

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2023 RM'000	Restated Preceding Year Corresponding Quarter Ended 30/06/2022 RM'000	Current Year Ended 30/06/2023 RM'000	Restated Preceding Year Ended 30/06/2022 RM'000
REVENUE	39,131	39,612	79,816	71,815
COST OF SALES	(16,967)	(17,622)	(34,281)	(32,454)
GROSS PROFIT	22,164	21,990	45,535	39,361
Other income	1,704	1,061	2,189	2,585
Administrative expenses	(12,909)	(14,684)	(27,478)	(28,290)
Other expenses	(55)	(382)	(107)	(390)
(Net impairment losses)/ Reversal of impairment losses on:				
- receivables	-	408	(28)	1,786
OPERATING PROFIT	10,904	8,393	20,111	15,052
Finance costs	(1,995)	(2,611)	(3,672)	(5,017)
PROFIT BEFORE TAX	8,909	5,782	16,439	10,035
Tax expense	(3,773)	(2,748)	(6,973)	(4,983)
NET PROFIT FOR THE FINANCIAL PERIOD	5,136	3,034	9,466	5,052
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD, NET OF TAX	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	5,136	3,034	9,466	5,052
NET PROFIT/ (LOSS) / TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
Owners of the Company	244	(1,084)	276	(2,285)
Non-controlling interest	4,892	4,118	9,190	7,337
	5,136	3,034	9,466	5,052
Profit/ (Loss) per share attributable to equity holders of the parent (cent)				
Basic/diluted profit/ (loss) per share	0.24	(1.08)	0.28	(2.29)

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 SECOND QUARTER ENDED 30 JUNE 2023**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 30/06/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	73,192	75,151
Right-of-use assets	89,408	89,994
Port facilities	142,351	144,154
Investment properties	7,163	7,305
Other investments	25	25
Intangible assets	24,642	25,107
Inventories	10,428	10,428
	<u>347,209</u>	<u>352,164</u>
<b>CURRENT ASSETS</b>		
Inventories	97,689	97,009
Receivables, deposits and prepayments	33,392	25,906
Current tax assets	103	78
Other investments	123	121
Deposits, bank and cash balances	58,048	51,381
	<u>189,355</u>	<u>174,495</u>
<b>TOTAL ASSETS</b>	<u>536,564</u>	<u>526,659</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	272,770	272,770
Accumulated losses	(180,286)	(180,562)
	<u>92,484</u>	<u>92,208</u>
Non-controlling interests	159,772	150,582
<b>TOTAL EQUITY</b>	<u>252,256</u>	<u>242,790</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	34,195	33,769
Deferred tax liabilities	14,037	13,263
	<u>48,232</u>	<u>47,032</u>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	93,267	94,186
Payables and accrued liabilities	139,488	139,626
Current tax payable	3,321	3,025
	<u>236,076</u>	<u>236,837</u>
<b>TOTAL LIABILITIES</b>	<u>284,308</u>	<u>283,869</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>536,564</u>	<u>526,659</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 SECOND QUARTER ENDED 30 JUNE 2023**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>Issued and fully paid share capital RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total RM'000</b>	<b>Non- controlling interest RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 January 2023</b>	272,770	(180,562)	92,208	150,582	242,790
<u>Total comprehensive income for the financial period</u>					
Net profit for the financial period	-	276	276	9,190	9,466
<b>At 30 June 2023 (unaudited)</b>	<u>272,770</u>	<u>(180,286)</u>	<u>92,484</u>	<u>159,772</u>	<u>252,256</u>
(Audited)					
<b>At 1 January 2022</b>	272,770	(193,921)	78,849	139,281	218,130
<u>Total comprehensive income for the financial year</u>					
Net profit for the financial year	-	13,359	13,359	16,301	29,660
<u>Total transactions with owners, recognised directly in equity</u>					
Dividend paid by a subsidiary to non- controlling interests	-	-	-	(5,000)	(5,000)
<b>At 31 December 2022</b>	<u>272,770</u>	<u>(180,562)</u>	<u>92,208</u>	<u>150,582</u>	<u>242,790</u>

