

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2023 RM'000	Restated Preceding Year Corresponding Quarter Ended 31/12/2022 RM'000	Current Year Ended 31/12/2023 RM'000	Restated Preceding Year Ended 31/12/2022 RM'000
REVENUE	41,481	39,574	160,651	149,001
COST OF SALES	(18,077)	(16,310)	(70,316)	(65,332)
GROSS PROFIT	23,404	23,264	90,335	83,669
Other income	7,531	65,870	10,363	68,846
Administrative expenses	(17,107)	(13,970)	(59,674)	(56,869)
Other expenses	(35)	(31,415)	(201)	(31,995)
(Net impairment losses)/ Reversal of impairment losses on:				
- receivables	(744)	(12,598)	(806)	(10,850)
- financial guarantee contracts	-	1,271	-	1,271
OPERATING PROFIT	13,049	32,422	40,017	54,072
Finance costs	(3,926)	(5,916)	(8,139)	(12,245)
PROFIT BEFORE TAX	9,123	26,506	31,878	41,827
Tax expense	(2,957)	(4,659)	(12,664)	(12,167)
NET PROFIT FOR THE FINANCIAL PERIOD	6,166	21,847	19,214	29,660
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD, NET OF TAX	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	6,166	21,847	19,214	29,660
NET PROFIT / TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
Owners of the Company	2,384	16,472	2,682	13,359
Non-controlling interest	3,782	5,375	16,532	16,301
	6,166	21,847	19,214	29,660
Profit per share attributable to equity holders of the parent (cent)				
Basic/diluted profit/ per share	2.38	16.47	2.68	13.36

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 FOURTH QUARTER ENDED 31 DECEMBER 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	73,282	75,151
Right-of-use assets	88,771	89,994
Port facilities	151,567	144,154
Investment properties	7,022	7,305
Other investments	25	25
Intangible assets	24,433	25,107
Inventories	10,428	10,428
	<u>355,528</u>	<u>352,164</u>
CURRENT ASSETS		
Inventories	95,813	97,009
Receivables, deposits and prepayments	47,660	25,906
Current tax assets	131	78
Other investments	126	121
Deposits, bank and cash balances	41,260	51,381
	<u>184,990</u>	<u>174,495</u>
TOTAL ASSETS	<u>540,518</u>	<u>526,659</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	272,770	272,770
Accumulated losses	(177,880)	(180,562)
	<u>94,890</u>	<u>92,208</u>
Non-controlling interests	162,114	150,582
TOTAL EQUITY	<u>257,004</u>	<u>242,790</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Loans and borrowings	54,119	33,769
Deferred tax liabilities	13,211	13,263
	<u>67,330</u>	<u>47,032</u>
CURRENT LIABILITIES		
Loans and borrowings	65,834	94,186
Payables and accrued liabilities	147,381	139,626
Current tax payable	2,969	3,025
	<u>216,184</u>	<u>236,837</u>
TOTAL LIABILITIES	<u>283,514</u>	<u>283,869</u>
TOTAL EQUITY AND LIABILITIES	<u>540,518</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 FOURTH QUARTER ENDED 31 DECEMBER 2023
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 2023	272,770	(180,562)	92,208	150,582	242,790
<u>Total comprehensive income for the financial year</u>					
Net profit for the financial year	-	2,682	2,682	16,532	19,214
<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 2023 (unaudited)	272,770	(177,880)	94,890	162,114	257,004
(Audited)					
At 1 January 2022	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)
At 31 December 2022	272,770	(180,562)	92,208	150,582	242,790

