from former subsidiaries	(10,702)	(194,363)	(10,702)	(194,363)
Impairment losses on amount due from associates	(671)	(1,557)	(671)	(1,791)
Provision for slow moving inventories	(187)	(177)	(747)	(177)
Cost on Government Acquisition	(10,238)	-	(10,238)	-
Loss on disposal of property, plant & equipment	(207)	-	(207)	-
<u>Discontinued Operation:</u>				
Interest expense	-	(10,285)	-	(29,308)
Depreciation	-	(836)	-	(3,343)

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 financial year.

A9 Taxation

The taxation charge for the Group comprises:

	Current Quarter Ended		Cumulative Year To Date	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
For continued operations:				
Income tax	4,494	18,389	11,552	28,044
Deferred Tax	225	1,113	675	2,038
Tax expense	<u>4,719</u>	<u>19,502</u>	<u>12,227</u>	<u>30,082</u>

The Group's effective tax rate for the current financial period was higher than the statutory tax rate of 24% (2021: 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

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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Profit/(loss) for the financial period attributable to owners of the Company (RM000)	16,119	(1,926)	13,007	(12,626)
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Profit/(loss) per share (sen) for :	<u>16.12</u>	<u>(1.93)</u>	<u>13.01</u>	<u>(12.63)</u>
<u>Continuing Operations</u>				
Profit for the financial period attributable to owners the parent (RM000)	16,119	4,251	13,007	6,229
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Profit per share (sen) for :	<u>16.12</u>	<u>4.25</u>	<u>13.01</u>	<u>6.23</u>
<u>Discontinued Operation</u>				
Loss for the financial period attributable to owners the parent (RM000)	-	(6,177)	-	(18,855)
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Loss per share (sen) for :	<u>-</u>	<u>(6.18)</u>	<u>-</u>	<u>(18.86)</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 2021 and current financial year ended 31 December 2022.

A12 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 31/12/2022 RM'000	As at 31/12/2021 RM'000
Deposits, bank and cash balances	51,380	45,897
Less:		
Deposits pledged with banks	(2,329)	(2,325)
Fixed deposits with maturity of more than 3 months	(13,824)	(13,578)
Overdraft	(5,029)	(5,025)
Cash and cash equivalents	<u>30,198</u>	<u>24,969</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 2022				
Other investments	121	-	25	146
31 December 2021 (Audited)				
Other investments	4,293	-	25	4,318

A14 Borrowings

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

	As at 31/12/2022 RM'000	As at 31/12/2021 RM'000 (Audited)
<u>Secured</u>		
(a) <u>Current</u>		
Hire purchase and finance lease liabilities	713	736
Term financing-i	5,720	5,720
Business financing-i and cash line-i	28,942	28,942
Term loans	-	1,241
Revolving credits	32,975	116,955
Overdrafts	5,029	5,025
	<u>73,379</u>	<u>158,619</u>
(b) <u>Non-current</u>		
Hire purchase and finance lease liabilities	15,452	16,153
Term financing-i	2,720	8,440
Redeemable preference shares	37,454	-
	<u>55,626</u>	<u>24,593</u>
<u>Total borrowings</u>		
Hire purchase and finance lease liabilities	16,165	16,889
Term financing-i	8,440	14,160
Business financing-i and cash line-i	28,942	28,942
Term loans	-	1,241
Revolving credits	32,975	116,955
Redeemable preference shares	37,454	-
	<u>129,005</u>	<u>183,212</u>

- (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 A1.
- (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 2022.

A17 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 31 December 2022 are as follows:

	As at 31/12/2022 RM'000	As at 31/12/2021 RM'000 (Audited)
Authorised and contracted for	34,682	26,113

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 RM26.0 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 RM10.1 million and Lanai Casuarina Sdn. Bhd. has utilised up to RM19.4 million.