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 SECOND QUARTER ENDED 30 JUNE 2023**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30/06/2023	30/06/2022
	RM'000	RM'000
<b>OPERATING CASH FLOW</b>		
Cash collection from trade/other receivables	87,820	72,566
Cash received from other income	2,111	2,471
Cash paid for other expenses	(35,342)	(28,764)
Cash paid to trade/other payables	(36,461)	(29,992)
Cash paid for tax	(5,943)	(5,764)
Net operating cash flow	<u>12,185</u>	<u>10,517</u>
<b>INVESTING CASH FLOW</b>		
Interest received	288	190
Purchase of property plant & equipment	(242)	(516)
Purchase of port facilities	(1,801)	(2,650)
Net investing cash flow	<u>(1,755)</u>	<u>(2,976)</u>
<b>FINANCING CASH FLOW</b>		
Repayment of loans and borrowings	(2,860)	(2,860)
Interest paid	(902)	(390)
Placement of fixed deposits	(5,168)	(138)
Net financing cash flow	<u>(8,930)</u>	<u>(3,388)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,500	4,153
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	30,174	24,969
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>31,674</u></u>	<u><u>29,122</u></u>
Cash and cash equivalents comprise :		
Deposits, bank and balances	58,048	50,189
Less:		
Deposits pledged with banks	(2,332)	(2,325)
Fixed deposits with maturity of more than 3 months	(19,013)	(13,717)
Overdraft	(5,029)	(5,025)
Cash and cash equivalents	<u><u>31,674</u></u>	<u><u>29,122</u></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**  
**- SECOND QUARTER ENDED 30 JUNE 2023**

**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 2022.

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 2022.

The Group reported profit after tax of RM9.5 million for the financial period ended 30 June 2023 and as at that date, the Group's current liabilities exceeded its current assets by RM46.7 million (2022: RM62.3 million). As at 30 June 2023, deposits, cash and bank balances of the Group totalled RM58.0 million and borrowing due repayment over the next 12 months after reporting date totalled RM93.3 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.

On 13 April 2023, Bursa Malaysia extended the regularisation plan submission dateline to 9 August 2023. On 9 August 2023, the Company has submitted a further extension of time application to Bursa Malaysia of ten (10) months i.e. up to 8 June 2024 to submit the Company's Regularisation Plan to the relevant regulatory authorities.

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. On 13 April 2023, Bursa Malaysia extended the regularisation plan submission dateline to 9 August 2023. 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 issuance and allotment of 14,914,671 RPS to AIB had been completed as of the date of reporting.

The 20,900,309 RPS to CIMB had been issued and allotted, however confirmation of recognition of the allotted and issued RPS by CIMB is conditional to certain terms and conditions precedent of the debt settlements being fulfilled and/or varied. The Company is seeking to vary certain terms and the extension of time under the debt settlement agreement with CIMB. As at the date of this report, the supplemental agreement to vary certain terms and the extension of time under the debt settlement agreement has been finalised and pending execution.

Presently, PCB Taipan and CIMB have finalised the private debt settlement framework for the debt owing by PCB Taipan and expects to enter into a private debt settlement agreement 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 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 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. On 13 April 2023, Bursa Malaysia extended the regularisation plan submission dateline to 9 August 2023.

On 9 August 2023, the Company submitted a further extension of time application to Bursa Malaysia of ten (10) months i.e. up to 8 June 2024 to submit the Company's Regularisation Plan to the relevant regulatory authorities.

With a majority of the debt issues having been resolved, 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 30 June 2023, the total loans and borrowings of the Group amounted to RM127.5 million (2022: RM127.9 million), constituted about 44.8% of the total liabilities of the Group.

In addition, out of the total loans and borrowings of the Group, RM93.3 million (2022: RM94.2 million) are due repayable on demand or within 1 year.

The bank and cash position of the Group as at 30 June 2023 of RM58.0 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 with the banks is still subject to the execution of a debt settlement agreement and/or supplemental agreement 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. In view of this, the directors continued to prepare the consolidated financial statements of the Group and the financial statements of the Company for the financial period ended 30 June 2023 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 2022 except for the adoption of the following MFRS and amendments to MFRSs that are effective for annual periods beginning on or after 1 January 2023:

### MFRSs and/or IC Interpretations (Including the Consequential Amendments)

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 Changes in Estimates

There were no changes in estimates that have a material effect in the current financial period ended 30 June 2023.