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 FOURTH QUARTER ENDED 31 DECEMBER 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2023	31/12/2022
	RM'000	RM'000
OPERATING CASH FLOW		
Cash collection from trade/other receivables	166,894	216,042
Cash received from other income	2,995	726
Cash paid for other expenses	(92,526)	(89,461)
Cash paid to trade/other payables	(35,741)	(31,433)
Cash paid for tax	(11,871)	(10,726)
Net operating cash flow	<u>29,751</u>	<u>85,148</u>
INVESTING CASH FLOW		
Interest received	608	482
Dividend income received	1	2
Proceeds from disposal of property plant & equipment	100	-
Purchase of property plant & equipment	(2,373)	(855)
Purchase of port facilities	(20,899)	(13,942)
Net investing cash flow	<u>(22,563)</u>	<u>(14,313)</u>
FINANCING CASH FLOW		
Repayment of loans and borrowings	(5,720)	(58,491)
Dividend paid to non-controlling interests	(5,000)	(5,000)
Interest paid	(6,550)	(6,065)
(Placement)/uplift of fixed deposits	(5,394)	3,921
Net financing cash flow	<u>(22,664)</u>	<u>(65,635)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(15,476)	5,200
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	30,169	24,969
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>14,693</u>	<u>30,169</u>
Cash and cash equivalents comprise :		
Deposits, bank and balances	41,260	51,381
Less:		
Deposits pledged with banks	(2,334)	(2,330)
Fixed deposits with maturity of more than 3 months	(19,236)	(13,853)
Overdraft	(4,997)	(5,029)
Cash and cash equivalents	<u>14,693</u>	<u>30,169</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
- FOURTH QUARTER ENDED 31 DECEMBER 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 RM19.2 million for the financial year ended 31 December 2023 and as at that date, the Group's current liabilities exceeded its current assets by RM31.2 million (2022: RM62.3 million). As at 31 December 2023, deposits, cash and bank balances of the Group totalled RM41.3 million and borrowing due repayment over the next 12 months after reporting date totalled RM65.8 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. On 6 November 2023, Bursa Malaysia has resolved to grant the Company a further extension of six (6) months up to 10 February 2024. On 9 February 2024, the Company submitted a further extension of time application to Bursa Malaysia of twelve (12) months i.e. up to 9 February 2025 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 Company has on 11 September 2023 entered into a supplemental agreement to the CIMB debt settlement agreement dated 8 November 2021 with CIMB to amend, modify, substitute, vary and alter the terms and conditions of the CIMB debt settlement agreement.

On 15 September 2023, PCB Taipan has entered into a debt settlement agreement with CIMB to settle the amount outstanding due and payable by PCB Taipan to CIMB which stood at RM29,303,617.18 based on the amount outstanding as at 31 December 2022 and includes continuing interest, costs, charges and expenses under the Facility Agreement dated 23 July 2012 ("Facility Agreement") from 1 January 2023 to full payment and/or repayment of all amounts due and owing under the Facility Agreement to CIMB.

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. On 6 November 2023, Bursa Malaysia has resolved to grant the Company a further extension of six (6) months up to 10 February 2024.

On 9 February 2024, the Company submitted a further extension of time application to Bursa Malaysia of twelve (12) months i.e. up to 9 February 2025 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) repayment of the Group's future debt obligations via the redemption of RPS issued to the financial institutions and to be issued to the New Scheme Creditors as well as the settlement to the New Scheme Creditors in the ordinary course of business;
- (b) 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; and
- (c) proposed balance sheet reconstruction to strengthen its future balance sheet position.

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 2023, the total loans and borrowings of the Group amounted to RM120.0 million (2022: RM127.9 million), constituted about 42.3% of the total liabilities of the Group.

In addition, out of the total loans and borrowings of the Group, RM65.8 million (2022: RM94.2 million) are due repayable on demand or within 1 year.

The bank and cash position of the Group as at 31 December 2023 of RM41.3 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.

The Group's ability to settle the loans and borrowings is subject to the implementation of the Regularisation Plan to strengthen its financial position including the securities holders' equity, gearing, net asset position, cash flow position, and address its accumulated losses position.

As the Company is working on formulating the regularisation plan to address the Company's financial condition 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 year ended 31 December 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
- Amendments to MFRS 112: International Tax Reform Pillar Two Model Rules

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 year ended 31 December 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	
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Port & Logistics	34,695	34,633	136,627	127,777
Property development	-	-	-	-
Hospitality & tourism	7,018	5,083	24,730	21,769
Management services and others	5,894	6,203	8,664	11,621
Total revenue	47,607	45,919	170,021	161,167
Eliminations	(6,126)	(6,345)	(9,370)	(12,166)
	41,481	39,574	160,651	149,001