For corporate guarantee granted to associates and subsidiary, 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	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
Transactions with:				
Ultimate Holding Corporation ("UHC")				
Interest expenses	(90)	(90)	(360)	(360)
Advances received	-	5,753	39	5,918
Rental receivable	461	594	1,844	1,605
Other transaction	-	(268)	66	(209)
<hr/>				
Fellow subsidiaries of the UHC				
Rental receivable	-	-	-	233
Other transaction	-	33	38	51
<hr/>				
Associate				
Interest income	505	837	505	837
<hr/>				
Related parties				
Port services receivable	12,472	11,594	47,394	46,272
Provision of utility	(572)	(746)	(2,383)	(2,319)

Account balances with significant related parties of the Group at the current financial year ended 31 December 2022 and 31 December 2021 are as follows:

	As at 31/12/2022 RM'000	As at 31/12/2021 RM'000 (Audited)
<u>Account balance with UHC</u>		
Receivables	4,742	5,600
Payables	(38,294)	(37,178)
<u>Account balances with fellow subsidiaries</u>		
Receivables	10,728	10,311
Payables	(1,488)	(1,486)
<u>Account balances with related parties</u>		
Receivables	12,699	10,058

A20 Significant event

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

- (a) 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.
- (b) On 31 January 2022, the Proposed Debt Settlement and Proposed Amendments to the Constitution of the Company were approved by the shareholders of the Company during the Extraordinary General Meeting.
- (c) Pursuant to the shareholders' approval on the Proposed Debt Settlement and Proposed Amendments to the Constitution of the Company, the Company has on 31 January 2022 allotted the following redeemable preference shares ("RPS"):
 - (i) 20,900,309 RPS-A amounting to RM20,900,309 at the issue price of RM1.00 per RPS-A to CIMB Bank Berhad ("CIMB"); and
 - (ii) 14,914,671 RPS-A-2 amounting to RM14,914,671.00 at the issue price of RM1.00 per RPS-A-2 to Affin Islamic Bank Berhad ("AIB").

These RPS are reported as liability in the Statement of Financial Position as it is means of debt settlement, provides for mandatory redemption for a fixed amount at a fixed date, non-convertible and carry rights to mandatory dividend payments.

- (d) On 4 February 2022, the Company submitted an application to Bursa Malaysia 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. On 28 February 2022, Bursa Malaysia has decided to grant the Company an extension of time up to 10 August 2022 to submit its regularisation plan.
- (e) The debt settlement agreements with CIMB and AIB shall be conditional upon the certain terms and conditions precedent to be fulfilled, for AIB by 31 March 2022 and for CIMB by 30 June 2022. On 21 August 2022, CIMB has agreed to extend the conditions precedent completion date until 31 October 2022. On 23 September 2022, AIB has approved the extension of time to the debt settlement agreement for another 8 months up till 30 November 2022 to remit the cash settlement amount and the extension of time is subject to additional compensation charges until full settlement of the outstanding debt as referred to the debt settlement agreement. As at the date of this report, the Company is seeking to amend certain terms under the debt settlement agreements with AIB and CIMB respectively.

- (f) PCB Equity Sdn. Bhd. (“PCB Equity”), a wholly owned subsidiary of the Company, has on 24 May 2022 entered into a Sale and Purchase Agreement for shares (“SSA”) with Encik Mohd Khalid bin Shuib (“Purchaser”) and VC Telecoms Sdn Bhd (“VC Telecoms”) for the disposal of its entire equity interest in VC Telecoms, representing 49% equity interest in VC Telecoms, for a total cash consideration RM12,500,000.00 (“Proposed Disposal”).
- (g) On 9 August 2022, the Company has submitted an application to Bursa Malaysia to seek a further extension of time of twelve (12) months i.e. up to 9 August 2023 to submit the Company’s regularisation plan to the relevant regulatory authorities. On 2 September 2022, Bursa Malaysia has decided to grant the Company an extension of time up to 10 February 2023 to submit its regularisation plan to the relevant regulatory authorities.
- (h) PERAK CORP, has on 12 August 2022 entered into a Memorandum of Understanding (“MoU”) with Perbadanan Kemajuan Negeri Perak (“PKNPk”), its immediate holding corporation, to establish synergistic collaborative initiatives involving utilisation of PERAK CORP’s expertise to jointly develop PKNPk’s assets and proposed appointment of PERAK CORP as the master developer of part of PKNPk’s industrial development area in the Silver Valley Technology Park (“SVTP”) (collectively referred to as the “Collaboration”). The MoU which is valid for a period of twelve (12) months effective from the date of its execution (“Completion Date”) may be extended for a further period of six (6) months, if necessary.
- (i) The Government Acquisition was completed on 4 October 2022 and the compensation received from the Government Acquisition has been utilised as payment for the CIMB Cash Settlement Amount and Affin Islamic Cash Settlement Amount.