## A4 Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial period.

## A5 Segmental Information

Segment revenue	Current Quarter Ended		Cumulative Year To Date	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Port & Logistics	33,122	32,922	68,526	60,602
Property development	-	-	-	-
Hospitality & tourism	6,181	6,752	11,621	11,457
Management services and others	939	1,998	1,877	3,761
Total revenue	40,242	41,672	82,024	75,820
Eliminations	(1,111)	(2,060)	(2,208)	(4,005)
	39,131	39,612	79,816	71,815
<b>Segment results</b>				
<b>Profit/ (loss) before tax</b>				
Port & Logistics	13,300	10,820	25,017	19,502
Property development	(654)	-	(1,168)	-
Hospitality & tourism	1,106	98	1,067	(607)
Management services and others	(2,008)	(5,146)	(2,388)	(8,689)
	11,744	5,772	22,528	10,206
Eliminations	(2,835)	10	(6,089)	(171)
	8,909	5,782	16,439	10,035

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 audited financial statements.

## Comparison between Quarter 2 2023 and Quarter 2 2022

### Group Summary

The Group recorded revenue of RM39.1 million for the current quarter ended 30 June 2023 compared to revenue of RM39.6 million in the corresponding quarter of the previous financial year. The decrease in revenue for the current quarter is primarily driven by the hospitality and tourism segment, but this impact is offset by increased revenue from the port and logistics 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 amounted to RM33.1 million, compared to RM32.9 million recorded in the corresponding quarter of the previous financial year. Despite a marginal decrease in cargo throughput, there was a modest 1% increase in revenue due to rate increase and other income not related to tonnage e.g. stockpile management charges. In the current quarter, the port & logistics segment achieved a pre-tax profit of RM13.3 million, marking an improvement from the RM10.8 million recorded in the corresponding quarter of the previous financial year.

The summary results are as follows:

	Current Quarter Ended		
	30/06/2023	30/06/2022	
	RM'000	RM'000	% change
<b>Revenue</b>			
Port Operations	33,122	32,922	1%
Total	33,122	32,922	1%
<b>Profit before tax</b>			
Port Operations	13,300	10,820	23%
Total	13,300	10,820	23%
<b>Throughput</b>			
	metric tonne	metric tonnes	% change
LMT	3,347,639	3,392,504	-1%
LBT	1,104,016	1,236,267	-11%
	4,451,655	4,628,771	-4%

### Property Development

For the quarter under review, property development segment recorded no revenue and reported a loss before tax of RM0.7 million. The Group 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. While the current quarter's performance may not reflect immediate positive results, the exploratory efforts by capitalising on new opportunities, leveraging on its expertise, market knowledge, and strong industry network will position the property development segment favorably for future growth.

### Hospitality & Tourism

In the current quarter, the hospitality and tourism segment registered a revenue of RM6.2 million, marking a decline of RM0.6 million or 8% when compared to the corresponding quarter of the previous financial year. Nevertheless, there has been an enhancement in the profit before tax for the current quarter, reaching RM1.1 million, in contrast to the RM0.1 million reported during the corresponding quarter of the previous financial year.

## Management Services and Others

In the current quarter, the management services segment reported revenue of RM0.9 million, compared to RM2.0 million in the corresponding quarter of the previous financial year. This decline in revenue is primarily attributed to cessation of certain management services provided to fellow subsidiaries within the Group. However, despite the decrease in revenue, the segment's loss before tax improved to RM0.2 million in the current quarter, compared to RM5.1 million in the corresponding quarter of the previous financial year. This reduction in losses is primarily attributed to the reversal of impairment loss on receivables during the current quarter.

## **Comparison between Cumulative Year To Date Quarter 2 2023 and Quarter 2 2022**

### Group Summary

During the financial period ending on 30 June 2023, the Group achieved a revenue of RM79.8 million, marking an 11% rise from the RM71.8 million reported in the corresponding period of the previous financial year. This increase in revenue is primarily attributed to the contributions from the port & logistics segment. Additionally, the Group generated a profit before tax amounting to RM16.4 million in the current financial period, an improvement from the profit before tax of RM10.0 million recorded in the corresponding period of the previous financial year.

### Port & Logistics

The port & logistics segment remains the largest contributor to the Group's revenue amounting to RM68.5 million for the current financial period compared to RM60.6 million in the corresponding period of the previous financial year. This increase in revenue is mainly attributed to the higher throughput of cargo. Furthermore, the profit before tax for the current financial period has risen to RM25.0 million, surpassing the RM19.5 million reported during the corresponding period of the previous financial year.