Segment results	Current Quarter Ended		Cumulative Year To Date	
Profit/ (loss) before tax	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Port & Logistics	10,217	13,518	44,385	42,589
Property development	(525)	47,327	(2,200)	47,327
Hospitality & tourism	787	(19,708)	2,162	(20,689)
Management services and others	(2,418)	(11,522)	(7,451)	(20,410)
	8,061	29,615	36,896	48,817
Eliminations	1,062	(3,109)	(5,018)	(6,990)
	9,123	26,506	31,878	41,827

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 4 2023 and Quarter 4 2022

Group Summary

The Group recorded revenue of RM41.5 million for the current quarter ended 31 December 2023 compared to revenue of RM39.6 million in the corresponding quarter of the previous financial year. The increase in revenue for the current quarter is primarily driven by the 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 amounted to RM34.7 million, compared to RM34.6 million recorded in the corresponding quarter of the previous financial year. Despite a 7% decrease in cargo throughput, due to increased contribution from LMT terminal at higher rate, as well as 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 RM10.2 million compared to RM13.5 million recorded in the corresponding quarter of the previous financial year. Lower pre-tax profit mainly due to increased expenses for overseas meetings and seminars, along with higher maintenance costs incurred for the repair of conveyor and ship unloader.

The summary results are as follows:

	Current Quarter Ended		% change
	31/12/2023	31/12/2022	
	RM'000	RM'000	
Revenue			
Port Operations	34,695	34,633	0%
Total	<u>34,695</u>	<u>34,633</u>	0%
Profit before tax			
Port Operations	10,217	13,518	-24%
Total	<u>10,217</u>	<u>13,518</u>	-24%
Throughput	metric tonnes	metric tonnes	% change
LBT	2,770,546	3,261,995	-15%
LMT	1,377,536	1,214,385	13%
	<u>4,148,082</u>	<u>4,476,380</u>	-7%

Property Development

For the quarter under review, property development segment recorded no revenue and reported a loss before tax of RM0.5 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 & tourism segment registered a revenue of RM7.0 million, marking an improvement of RM1.9 million or 38% when compared to the corresponding quarter of the previous financial year. Furthermore, there has been an enhancement in the profit before tax for the current quarter, reaching RM0.8 million, in contrast to the loss before tax of RM19.7 million reported during the corresponding quarter of the previous financial year. The higher loss during the corresponding quarter of the previous financial year was primarily due to impairment losses on property, plant, and equipment, as well as right-of-use assets.

Management Services and Others

In the current quarter, the management services segment reported revenue of RM5.9 million, compared to RM6.2 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. The segment's loss before tax is RM2.4 million in the current quarter, compared to RM11.5 million in the corresponding quarter of the previous financial year. The lower loss before tax in current quarter is primarily attributed to the reversal of penalty cost and reversal of impairment loss on financial guarantee contracts.

Comparison between Cumulative Year To Date Quarter 4 2023 and Quarter 4 2022

Group Summary

During the financial year ending on 31 December 2023, the Group achieved a revenue of RM160.7 million, marking a 8% rise from the RM149.0 million reported in the previous financial year. This increase in revenue is primarily attributed to the contributions from the port & logistics segment and hospitality and tourism segment. The Group generated a profit before tax amounting to RM31.9 million in the current financial year compared to RM41.8 million in the previous financial year. The higher profit before tax in previous financial year was due to the other income recorded in property development segment in relation to the compensation received from Government Acquisition.

Port & Logistics

The port & logistics segment remains the largest contributor to the Group's revenue amounting to RM136.6 million for the current financial year compared to RM127.8 million in the previous financial year. This increase in revenue is mainly attributed to the higher throughput of cargo, rate increase and other income not related to tonnage e.g. stockpile management charges. Furthermore, the profit before tax for the current financial year has risen to RM44.4 million, surpassing the RM42.6 million reported during the previous financial year.

The summary results are as follows:

	Cumulative Year To Date		
	31/12/2023	31/12/2022	
	RM'000	RM'000	% change
		(Audited)	
Revenue			
Port Operations	136,627	127,777	7%
Total	<u>136,627</u>	<u>127,777</u>	<u>7%</u>
Profit before tax			
Port Operations	44,385	42,589	4%
Total	<u>44,385</u>	<u>42,589</u>	<u>4%</u>
Throughput	metric tonnes	metric tonnes	% change
LBT	12,265,977	12,172,792	1%
LMT	5,012,146	4,679,897	7%
	<u>17,278,123</u>	<u>16,852,689</u>	<u>3%</u>

Property Development

The property development segment reported a loss before tax of RM2.2 million for current financial year. The profit before tax of RM47.3 million in previous financial year was mainly due to the compensation received from Government Acquisition.