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:

- (a) The Company had on 9 February 2023 submitted a further extension of time application to Bursa Securities of twelve (12) months i.e. up to 9 February 2024 to submit the Company’s Regularisation Plan to the relevant regulatory 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.

B1 - Performance Review

	Current Quarter Ended			Cumulative Year To Date		
	31/12/2022 RM'000	31/12/2021 RM'000	Changes (%)	31/12/2022 RM'000	31/12/2021 RM'000	Changes (%)
Revenue	39,570	127,417	-69%	148,997	245,244	-39%
Operating profit	31,254	34,803	-10%	52,906	64,562	-18%
Profit before tax	25,243	26,957	-6%	40,566	49,040	-17%
Profit after tax from continuing operations	20,524	7,455	175%	28,339	18,958	49%
Loss after tax from discontinued operation	-	(12,111)	100%	-	(34,930)	100%
Net profit/(loss) for the financial period	20,524	(4,656)	541%	28,339	(15,972)	277%
Profit/ (loss) for the financial period attributable to owners of the Company	16,119	(1,926)	937%	13,007	(12,626)	203%

B2 Comment on Material Change in Profit Before Taxation

	Current Quarter Ended 31/12/2022 RM'000	Immediate Preceding Quarter Ended 30/09/2022 RM'000	Changes	
			RM'000	%
Revenue	39,570	37,612	1,958	5%
Operating profit	31,254	6,598	24,656	374%
Profit before tax	25,243	5,286	19,957	378%
Net profit for the financial period	20,524	2,761	17,763	643%
Profit/(loss) for the financial period attributable to owners of the Company	16,119	(828)	16,947	2047%

The Group reported a net profit of RM20.5 million for the current financial quarter ended 31 December 2022 compared to net profit of RM2.8 million for the immediate preceding quarter ended 30 September 2022. The profit before tax for the current financial quarter mainly due to other income recorded in property development segment in relation to the compensation received from Government Acquisition.

B3 Commentary on Prospects

Port & Logistic

Despite the challenging of Indonesian coal band, fuel price hike and shipping cost increase and delay in shipment in 2022, the LMTSB's achieved for the revenue year ended 31 December 2022 of RM127.7 million is comparable to year ended 2021 of RM121.7 million.

For year 2023, LMTSB expects to have positive momentum on cargo production at LMT Terminal and a downward trend in LMT Lekir based on customer forecasts. Despite the challenges, LMTSB expects to continue to improve operations for efficiency and effectiveness.

The forecast nevertheless entails a cautionary note as global economic momentum could be affected by various potentially unfavourable factors, such as higher inflation, interest rates and volatile markets.

Property Development

The Company is actively exploring new opportunities available to develop a diverse range of property development projects within Perak and other states in Peninsular Malaysia to capture new property market demand. The Company will continuously monitor the latest developments in the property market in Malaysia and aims to time the launches of its future property development and management projects to capitalise on the upcycle of the property market as and when appropriate.

On 12 August 2022, PERAK CORP had announced that it has entered into a Memorandum of Understanding ("MoU") with Perbadanan Kemajuan Negeri Perak ("PKNPk"), its immediate holding corporation, to establish synergistic collaborative initiatives involving utilisation of PERAK CORP's expertise to jointly develop PKNPk's assets and proposed appointment of PERAK CORP as the master developer of part of PKNPk's industrial development area in the Silver Valley Technology Park ("SVTP"). The MoU forms part of establishing a synergistic collaboration which will be mutually beneficial and is in line with PKNPk's mandate to spearhead the socio-economic growth of the State of Perak as well as Perak Corp's regularisation plan. Through its participation in the collaboration, Perak Corp will be in a better position to strengthen its asset holding, strengthening its existing core business in the property development activities

Hospitality & Tourism

With the COVID-19 transition into endemicity, 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 pandemic and the implementation of various lockdown measures in Malaysia.