The summary results are as follows:

	Cumulative Year To Date		
	30/06/2023	30/06/2022	% change
	RM'000	RM'000	
		(Audited)	
<b>Revenue</b>			
Port Operations	68,526	60,602	13%
Total	<u>68,526</u>	<u>60,602</u>	<u>13%</u>
<b>Profit before tax</b>			
Port Operations	25,017	19,502	28%
Total	<u>25,017</u>	<u>19,502</u>	<u>28%</u>
<b>Throughput</b>	<b>metric tonne</b>	<b>metric tonnes</b>	<b>% change</b>
LMT	6,427,442	5,766,918	11.45%
LBT	<u>2,365,405</u>	<u>2,248,140</u>	<u>5.22%</u>
	<u>8,792,847</u>	<u>8,015,058</u>	<u>9.70%</u>

### Property Development

The property development segment reported a loss before tax of RM1.2 million for current financial period.

### Hospitality & Tourism

The hospitality & tourism segment recorded revenue of RM11.6 million for the current financial period compared to RM11.5 million in the corresponding period of the previous financial year. This segment posted a profit before tax of RM1.1 million for the current financial period compared to loss before tax of RM0.6 million in the corresponding period of previous financial year.

## Management Services and Others

This segment recorded a revenue of RM1.9 million in the current financial period compared to RM3.8 million in the corresponding period of previous financial year. This segment recorded a lower pre-tax loss of RM2.4 million for the current financial period compared to loss before tax of RM8.7 million in the corresponding period of previous financial year.

### **A6 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.

### **A7 Profit for the Period**

	Current Quarter Ended		Cumulative Year To Date	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging/ (crediting):				
Interest income	(224)	(91)	(528)	(188)
Depreciation and amortisation	3,311	3,913	6,651	7,465
Impairment losses:				
- Property, plant and equipment	5	8	7	16
Provision for slow moving inventories	50	374	100	374
Impairment losses:				
- Trade receivables	12	-	21	-
- Other receivables	29	45	48	92
Reversal of impairment losses:				
- Trade receivables	(38)	-	(38)	-
- Other receivables	-	(3)	-	(3)
- Amount due from ultimate holding corporation	(3)	(450)	(3)	(1,164)
- Amount due from associates	-	-	-	(711)
Interest expenses	1,995	2,611	3,672	5,017

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

### **A8 Taxation**

The taxation charge for the Group comprises:

	Current Quarter Ended		Cumulative Year To Date	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Income tax	3,386	2,598	6,199	4,683
Deferred Tax	387	150	774	300
Tax expense	3,773	2,748	6,973	4,983

The Group's effective tax rate for the current financial period was higher than the statutory tax rate of 24% (2022: 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.

## A9 Profit/ (Loss) Per Share

Basic profit/ (loss) per share is calculated by dividing the net profit/ (loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

	Current Quarter Ended		Cumulative Year To Date	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Profit/ (Loss) for the financial period attributable to owners of the Company (RM'000)	244	(1,084)	276	(2,285)
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Profit/ (Loss) per share (cent) for :	<u>0.24</u>	<u>(1.08)</u>	<u>0.28</u>	<u>(2.29)</u>

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

## A10 Intangible assets

There were no changes in estimates of the amounts reported on 31 December 2022 and current financial period ended 30 June 2023.

## A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 30/06/2023 RM'000	As at 30/06/2022 RM'000
Deposits, bank and cash balances	58,048	50,189
Less:		
Deposits pledged with banks	(2,332)	(2,325)
Fixed deposits with maturity of more than 3 months	(19,013)	(13,717)
Overdraft	(5,029)	(5,025)
Cash and cash equivalents	<u>31,674</u>	<u>29,122</u>

## A12 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
<b>30 June 2023</b>				
Other investments	<u>123</u>	-	25	<u>148</u>
<b>31 December 2022</b> (Audited)				
Other investments	<u>121</u>	-	25	<u>146</u>

## A13 Borrowings

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

	As at 30/06/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
<u>Secured</u>		
(a) <u>Current</u>		
Hire purchase and finance lease liabilities	764	715
Term financing-i	2,860	5,720
Business financing-i and cash line-i	28,942	28,942
Revolving credits	55,672	53,780
Overdrafts	5,029	5,029
	<u>93,267</u>	<u>94,186</u>
(b) <u>Non-current</u>		
Hire purchase and finance lease liabilities	15,489	15,452
Term financing-i	2,720	2,720
Redeemable preference shares	15,986	15,597
	<u>34,195</u>	<u>33,769</u>
<u>Total borrowings</u>		
Hire purchase and finance lease liabilities	16,253	16,167
Term financing-i	5,580	8,440
Business financing-i and cash line-i	28,942	28,942
Revolving credits	55,672	53,780
Overdrafts	5,029	5,029
Redeemable preference shares	15,986	15,597
	<u>127,462</u>	<u>127,955</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 period 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.