Hospitality & Tourism

The hospitality & tourism segment recorded revenue of RM24.7 million for the current financial year compared to RM21.8 million in the previous financial year. The hospitality & tourism segment has been experiencing increasing occupancy rates at its chain of hotels since the lifting of the various lockdowns and movement control orders imposed by the Government of Malaysia during the COVID-19 pandemic, which is in line with the general recover of the tourism section in Malaysia. This segment posted a profit loss before tax at RM2.2 million for the current financial year compared to loss before tax of RM20.7 million in the previous financial year. The higher loss before tax in previous financial year was mainly due to impairment loss on property, plant and equipment as well as right-of-use assets.

Management Services and Others

This segment recorded a revenue of RM8.7 million in the current financial year compared to RM11.6 million in the previous financial year. This segment recorded a lower pre-tax loss of RM7.5 million for the current financial year compared to loss before tax of RM20.4 million in the previous financial year. This is primarily attributed to the reversal of penalty cost and reversal of impairment loss on financial guarantee contracts in current 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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging/ (crediting):				
Interest income	(260)	(386)	(989)	(677)
Dividend income	-	-	-	(2)
Reversal of interest expense and penalty cost	(4,387)	-	(5,660)	-
Compensation received from Government Acquisition	-	(59,691)	-	(59,691)
Depreciation and amortisation	2,973	2,845	12,903	14,199
Impairment losses:				
- Property, plant and equipment	7	17,621	23	17,641
- Right-of-use assets	-	3,147	-	3,147
- Financial guarantee contracts	-	195	-	195
Reversal of impairment losses:				
- Property, plant and equipment	-	(4,308)	-	(4,308)
- Financial guarantee contracts	-	(1,466)	-	(1,466)
Land cost in relation to Government Acquisition	-	10,238	-	10,238
Bad debts written off	-	27	-	27
Port facilities written off	-	202	-	202
Property, plant and equipment written off	28	2	28	2
(Reversal)/ Provision for slow moving inventories	(125)	187	150	747
Reversal of inventories previously written down	-	(270)	-	(270)
Impairment losses:				
- Trade receivables	283	1,000	319	1,000
- Other receivables	211	198	278	328
- Amount due from ultimate holding corporation	915	307	915	307
- Amount due from fellow subsidiaries	20	62	20	62
- Amount due from former subsidiaries	1	10,703	1	10,703
- Amount due from associates	-	671	-	671
Reversal of impairment losses:				
- Trade receivables	(360)	(208)	(398)	(208)
- Other receivables	(44)	(135)	-	(138)
- Amount due from ultimate holding corporation	(38)	-	(41)	(1,164)
- Amount due from fellow subsidiaries	(111)	-	(111)	-
- Amount due from former subsidiaries	(133)	-	(133)	-
- Amount due from associates	-	-	-	(711)
Interest expenses	3,926	5,916	8,139	12,245

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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Income tax	3,934	4,420	12,479	11,478
Deferred Tax	(1,214)	239	(52)	689
Real Property Gain Tax	237	-	237	-
Tax expense	<u>2,957</u>	<u>4,659</u>	<u>12,664</u>	<u>12,167</u>

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 Per Share

Basic profit per share is calculated by dividing the net profit 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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Profit for the financial period attributable to owners of the Company (RM000)	2,384	16,472	2,682	13,359
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Profit per share (cent)	<u>2.38</u>	<u>16.47</u>	<u>2.68</u>	<u>13.36</u>

No diluted profit 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 year ended 31 December 2023.

