

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2024	Preceding Year Corresponding Quarter Ended 31/03/2023	Current Year Ended 31/03/2024	Preceding Year Ended 31/03/2023
	RM'000	RM'000	RM'000	RM'000
REVENUE	38,029	40,685	38,029	40,685
COST OF SALES	(16,041)	(17,314)	(16,041)	(17,314)
GROSS PROFIT	21,988	23,371	21,988	23,371
Other income	216	485	216	485
Administrative expenses	(17,845)	(14,569)	(17,845)	(14,569)
Other expenses	(50)	(52)	(50)	(52)
(Net impairment losses)/ Reversal of impairment losses on:				
- receivables	2,811	(28)	2,811	(28)
- financial guarantee contracts	(1,793)	-	(1,793)	-
Exceptional items	1,793	-	1,793	-
OPERATING PROFIT	7,120	9,207	7,120	9,207
Finance costs	(1,954)	(1,677)	(1,954)	(1,677)
PROFIT BEFORE TAX	5,166	7,530	5,166	7,530
Tax expense	(2,322)	(3,200)	(2,322)	(3,200)
NET PROFIT FOR THE FINANCIAL PERIOD	2,844	4,330	2,844	4,330
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD, NET OF TAX	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	2,844	4,330	2,844	4,330
NET PROFIT / TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
Owners of the Company	132	32	132	32
Non-controlling interest	2,712	4,298	2,712	4,298
	2,844	4,330	2,844	4,330
Profit per share attributable to equity holders of the parent (cent)				
Basic/diluted profit/ per share	0.13	0.03	0.13	0.03

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

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

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 31/03/2024	As at 31/12/2023
	RM'000	RM'000 (Audited)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	72,007	72,957
Right-of-use assets	88,494	88,771
Port facilities	150,091	151,567
Investment properties	6,952	7,022
Other investments	25	25
Intangible assets	24,260	24,433
Inventories	10,428	10,428
	<u>352,257</u>	<u>355,203</u>
<b>CURRENT ASSETS</b>		
Inventories	103,402	95,813
Receivables, deposits and prepayments	53,692	47,651
Current tax assets	145	131
Other investments	126	126
Deposits, bank and cash balances	27,951	41,260
	<u>185,316</u>	<u>184,981</u>
<b>TOTAL ASSETS</b>	<u>537,573</u>	<u>540,184</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	272,770	272,770
Accumulated losses	(177,571)	(177,703)
	<u>95,199</u>	<u>95,067</u>
Non-controlling interests	164,824	162,112
<b>TOTAL EQUITY</b>	<u>260,023</u>	<u>257,179</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	68,174	54,119
Deferred tax liabilities	13,598	13,211
	<u>81,772</u>	<u>67,330</u>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	51,900	65,834
Payables and accrued liabilities	141,494	146,872
Current tax payable	2,384	2,969
	<u>195,778</u>	<u>215,675</u>
<b>TOTAL LIABILITIES</b>	<u>277,550</u>	<u>283,005</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>537,573</u>	<u>540,184</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 FIRST QUARTER ENDED 31 MARCH 2024**  
**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
<b>At 1 January 2024</b>	272,770	(177,703)	95,067	162,112	257,179
<u>Total comprehensive income for the financial period</u>					
Net profit for the financial period	-	132	132	2,712	2,844
<b>At 31 March 2024</b> (unaudited)	<u>272,770</u>	<u>(177,571)</u>	<u>95,199</u>	<u>164,824</u>	<u>260,023</u>
(Audited)					
<b>At 1 January 2023</b>	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	-	2,859	2,859	16,530	19,389
<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 2023</b>	<u>272,770</u>	<u>(177,703)</u>	<u>95,067</u>	<u>162,112</u>	<u>257,179</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)**  
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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	31/03/2024	31/03/2023
	RM'000	RM'000
<b>OPERATING CASH FLOW</b>		
Cash collection from trade/other receivables	47,925	46,371
Cash received from other income	7	724
Cash paid for other expenses	(45,499)	(19,205)
Cash paid to trade/other payables	(11,167)	(11,813)
Cash paid for tax	(3,204)	(3,048)
Net operating cash flow	<u>(11,938)</u>	<u>13,029</u>
<b>INVESTING CASH FLOW</b>		
Interest received	408	221
Purchase of property plant & equipment	(22)	-
Net investing cash flow	<u>386</u>	<u>221</u>
<b>FINANCING CASH FLOW</b>		
Repayment of loans and borrowings	(1,430)	(1,430)
Interest paid	(292)	(442)
Placement of fixed deposits pledged with banks and fixed deposits with maturity of more than 3 months	(366)	(5,168)
Net financing cash flow	<u>(2,088)</u>	<u>(7,040)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(13,640)	6,210
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>14,658</u>	<u>30,174</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>1,018</u></u>	<u><u>36,384</u></u>
Cash and cash equivalents comprise :		
Deposits, bank and balances	27,951	62,758
Less:		
Deposits pledged with banks	(2,338)	(2,332)
Fixed deposits with maturity of more than 3 months	(19,605)	(19,013)
Overdraft	(4,990)	(5,029)
Cash and cash equivalents	<u><u>1,018</u></u>	<u><u>36,384</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**  
**- FIRST QUARTER ENDED 31 MARCH 2024**