State of Perak has launched Visit Ipoh Year in 2023 (TMI2023). The city of Ipoh and state of Perak will be flooded with domestic and international tourists especially with the upcoming the state's preparation in celebrating Visit Perak Year 2024. The Company aims to maximise its occupancy and revenue with Perak being the main domestic tourism destination now.

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 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 is operational strategies which are important towards the formulation of its regularisation plan to regularise its financial condition under the PN17 Listing Requirements.

The debt settlement agreements with CIMB shall be conditional upon the certain terms and conditions precedent to be fulfilled. As at the date of this report, the Company is seeking to amend certain terms under the debt settlement agreements with CIMB.

Presently, PCB Taipan and CIMB are still in the midst of formulating the private debt settlement framework for the debt owing by PCB Taipan as part of the private debt settlement plan currently undertaken by the Group.

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:

COURT PROCEEDINGS – PERAK CORPORATION BERHAD

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
1.	<p>Industrial Court: Proposed joinder parties 2 and 3</p> <ol style="list-style-type: none"> 1. State 2. PKNP 3. Perak Corporation Berhad 4. PCB Development 5. Receiver <p>Animation Theme Park vs.</p> <ol style="list-style-type: none"> 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 	<p>In respect of IR Matter in Industrial Court - dismissal.</p>	<p>Awards on the Constructive Dismissal of all the Claimants were received on: 21 January 2021</p> <p>The Claimants filed Notice of Application and Affidavit in Support for Joinder on 28.08.2021</p> <p>Industrial Court handed down its interim award on 1.6.2022, joining Perak Corp and PCBD as Parties to the Interim Awards No. 1020.2022 dated 1.6.2022.</p> <p>The Court fixed the matter for Non-Compliance Proceedings Hearing on 21.10.2022 ('Proceedings').</p> <p>Pursuant to Court Order on 29.9.2022 following a consolidation application filed by Perak Corp;-</p> <ol style="list-style-type: none"> i. The proceedings at the Ipoh Industrial Court involving Perak Corporation Berhad are now stayed until the full and final disposal of the appeals at the Perak High Court; and ii. All the 12 appeals will be heard together before Yang Arif Tuan Bhupindar Singh A.L Gurcharan Singh Preet <p>Parties to file written submission on 14.2.2023 and submission in reply on 28.2.2023.</p> <p>Next case management: 14.3.2023 to enable the Court to fix a Hearing date.</p>	<ol style="list-style-type: none"> 1. 57,530.00 2. 52,500.00 3. 57,530.00 4. 117,120.00 5. 64,000.00 6. 78,500.00 7. 76,879.00 8. 112,035.00 9. 77,400.00 10. 51,500.00 11. 115,324.00 12. 50,000.00