A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at	As at
	31/12/2023	31/12/2022
	RM'000	RM'000
Deposits, bank and cash balances	41,260	51,381
Less:		
Deposits pledged with banks	(2,334)	(2,330)
Fixed deposits with maturity of more than 3 months	(19,236)	(13,853)
Overdraft	<u>(4,997)</u>	<u>(5,029)</u>
Cash and cash equivalents	<u>14,693</u>	<u>30,169</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
31 December 2023				
Other investments	126	-	25	151
31 December 2022 (Audited)				
Other investments	121	-	25	146

A13 Borrowings

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

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
<u>Secured</u>		
(a) <u>Current</u>		
Hire purchase and finance lease liabilities	606	715
Term financing-i	2,720	5,720
Business financing-i and cash line-i	28,994	28,942
Revolving credits	28,489	53,780
Overdrafts	5,025	5,029
	<u>65,834</u>	<u>94,186</u>
(b) <u>Non-current</u>		
Hire purchase and finance lease liabilities	14,793	15,452
Term financing-i	-	2,720
Redeemable preference shares	39,326	15,597
	<u>54,119</u>	<u>33,769</u>
<u>Total borrowings</u>		
Hire purchase and finance lease liabilities	15,399	16,167
Term financing-i	2,720	8,440
Business financing-i and cash line-i	28,994	28,942
Revolving credits	28,489	53,780
Overdrafts	5,025	5,029
Redeemable preference shares	39,326	15,597
	<u>119,953</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 year ended 31 December 2023.

A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 31 December 2023 are as follows:

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
Authorised and contracted for	184,919	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 year except for:

	Group		Company	
	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000 (Audited)	As at 31/12/2023 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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Transactions with:				
Ultimate Holding Corporation ("UHC")				
Interest expenses	-	(90)	-	(270)
Management fee for sale of land	(81)	-	(81)	-
Reversal of interest expenses	-	-	1,183	-
Advances received	-	-	-	39
Rental receivable	461	461	1,844	1,383
Other transaction	41	29	131	66
Fellow subsidiaries of the UHC				
Other transaction	(4)	11	(16)	38
Associate				
Rendering of internet services	(16)	-	(91)	-
Related parties				
Port services receivable	11,392	12,125	48,196	34,922
Provision of utility	(740)	(596)	(2,403)	(1,811)
Sale of land	4,051	-	4,051	-

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

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000 (Audited)
<u>Account balance with UHC</u>		
Receivables	7,855	4,743
Payables	(38,007)	(38,294)
<u>Account balances with fellow subsidiaries</u>		
Receivables	10,285	10,374
Payables	(1,793)	(1,692)
<u>Account balances with associate</u>		
Receivables	8,619	8,619
Payables	(532)	(532)
<u>Account balances with related parties</u>		
Receivables	21,437	12,697
Payables	(22)	-

A19 Significant event

There was no significant event during the current financial year 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.
- (c) 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.
- (d) On 17 August 2023, the Company announced that it has entered into the following agreements:
 - (i) Supplemental agreement (“SA JVA”) 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
 - (ii) 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.
- (e) On 11 September 2023, the Company entered into a supplemental agreement to the CIMB Debt Settlement Agreement dated 8 November 2021 (“SA DSA”) with CIMB to amend, modify, substitute, vary and alter the terms and conditions of the CIMB Debt Settlement Agreement. In conjunction with the SA DSA, Perak Corp also proposes to amend the provisions of the Constitution of the Company to facilitate the substitution of the security documents provided under the SA DSA to secure the redeemable cumulative preference shares, RPS-A1, issued to CIMB.
- (f) On 15 September 2023, PCB Taipan entered into a debt settlement agreement with CIMB to settle the amount outstanding due and payable by PCB Taipan to CIMB which stood at RM29,303,617.18 based on the amount outstanding as at 31 December 2022 and includes continuing interest, costs, charges and expenses under the Facility Agreement dated 23 July 2012 (“Facility Agreement”) from 1 January 2023 to full payment and/or repayment of all amounts due and owing under the Facility Agreement to CIMB.
- (g) On 27 September 2023, Casuarina Meru Sdn Bhd (“CMSB”), a 89.54% subsidiary of PCB Taipan, has entered into a novation agreement with Perbadanan Kemajuan Negeri Perak (“PKNP”), Ladang Lekir Sdn Bhd (“LLSB”), Perak Agro Management Services Sdn Bhd (“PAMSB”) and Perak Agropreneur Sdn Bhd (“PASB”) for the novation by way of transfer of all benefits, rights, interests and liabilities from PKNPk, to CMSB in and under the sale and purchase agreement dated 16 December 2022 in relation to the disposal of a piece of land held under HSD 4844, PT 1003, Mukim Temelong, Daerah Hulu Perak, Negeri Perak from PKNPk to LLSB for a total cash consideration of RM4,051,080.