**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 2023.

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 2023.

The Group reported profit after tax of RM2.8 million for the financial period ended 31 March 2024 and as at that date, the Group's current liabilities exceeded its current assets by RM10.5 million (2023: RM30.7 million). As at 31 March 2024, deposits, cash and bank balances of the Group totalled RM28.0 million and borrowing due repayment over the next 12 months after reporting date totalled RM51.9 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 6 November 2023, Bursa Malaysia extended the regularisation plan submission dateline 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. On 9 May 2024, Bursa Malaysia has resolved to grant the Company for a further extension of time of 6 months up to 10 August 2024 to submit its regularisation plan to the relevant regulatory authorities for approval. As of the date of this report, the regularisation plan is still being formulated.

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

Key chronological events

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

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

#### *Appointment of receiver and manager*

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

#### *Demand of full payment from PCB Development Sdn. Bhd. of the syndicated Term Loan pursuant to the Corporate Guarantee*

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

#### *Event of default declared on the Company*

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

#### *Declaration of PN17 status by the Company*

After taking into consideration the Group's cash flow position vis-a-vis its total debt obligations payable and the available cash flow then, the directors had, on 11 February 2020, determined that the Company was unable to declare that it was solvent pursuant to paragraph 9.19A 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.

#### *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.

At the date of this report, certain term and condition precedent outlined in the Company’s supplemental agreement to the CIMB debt settlement agreement are pending fulfilment.

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

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

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

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

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

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

On 17 January 2024, the Creditors' Voluntary Winding Up of PCB Development has been set aside by the High Court of Kuala Lumpur ("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.

Following the stay of the said Decision was refused by the High Court, the Company has the power to direct the relevant activities of PCB Development and in accordance with MFRS 10, PCB Development is therefore, deemed as a subsidiary of the Company for accounting purpose effective from 28 February 2024.

On 29 March 2024, the Company entered into a Share Sale and Purchase Agreement in relation to disposal of 100% shares and interest in PCB Development on a willing buyer-willing seller and on a "as is where is" basis to Rescene Sdn Bhd for a purchase price of RM1.00. The transaction was completed on the same day. The decision to dispose of PCB Development was made after careful consideration and thorough evaluation of PCB Development's significant negative financial standing, its non-going concern status and the creditors' voluntary winding-up.

*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. On 9 May 2024, Bursa Malaysia has resolved to grant the Company for a further extension of time of six (6) months up to 10 August 2024 to submit its regularisation plan to the relevant regulatory authorities for approval.