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)																					
	<p data-bbox="212 244 855 304">Ipoh High Court Civil Appeal - Perak Corporation Berhad v. Choo Kam Ming & 11 Others</p> <table border="1" data-bbox="212 331 817 1329"> <thead> <tr> <th data-bbox="212 331 387 432">Appeal No.</th> <th data-bbox="387 331 595 432">Respondent</th> <th data-bbox="595 331 817 432">High Court's directions</th> </tr> </thead> <tbody> <tr> <td data-bbox="212 432 387 564">AA -16A-10-06.2022</td> <td data-bbox="387 432 595 564">Suguneswari A.P Subramaniam</td> <td data-bbox="595 432 817 997" rowspan="5">The next e-Review is fixed on 14.9.2022 for the Court to give further directions.</td> </tr> <tr> <td data-bbox="212 564 387 665">AA -16A-1-06.2022</td> <td data-bbox="387 564 595 665">Choo Kam Ming</td> </tr> <tr> <td data-bbox="212 665 387 798">AA -16A-11-06.2022</td> <td data-bbox="387 665 595 798">Shahrul Effendy Bin Shukur</td> </tr> <tr> <td data-bbox="212 798 387 898">AA -16A-4-06.2022</td> <td data-bbox="387 798 595 898">Hasbullah Bin Padzil</td> </tr> <tr> <td data-bbox="212 898 387 999">AA -16A-7-06.2022</td> <td data-bbox="387 898 595 999">Lim Wei Chee</td> </tr> <tr> <td data-bbox="212 999 387 1099">AA -16A-8-06.2022</td> <td data-bbox="387 999 595 1099">Inderjit Singh A.L Cuar</td> <td data-bbox="595 999 817 1329" rowspan="3">The hearing for the Consolidation Application is fixed on 11.10.2022</td> </tr> <tr> <td data-bbox="212 1099 387 1232">AA -16A-12-06.2022</td> <td data-bbox="387 1099 595 1232">Zaber Nassar Binti Pinda Khan</td> </tr> <tr> <td data-bbox="212 1232 387 1329">AA -16A-5-06.2022</td> <td data-bbox="387 1232 595 1329">Ng Yoot Mei</td> </tr> </tbody> </table>	Appeal No.	Respondent	High Court's directions	AA -16A-10-06.2022	Suguneswari A.P Subramaniam	The next e-Review is fixed on 14.9.2022 for the Court to give further directions.	AA -16A-1-06.2022	Choo Kam Ming	AA -16A-11-06.2022	Shahrul Effendy Bin Shukur	AA -16A-4-06.2022	Hasbullah Bin Padzil	AA -16A-7-06.2022	Lim Wei Chee	AA -16A-8-06.2022	Inderjit Singh A.L Cuar	The hearing for the Consolidation Application is fixed on 11.10.2022	AA -16A-12-06.2022	Zaber Nassar Binti Pinda Khan	AA -16A-5-06.2022	Ng Yoot Mei	<p data-bbox="887 276 1182 331">Appeal against the Interim Awards.</p> <p data-bbox="887 368 1167 395">Consolidation of Appeal</p> <p data-bbox="887 432 1133 459">Stay of Proceedings.</p>		
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NO	PARTIES/ SUIT			SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
	AA -16A-2- 06.2022	Mohd Shamsudin Bin Mukhtar				
	AA -16A-9- 06.2022	Hamiruddin Bin Bakar	<p>The hearing for the Consolidation Applications is fixed on 20.9.2022;</p> <p>The next Case Management for the Stay Applications and the appeals are fixed on 20.9.2022.</p>			

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 Taipan Merit Sdn Bhd & Perbadanan Kemajuan Negeri Perak</p> <p>Third Parties 1) Taipan Merit Sdn. Bhd. 2) Perbadanan Kemajuan Negeri Perak (PKNP)</p> <p>Shah Alam Sessions No. BA-A52NCvC-694-11.2019</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>Filed an application to strike out the third-party proceeding.</p> <p>The application was heard on 17.02.2021</p> <p>The striking out application was allowed with cost of RM 1,000.00</p> <p>Plaintiff's solicitor served Notice of Appeal dated 1.3.2021 to appeal the decision of Court Judge. The Court of Appeal had unanimously held that the Appellant's 3rd party proceeding has merits and the matter has been reverted to the Sessions Court.</p> <p>Next Mention Date: 15.03.2023.</p>	<p align="center">275,000.00</p>
	<p>Court of Appeal No. B-01(IM)(NCvC)-523-09.2021</p> <p>Integrated Media ...Appellant Taipan Merit ...Respondent</p>	<p>Appeal against the decision of the High Court. (Wherein at the High Court, PCB Taipan was not made a party to the proceedings)</p>	<p>The COA has fixed Hearing for the Appellant's Application on 26.7.2022</p> <p>Outcome: The COA unanimously held that the Appellant's 3rd party proceeding has merits and has a claim to be heard in Court.</p> <p>The matter is now reverted to Sessions Court pending case management date from the Court.</p>	

LANAI CASUARINA SDN BHD – CONSTRUCTION INDUSTRY PAYMENT AND ADJUDICATION

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	ADJUDICATION CLAIM AMOUNT (RM)
1.	Solar Alert Sdn. Bhd. vs Lanai Casuarina Sdn Bhd WA-24C-221-11.2022 Plaintiff's solicitor: Messrs. Roni & Co Defendant's solicitor: Messrs. Belden & Co	Enforcement of adjudication decision dated 7.7.2022 amounting to RM 2,029,879.36	The Plaintiff has filed an application to register its CIPAA award for the purposes of enforcement. Mention: 03.03.2023 to enable parties to update the court on the progress of settlement between parties.	4,887,760.75

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 financial year 31 December 2022 or the previous financial year ended 31 December 2021.

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 2022 and 31 December 2021.

B11 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was unmodified.

B12 Dividends

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