## A14 Debt and Equity securities

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

## A15 Dividend paid

No dividend was paid during the current financial period ended 30 June 2023.

## A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 30 June 2023 are as follows:

	As at 30/06/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
Authorised and contracted for	39,858	42,844

## A17 Changes in Contingent Liabilities and Contingent Assets

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

	Group		Company	
	As at 30/06/2023 RM'000	As at 31/12/2022 RM'000 (Audited)	As at 30/06/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
Corporate guarantee given to banks for credit facilities granted to:				
Amount guaranteed:				
Subsidiaries	-	-	72,766	72,766
Associates	24,697	25,002	24,697	25,002

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

## A18 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	
	30/06/2023 RM'000	30/06/2022 RM'000	30/06/2023 RM'000	30/06/2022 RM'000
<b>Transactions with:</b>				
<b>Ultimate Holding Corporation ("UHC")</b>				
Interest expenses	-	(90)	-	(180)
Rental receivable	461	461	922	922
Other transaction	32	24	80	37
<b>Fellow subsidiaries of the UHC</b>				
Other transaction	26	24	(17)	27
<b>Related parties</b>				
Port services receivable	12,676	12,385	24,797	22,797
Provision of utility	(608)	(682)	(1,237)	(1,215)



Account balances with significant related parties of the Group at the current financial period ended 30 June 2023 and 31 December 2022 are as follows:

	As at 30/06/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
<u>Account balance with UHC</u>		
Receivables	5,330	4,743
Payables	(38,319)	(38,294)
<u>Account balances with fellow subsidiaries</u>		
Receivables	10,398	10,374
Payables	(1,699)	(1,692)
<u>Account balances with associate</u>		
Receivables	8,619	8,619
Payables	(532)	(532)
<u>Account balances with related parties</u>		
Receivables	12,452	12,697

#### A19 Significant event

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

- (a) On 9 February 2023, the Company submitted a further extension of time application to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) for a period of 12 months up to 9 February 2024 to submit the Company’s regularisation plan to the relevant regulatory authorities. On 13 April 2023, Bursa Malaysia extended the regularisation plan submission dateline to 9 August 2023.
- (b) On 31 March 2023, the Company has entered into a Master Development Agreement with Perbadanan Kemajuan Negeri Perak (“PKNP”) to define the general and overarching terms and conditions governing the development initiatives to be undertaken by the Company and PKNP.

#### A20 Material events subsequent to the end of the current financial period

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

- (a) On 9 August 2023, the Company submitted a further extension of time application to Bursa Malaysia of ten (10) months i.e. up to 8 June 2024 to submit the Company’s Regularisation Plan to the relevant regulatory authorities.
- (b) On 9 August 2023, the Company entered into a Sale and Purchase Agreement with Kim Poh Sitt Tat Feedmill Sdn Bhd to dispose of a piece of agriculture land held under H.S (D) 13618 PT 32665 Mukim Kampar, Daerah Kampar, Negeri Perak for a total cash consideration of RM5,500,000.00.
- (c) On 17 August 2023, the Company announced that it has entered into the following agreements:
  - Supplemental agreement to the joint venture agreement (“JVA”) dated 10 September 2019 with ARX-YSC Sdn Bhd in relation to the proposed joint development of four (4) pieces of lands held under PN 394964, Lot 20570, PN 394965, Lot 20571, PN 394961, Lot 20402 and PN 394962, Lot 20403, all in Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak. With the disposal of lands held under PN 394964, Lot 20570, PN 394965, Lot 20571 to Makmur Impian Property Sdn Bhd as nominated by ARX-YSC Sdn Bhd, the remaining Perak Corp’s JVA entitlement would have been RM106,976,602.50; and

- Supplemental agreement to sale and purchase agreement dated (SPA) dated 10 September 2019 with Makmur Impian Property Sdn Bhd in relation to the disposal of two (2) pieces of land held under PN 394964, Lot 20570 and PN 394965, Lot 20571, both at Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak for a revised consideration of RM23,256,259.07.