- (h) 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.

On 6 November 2023, Bursa Malaysia has resolved to grant the Company a further extension of time of six (6) months up to 10 February 2024 to submit its regularisation plan to the relevant regulatory authorities for approval.

A20 Material events subsequent to the end of the current financial year

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 8 January 2024, the Company has entered into a Joint Venture Agreement ("JVA SVTP") with PKNP to establish a synergistic collaboration and to jointly carry out the development of Silver Valley Technology Park ("SVTP") Industrial Hub, sale of industrial plots and other product offerings to end-purchasers and end-users in furtherance to the development initiatives set out in the Master Development Agreement dated 31 March 2023.

In tandem with the execution of the JVA SVTP, the Company has on 8 January 2024 entered into a Joint Development Agreement with Advancecon Development Sdn Bhd as the joint developer for the development of the main infrastructure for SVTP Industrial Hub and sale of completed industrial lots with main infrastructure.

- (b) On 2 February 2024, the Company entered into a (Second) Supplemental Agreement ("Second SA JVA") with ARX-YSC Sdn Bhd for an early settlement of Perak Corp's entitlement of the parcel of land designated as "Parcel 2" under the proposed joint development for a total consideration of RM63,500,000.00 ("Parcel 2 Entitlement") as full and final settlement towards Perak Corp's entitlement in respect of Parcel 2 pursuant to the SA JVA.
- (c) On 9 February 2024, the Company submitted a further extension of time application to Bursa Malaysia of twelve (12) months i.e. up to 9 February 2025 to submit the Company's Regularisation Plan to the relevant regulatory authorities.
- (d) On 17 January 2024, the creditors' voluntary winding-up ("CVL") of PCB Development has been set aside by the High Court of Kuala Lumpur (hereinafter referred to as "the said Decision") via the Originating Summons No. WA-28PW-317-07/2022 dated 27 June 2022 by Affin Hwang Investment Bank Berhad, Affin Bank Berhad, Bank Pembangunan Malaysia Berhad and Malaysia Debt Ventures Berhad ("Applicants") against PCB Development and Liquidators ("Respondents"). On 27 February 2024, stay of the said Decision was refused by the High Court. Meanwhile, appeals have been filed by the Respondents against the said Decision to the Court of Appeal on 24 January 2024. The appeal is fixed for case management on 17 April 2024.

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		
	31/12/2023 RM'000	31/12/2022 RM'000	Changes (%)	31/12/2023 RM'000	31/12/2022 RM'000	Changes (%)
Revenue	41,481	39,574	5%	160,651	149,001	8%
Operating profit	13,049	32,422	-60%	40,017	54,072	-26%
Profit before tax	9,123	26,506	-66%	31,878	41,827	-24%
Net profit for the financial period	6,166	21,847	-72%	19,214	29,660	-35%
Net profit for the financial period attributable to owners of the Company	2,384	16,472	-86%	2,682	13,359	-80%

B2 Comment on Material Change in Profit Before Taxation

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes	
	31/12/2023 RM'000	30/09/2023 RM'000	RM'000	%
Revenue	41,481	39,354	2,127	5%
Operating profit	13,049	6,857	6,192	90%
Profit before tax	9,123	6,316	2,807	44%
Net profit for the financial period	6,166	3,582	2,584	72%
Net profit for the financial period attributable to owners of the Company	2,384	23	2,361	10265%

In the current quarter ended 31 December 2023, the Group recorded a revenue of RM41.5 million, which represents an increase of 5% compared to the revenue of RM39.4 million generated in the immediate preceding quarter ended 30 September 2023. This increase in revenue is mainly contributed by higher revenue in port & logistics segment and hospitality & tourism segment.

The Group reported a net profit of RM6.2 million for the quarter ending on 31 December 2023, showing an increase compared to the net profit of RM3.6 million from the previous quarter ending on 30 September 2023. This increase can be primarily attributed to increased revenue and other income recorded in hospitality & tourism segment in relation to sale of land.