With the resolution of debt issues, 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 March 2024, the total loans and borrowings of the Group amounted to RM120.1 million (2023: RM120.0 million), constituted about 43.3% of the total liabilities of the Group.

In addition, out of the total loans and borrowings of the Group, RM51.9 million (2023: RM65.8 million) are due repayable on demand or within 1 year.

The bank and cash position of the Group as at 31 March 2024 of RM28.0 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.

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 period ended 31 March 2024 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 2023 except for the adoption of the following MFRS and amendments to MFRSs that are effective for annual periods beginning on or after 1 January 2024:

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

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above 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 31 March 2024.

## **A4 Changes in Composition of the Group**

### **(a) Deemed Acquisition of Subsidiary**

On 17 January 2024, the Creditors' Voluntary Winding Up of PCB Development has been set aside by the High Court of Kuala Lumpur ("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.

Following the stay of the said Decision was refused by the High Court, the Company has the power to direct the relevant activities of PCB Development and in accordance with MFRS 10, PCB Development is therefore, deemed as a subsidiary of the Company for accounting purpose effective from 28 February 2024.

The identifiable assets acquired and net liabilities assumed were based on provisional assessment of the fair values.

**Financial Effect Arising from Deemed Acquisition**

	RM'000	RM'000
Fair value of identifiable assets acquired and liabilities assumed		
Inventories	81,470	
Receivables, deposits and prepayments	19,306	
Deposits, bank and cash balances	5,983	
Payables and accrued liabilities	(594,806)	
Current tax payable	(31,587)	
Total net liabilities		(519,634)
Consideration		-
Goodwill on deemed acquisition		<u>519,634</u>

**Cash Flow Arising from Deemed Acquisition**

Purchase consideration		-
Less: Cash and cash equivalents of a subsidiary acquired		(5,983)
Net cash inflow on deemed acquisition of a subsidiary		<u>5,983</u>

The cost of acquisition is nil as this is a deemed acquisition of a subsidiary.

The goodwill on acquisition was impaired in full as the carrying amount of the goodwill exceeds its recoverable amount in view of its non-going concern status.

**(b) Disposal of a Subsidiary**

On 29 March 2024, the Company entered into a Share Sale and Purchase Agreement in relation to disposal of 100% shares and interest in PCB Development on a willing buyer-willing seller and on a "as is where is" basis to Rescene Sdn Bhd for a purchase price of RM1.00. The transaction was completed on the same day. The decision to dispose PCB Development was made after careful consideration and thorough evaluation of PCB Development's significant negative financial standing, its non-going concern status and the creditors' voluntary winding-up.

**Financial Effect Arising from Disposal**

	RM'000	RM'000
Consideration		-
Inventories	81,470	
Receivables, deposits and prepayments	18,845	
Deposits, bank and cash balances	6,444	
Payables and accrued liabilities	(596,599)	
Current tax payable	(31,587)	
Carrying amount of liabilities disposed		(521,427)
Gain on disposal		<u>521,427</u>

**Cash Flow Arising from Disposal**

Cash and cash equivalents of subsidiary disposed		(6,444)
Less: Consideration		-
Net cash outflow on disposal of a subsidiary		<u>(6,444)</u>

## A5 Segmental Information

Segment revenue	Current Quarter Ended		Cumulative Year To Date	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Port & Logistics	32,074	35,404	32,074	35,404
Property development	-	-	-	-
Hospitality & tourism	6,210	5,440	6,210	5,440
Management services and others	892	938	892	938
Total revenue	39,176	41,782	39,176	41,782
Eliminations	(1,147)	(1,097)	(1,147)	(1,097)
	38,029	40,685	38,029	40,685
<b>Segment results</b>				
<b>Profit/ (loss) before tax</b>				
Port & Logistics	7,486	11,717	7,486	11,717
Property development	(2,350)	(514)	(2,350)	(514)
Hospitality & tourism	242	(39)	242	(39)
Management services and others	(3,012)	(380)	(3,012)	(380)
	2,366	10,784	2,366	10,784
Eliminations	2,800	(3,254)	2,800	(3,254)
	5,166	7,530	5,166	7,530