## 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 A5.

	Current Quarter Ended			Cumulative Year To Date		
	30/06/2023 RM'000	30/06/2022 RM'000	Changes (%)	30/06/2023 RM'000	30/06/2022 RM'000	Changes (%)
Revenue	39,131	39,612	-1%	79,816	71,815	11%
Operating profit	10,904	8,393	30%	20,111	15,052	34%
Profit before tax	8,909	5,782	54%	16,439	10,035	64%
Net profit for the financial period	5,136	3,034	69%	9,466	5,052	87%
Net profit/ (loss) for the financial period attributable to owners of the Company	244	(1,201)	-120%	276	(1,201)	-123%

Prior year reclassifications were made by the management in current period in respect of reclassification of expenses related directly to production of revenue to cost of sales. The impacts of the reclassifications are as follows:

	Current Quarter Ended 30/06/2023			Cumulative Year To Date 30/06/2023		
	As previously reported RM'000	Effects of changes RM'000	As restated RM'000	As previously reported RM'000	Effects of changes RM'000	As restated RM'000
Statement of comprehensive income for the financial quarter ended 30 June 2022						
Cost of sales	9,788	7,834	17,622	17,113	15,341	32,454
Administrative expenses	22,518	(7,834)	14,684	43,631	(15,341)	28,290

## B2 Comment on Material Change in Profit Before Taxation

	Current Quarter Ended 30/06/2023 RM'000	Immediate Preceding Quarter Ended 31/03/2023 RM'000	Changes RM'000	%
Revenue	39,131	40,685	(1,554)	-4%
Operating profit	10,904	9,207	1,697	18%
Profit before tax	8,909	7,530	1,379	18%
Net profit for the financial period	5,136	4,330	806	19%
Net profit for the financial period attributable to owners of the Company	244	32	212	-663%

In the current quarter ended 30 June 2023, the Group recorded a revenue of RM39.1 million, which represents a decrease of 4% compared to the revenue of RM40.7 million generated in the immediate preceding quarter ended 31 March 2023. This decrease in revenue is mainly due to lower revenue in port & logistics segment and mitigated by higher revenue from the hospitality & tourism segment.

The Group's net profit for the quarter ended 30 June 2023 was RM5.1 million, which is higher than the net profit of RM4.3 million reported in the immediate preceding quarter ended 31 March 2023.

## B3 Commentary on Prospects

### Port & Logistic

The projected increase in demand for dry bulk is expected to result in a rise in tonnage compared to the levels observed in 2022. As a result, LMT anticipates maintaining its current level of financial and operational performance, and holds a positive outlook for potential growth opportunities throughout the year 2023.

### Property Development

According to the Property Market Report 2022 published by the Valuation And Property Services Department (JPPH), the property market performance in Perak state exhibited positive trends in 2022. The review period recorded 47,867 transactions with a total value of RM11.48 billion, marking a substantial increase of 29.7% in volume and 32.0% in value compared to the previous year 2021.

As we look forward to 2023, as per the Suleiman & Co Property Market Report 2022/2023, Perak demonstrated a significant rebound in overall market activities during the first quarter of 2023. While there was a momentary slowdown in the property market with a 5.7% decrease in transaction volume compared to Q1 2022, the figures remained higher than those before the pandemic, corresponding to the first quarter performance. On the other hand, transaction value experienced a 0.8% increase compared to Q1 2022. The growing demand for industrial properties, particularly highly efficient manufacturing facilities, fully integrated industrial parks, and logistics hubs, has contributed to the increased total value of industrial transactions.

Given this economic outlook, the Company maintains a positive outlook for the success of its Silver Valley Technology Park development. Furthermore, the Group is actively exploring new opportunities to diversify its property development projects in Perak as well as other states in Peninsular Malaysia, in order to tap into emerging demands within the property market.

### Hospitality & Tourism

The Group is proactively engaged in optimising business prospects for its properties through meticulous strategic planning, which encompasses investments in employee training initiatives.

In alignment with Visit Perak Year 2024, the state of Perak is taking deliberate steps to extend invitations to neighboring Travel Agencies Associations and media professionals, encouraging them to explore the offerings of Perak. This collaborative effort aims to design tourism packages that showcase and endorse the region's attractions.

In active participation with this endeavor, the Group has enrolled in the FAMTRIP (familiarisation trip) program, enabling us to actively engage with and contribute to the development of tourism initiatives in Perak.

### 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 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 debt settlement agreements with CIMB shall be conditional upon the certain terms and conditions precedent to be fulfilled. The Company is seeking to vary certain terms and the extension of time under the debt settlement agreement with CIMB. As at the date of this report, the supplemental agreement to vary certain terms and the extension of time under the debt settlement agreement has been finalised and pending execution.

Presently, PCB Taipan and CIMB have finalised the private debt settlement framework for the debt owing by PCB Taipan and expects to enter into a private debt settlement agreement 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 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 period.