B3 Commentary on Prospects

Port & Logistic

For financial year ended 31 December 2023, port & logistic segment achieved a pre-tax profit of RM44.4 million, marking an increase of RM1.8 million (4%) compared to the previous year's pre-tax profit of RM 42.6 million. This growth was driven by higher revenue generated from tonnages handled at the LMT Terminal.

Looking ahead to 2024, LMTSB anticipates continued positive performance, with expectations of growth stemming from increased tonnage volume at the LMT Terminal, supported by the utilisation of new machinery such as gantry material handler and tipper trucks. These enhancements are poised to be the primary drivers of revenue for LMTSB in the upcoming year.

Property Development

According to the National Property Information Centre's (Naptic) Property Market 1H 2023 Report, Malaysia's total property transaction value reached RM85.37 billion in the first half of 2023 (1H2023), with 184,140 transactions recorded. This represents a 1.1% increase in value but a 2.1% decrease in volume compared to the same period last year.

Meanwhile, as per the Malaysia Property Market Report Q4 2023 by PropertyGuru, the Malaysian property market demonstrated resilience amid economic growth moderation and elevated interest rates. The Sale Demand Index fell 5.9% in Q3 2023, indicating a slowdown amid rising prices and economic uncertainties. However, the rental market experienced a rebound in demand during Q3, following two (2) consecutive quarters of decline. This shift may be attributed to higher costs, prompting some property seekers to transition from the sales market to the rental market.

On 17 September 2023, data from the Malaysian Investment Development Authority (MIDA) revealed that the Industrial Market in Malaysia attracted a total of RM132.6 billion (USD28.4 billion) worth of approved investments in the services, manufacturing and primary sectors involving 2,651 projects from January to June 2023 and is expected to create 51,853 job opportunities in the country.

These investments are a vote of confidence in Malaysia's economy and its offerings to investors, including:

1. A Government that supports and develops pro-business policies, and continuously enhances the ease of doing business in Malaysia;
2. A strategic location in Asia with strong growth potential;
3. A trusted hub for ecosystem, supply chain, capital, talent, flows of goods and data; and
4. Growing innovation capabilities.

Premised on these economic outlook, the Company maintains a positive outlook for the success of SVTP Industrial Hub Development, which offers a range of products including the sale of industrial lots with ready infrastructure.

Hospitality & Tourism

2023 has finally granted some relief and normality in the hospitality and tourism segment globally and the industry are finally able to focus on generating more revenue.

The launch of Visit Perak Year 2024 presents promising prospects for hotels in the region. With a focused campaign aimed at attracting tourists to Perak, there is a heightened potential for increased tourist arrivals, resulting in higher demand for accommodation services. The hospitality & tourism segments stands to benefit from this initiative by capitalising on the influx of visitors seeking lodging options during their stay. Additionally, the heightened tourism activity can stimulate the local economy, creating a positive ripple effect for businesses, including hotels, through increased patronage and revenue generation. Overall, the launch of Visit Perak Year 2024 signifies a positive outlook for hotels in the region, with opportunities for growth and development.

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.

On 11 September 2023, the Company entered into a supplemental agreement to the CIMB Debt Settlement Agreement dated 8 November 2021 ("SA DSA") with CIMB to amend, modify, substitute, vary and alter the terms and conditions of the CIMB Debt Settlement Agreement. In conjunction with the SA DSA, Perak Corp also proposes to amend the provisions of the Constitution of the Company to facilitate the substitution of the security documents provided under the SA DSA to secure the redeemable cumulative preference shares, RPS-A1, issued to CIMB.

On 15 September 2023, PCB Taipan entered into a debt settlement agreement with CIMB to settle the amount outstanding due and payable by PCB Taipan to CIMB which stood at RM29,303,617.18 based on the amount outstanding as at 31 December 2022 and includes continuing interest, costs, charges and expenses under the Facility Agreement dated 23 July 2012 ("Facility Agreement") from 1 January 2023 to full payment and/or repayment of all amounts due and owing under the Facility Agreement to CIMB.

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. In January 2024, the Group has initiated its 5 Years Strategic Development Plan (2024 – 2028) to strengthen its position in each segment and brand visibility. The Group is optimistic that the plan will propel the organisation to achieve sustainable growth and secure a leading position in its industry. 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)
			During the case management on 19/9/2023, the hearing had been vacated as the judge was unwell and the Court postponed the hearing to 19/3/2024 at the Ipoh High Court.	

PCB DEVELOPMENT SDN BHD - (CREDITORS' VOLUNTARY LIQUIDATION)

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
1.	<p>Ipoh High Court No. AA-28PW-58-09/2023</p> <p>V.Development Sdn Bhd v PCB Development Sdn Bhd</p> <p>Applicant's solicitor: Messrs. Tengku Azlina, Azlan Shah & Azman</p> <p>Respondent's solicitor: Messrs. Wilson Lim</p>	<p>Application for removal of liquidators by Court pursuant under Section 453 (2) Companies Act 2016.</p>	<p>The Applicant's Solicitor has served Sealed Notice of Motion dated 4/9/2023 together with Affidavit in Support dated 25/08/2023 to PCB Development's liquidators via a letter dated 30/10/2023.</p> <p>a) The Respondent filed a Forms of Summons on 26/12/2023 (Encl. 8) to strike out the Notice of Motion;</p> <p>b) Next case management is fixed on 28/2/2024 at 9.00 a.m. before the learned Judicial Commissioner for the withdrawal of the Motion and costs.</p>	N/A
2.	<p>Affin Hwang Investment Bank Berhad & 3 Ors. v PCB Development Sdn. Bhd ("PCB Development") (In Creditors' Voluntary Liquidation) & 2 Ors</p> <p>Kuala Lumpur High Court</p> <p>Originating Summons No. WA-28PW-317-07/2022</p>	<p>Application for declaration and set aside creditors' voluntary winding up and the appointment of the 2nd and 3rd respondents as joint and several liquidators of the 1st respondent due to non-compliance of Section 449(1) Company Act 2016.</p>	<p>On 17/1/2024, the creditors' voluntary winding-up ("CVL") of PCB Development has been set aside by the High Court of Kuala Lumpur (hereinafter referred to as "the said Decision").</p>	N/A

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
	<p>1. Affin Hwang Investment Bank Berhad 2. Affin Bank Berhad 3. Bank Pembangunan Malaysia Berhad 4. Malaysia Debt Ventures Berhad ... Applicants</p> <p>1. PCB Development Sdn Bhd (In Creditors' Voluntary Liquidation) 2. Andrew Heng 3. Anoopal Kaur A/P Kirpal Singh ... Respondents</p> <p>Applicants Solicitors: Messrs. Shook Lin & Bok</p> <p>1st Respondent Solicitors: Messrs. Dennis Nik & Wong</p> <p>2nd and 3rd Respondent Solicitors: Messrs. Wilson Lim</p> <p>Court of Appeal</p> <p>NO. W-02(A)-157-01/2024 [PCB Development Sdn Bhd V Affin Hwang Investment Bank Berhad & 5 Others]</p>	<p>Appeal against the decision of High Court Judge dated 17/1/2024 to be declared invalid and be set aside.</p>	<p>Appeals have been filed by the Liquidators and PCB Development against the said Decision to the Court of Appeal on 24/1/2024.</p> <p>The appeal is fixed for case management on 17/4/2024.</p>	<p>N/A</p>

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
	<p>Kuala Lumpur High Court</p> <p>No. WA-28PW-62-02/2024 [PCB Development Sdn Bhd V Affin Hwang Investment Bank Berhad & 5 Others]</p>	<p>Stay of Proceedings.</p>	<p>On 2/2/2024, the PCB Development has filed a set aside application for stay execution of the order dated 17/1/2024 pending the disposal of the appeal.</p> <p>On 27/2/2024, stay of the said Decision was refused by the High Court.</p>	

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 year ended 31 December 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 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 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.

B13 Auditors' report on interim financial reporting

Messrs Crowe Malaysia PLT, the statutory auditors of the Company, was engaged to perform a review on the quarterly consolidated financial statements of Perak Corp for the quarters ended 31 December 2023. Their review report to the Board of Directors of the Company for this Quarter 4 interim financial information for the period ended 31 December 2023 included an emphasis of matter paragraph highlighting the interim condensed financial statements have been prepared on a non-going concern basis as explained in Note A1. The review report was not modified in respect of this matter.