## **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:



NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
2	<p>Originating Summons No. AA-24NCC-2-02/2023 at Ipoh High Court</p> <p>Mohamed Shafeii bin Abdul Gaffor vs.</p> <ol style="list-style-type: none"> <li>1. Perak Corporation Berhad;</li> <li>2. PCB Development Sdn. Bhd.;</li> <li>3. Ferrier Hodgson MH Sdn. Bhd.;</li> <li>4. Tan Sri Abdul Rashid bin Abdul Manaf;</li> <li>5. Tan Sri IR. Kunasingam A/L V.Sittampalam;</li> <li>6. Datuk Redza Rafiq bin Abdul Razak;</li> <li>7. Zainal Iskandar bin Ismail;</li> <li>8. Andy Liew Hock Sim; and</li> <li>9. Tan Chee Hau</li> </ol> <p>PCB Development's application dated 20/04/23 to strike out Applicant's Originating Summons</p>	<p>Application for the following orders:</p> <ol style="list-style-type: none"> <li>1. To allow the applicant to object the scheme of arrangement on the ground that there were elements of criminal, mala fide and concealment of facts by the respondents;</li> <li>2. To set aside the scheme of arrangement on the ground that it is not valid and accordingly, to appoint a receiver and manager to manage Perak Corporation Bhd. affairs fairly;</li> <li>3. All other reliefs that the Court deems fit and just.</li> </ol> <p>PCB Development's application for the following orders:</p> <ol style="list-style-type: none"> <li>1. To strike out Applicant's Originating Summons against PCB Development; and</li> <li>2. All proceedings against PCB Development and all case management is temporarily stayed pending full and final disposal of PCB Development's application or any appeal thereof.</li> </ol>	<p><b><u>Originating Summons</u></b></p> <p>Case management on 8/5/2023: Respondents 1, 4 to 9 filed affidavits of reply to the applicant's supporting affidavit. All affidavits filed.</p> <p>Case Management 22/05/2023: For applicant to file and serve his Affidavit in Reply. Applicant has served his affidavit on 8/05/2023.</p> <p>PCB, Ferrier Hodgson, and the directors have filed applications to strike out OS.</p> <p><b><u>Application to Strike Out OS by PCB Development</u></b></p> <ol style="list-style-type: none"> <li>a) Written Submissions and Submission in Reply have been filed by the Applicant and PCB Development.</li> <li>b) The hearing for all the Respondents' Striking Out Applications is fixed on 24/10/2023 at 9am via Zoom.</li> </ol>	

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
	<p>Perak Corp 's application dated 29/5/2023 to strike out Applicant's Originating Summons.</p> <p>4<sup>th</sup>-9<sup>th</sup> Respondent's application dated 16/6/2023 to strike out Applicant's Originating Summons.</p>	<p>Perak Corp's application for the following orders:</p> <ol style="list-style-type: none"> <li>1. To strike out and dismiss Applicant's Originating Summons against Perak Corp;</li> <li>2. All proceedings against Perak Corp including all case management directions be stayed pending the full and final disposal of this application and/or any appeal thereof; and</li> <li>3. The cost of Perak Corp's striking out application be borne by the Applicant and be paid to Perak Corp.</li> </ol> <p>4<sup>th</sup>-9<sup>th</sup> application for the following orders:</p> <ol style="list-style-type: none"> <li>1. To strike out and dismiss Applicant's Originating Summons against 4<sup>th</sup>-9<sup>th</sup> Respondents; and</li> <li>2. The cost of 4<sup>th</sup>-9<sup>th</sup> Respondents' striking out application be borne by the Applicant and be paid to Perak Corp.</li> </ol>	<p><b><u>Application to Strike Out OS by Perak Corp</u></b></p> <ol style="list-style-type: none"> <li>a) Written Submissions and Submission in Reply have been filed by the Applicant and PCB Development.</li> <li>b) The hearing for all the Respondents' Striking Out Applications is fixed on 24/10/2023 at 9am via Zoom.</li> </ol> <p><b><u>Application to Strike Out OS by 4<sup>th</sup>-9<sup>th</sup> Respondents</u></b></p> <ol style="list-style-type: none"> <li>a) The 4<sup>th</sup> to 9<sup>th</sup> Respondents to file Affidavit in Reply on/before 01/08/2023;</li> <li>b) Parties to file Written Submissions on/before 15/8/2023;</li> <li>c) Parties to file Submissions in Reply on/before 24/8/2023; and</li> </ol>	



NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
			d) The hearing for all the Respondents' Striking Out Applications is fixed on 24/10/2023 at 9am via Zoom.	
	Proposed Intervener's Application by SJEE Engineering Sdn Bhd (Scheme Creditor) dated 27/7/2023 for Originating Summons No. AA-24NCC-2-02/2023 at Ipoh High Court.	<p>SJEE Engineering Sdn Bhd's application for the following orders:</p> <ol style="list-style-type: none"> <li>1. SJEE Engineering Sdn Bhd to be included as a party in Originating Summon No. AA-24NCC-2-02/2023 at Ipoh High Court;</li> <li>2. To set aside the scheme of arrangement; and</li> <li>3. SJEE Engineering to be removed as scheme creditor in the scheme of arrangement.</li> </ol>	<p><b><u>Application for Proposed Intervener by SJEE Engineering (Scheme Creditor)</u></b></p> <ol style="list-style-type: none"> <li>a) SJEE Engineering Sdn Bhd (scheme creditor) had filed Notice of Application dated 27/7/2023 and Affidavit in Support for Proposed Intervener's application.</li> <li>b) Perak Corp to file Affidavit in Reply on/before 16/8/2023;</li> <li>c) This matter is fixed for Case Management by way of e-Review on 6/9/2023.</li> </ol>	

**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 &amp; Azenan Bin Azalan AND Taipan Merit Sdn Bhd &amp; 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. The application was heard on 17/02/2021. 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>On 10/05/2023, the court struck off the Plaintiff's action against the Defendant with liberty to file afresh, due to the Plaintiff's non-compliance to the Court's instruction to file the hearing cause papers by 10/5/23. Accordingly, the Defendant's actions against Taipan Merit Sdn. Bhd. and PKNP were also struck off, with liberty to file afresh.</p>	<p align="center">275,000.00</p>
	<p><b>Court of Appeal No.</b>                      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 26/07/2022</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>	

**CONSTRUCTION INDUSTRY PAYMENT AND ADJUDICATION - LANAI CASUARINA SDN BHD**

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 RM2,029,879.36 (including adjudication cost of RM79,568.49)	<p>The Claimant had successfully obtained a CIPAA award on 7/7/2022 for a total sum of RM2,029,879.36, the breakdown of which is as follow:</p> <ul style="list-style-type: none"> <li>i. Certified claims for interim payment certificate no.23, 24 &amp; 25 amounting to RM1,950,310.87 including adjudication cost of RM79,568.49.</li> <li>ii. Interim payment certificate no. 26 was excluded and not adjudicated;</li> </ul> <p>On 2/5/2023, the parties' solicitors informed the court that the parties have agreed to a settlement and a settlement agreement has been signed.</p> <p>According to the settlement agreement dated 9/5/2023, the amount of RM2,029,879.36 will be paid by 25 monthly instalments with last instalment on November 2024.</p> <p>The Claimant had filed for Notice of Discontinuance on 11/5/2023 and the case is then withdrawn with liberty to file a fresh.</p> <p>The parties are still in negotiating process on the settlement for claim of interim payment certificate no.26.</p>	<p>Claim: 4,887,760.75 Award: 1,950,310.87 + cost 79,568.49.</p>

**COURT PROCEEDINGS - CASUARINA MERU SDN BHD**

<b>NO</b>	<b>PARTIES/ SUIT</b>	<b>SUBJECT MATTER</b>	<b>STATUS/ NEXT DATE</b>	<b>ADJUDICATION CLAIM AMOUNT (RM)</b>
1.	Perangsang Sinar Maju Sdn. Bhd Vs. Casuarina Meru Sdn Bhd.  Ipoh Sessions Court Civil Suit  No.AA-A52NCvC-95-09/2022  Plaintiff's Solicitor: Messrs Lai, Goh & Associates  Defendant's Solicitor: Messrs Shima & Co.	Enforcement of consent judgement dated 3/4/2023 amounting to RM134,440.00.	Consent Judgment recorded on 3/4/2023.  The company is serving the settlement instalment as per the consent judgment. According to the consent judgment, an amount of RM134,440.00 will be paid in 15 monthly instalments with last instalments on 30/5/2024.	Claim: RM134,439.30  Consent Judgement: RM134,440.00

**B7** Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

**B8** Rationale for entering into derivatives

The Group did not enter into any derivatives during the financial period 30 June 2023 or the previous financial year ended 31 December 2022.

**B9** Risk and policies for derivatives

The Group did not enter into any derivatives during the current financial period.

**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 30 June 2023 and 31 December 2022.

**B11** Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was unmodified.

**B12** Dividends

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