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 1 2024 and Quarter 1 2023

#### Group Summary

The Group recorded revenue of RM38.0 million for the current quarter ended 31 March 2024 compared to revenue of RM40.7 million in the corresponding quarter of the previous financial year. Revenue decreased primarily due to a decline in the port & logistics segment, which was impacted by the M4 disruption, i.e., the outage and shutdown of power plant no. 4 for maintenance. As a result, profit before tax decreased to RM5.2 million in the current quarter.

#### 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 RM32.1 million, compared to RM35.4 million recorded in the corresponding quarter of the previous financial year. The decrease in revenue was due to lower throughput, which resulted from the M4 disruption, i.e. the outage and shutdown of power plant no. 4 for maintenance. In the current quarter, the port & logistics segment achieved a pre-tax profit of RM7.5 million, down from RM11.7 million in the corresponding quarter of the previous financial year. This decline was attributed to reduced revenue, along with higher emoluments and administrative expenses.

The summary results are as follows:

	Current Quarter Ended		
	31/03/2024	31/03/2023	
	RM'000	RM'000	% change
<b>Revenue</b>			
Port Operations	32,074	35,404	-9%
Total	32,074	35,404	-9%
<b>Profit before tax</b>			
Port Operations	7,486	11,717	-36%
Total	7,486	11,717	-36%
<b>Throughput</b>			
	metric tonnes	metric tonnes	% change
LBT	2,645,343	3,079,803	-14%
LMT	993,149	1,261,389	-21%
	3,638,492	4,341,192	-16%

#### Property Development

For the quarter under review, property development segment recorded no revenue and reported a loss before tax of RM2.4 million, compared to RM0.5 million loss before tax in the corresponding quarter of the previous financial year. The increased loss was due to provision of loss allowance for a financial guarantee contract in relation to a corporate guarantee executed by PCB Development for the syndicated term loan provided to ATP.

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 favourably for future growth.

#### Hospitality & Tourism

In the current quarter, the hospitality & tourism segment registered a revenue of RM6.2 million, marking an improvement of 14% 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 RM0.2 million, in contrast to the loss before tax 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, consistent with the revenue figures in the corresponding quarter of the previous financial year. The segment's loss before tax was RM3.0 million in the current quarter, compared to RM0.4 million in the corresponding quarter of the previous financial year. The lower loss before tax in the corresponding quarter of the previous financial year was primarily attributed to the reversal of impairment loss on receivables.

### **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 before Tax

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/ (crediting):				
Dividend Income	(1)	-	(1)	-
Gain on foreign exchange	(8)	-	(8)	-
Interest income	(105)	(304)	(105)	(304)
Depreciation and amortisation	3,063	3,340	3,063	3,340
Impairment losses:				
- property, plant and equipment	-	2	-	2
Inventories written down	50	50	50	50
Reversal of impairment loss:				
- Amount due from ultimate holding corporation	(2,811)	-	(2,811)	-
- Amount due from former subsidiaries	(199,116)	-	(199,116)	-
Impairment losses:				
- Trade receivables	-	9	-	9
- Other receivables	-	19	-	19
- Amount due from former subsidiaries	199,116	-	199,116	-
Impairment loss on financial guarantee contracts	1,793	-	1,793	-
Interest expenses	1,954	1,677	1,954	1,677
Included in exceptional items are:				
Impairment loss on goodwill arising from deemed acquisition of a subsidiary *	519,634	-	519,634	-
Gain on disposal of a subsidiary *	(521,427)	-	(521,427)	-

\* Please refer to Note A4, Changes in Composition of the Group, for the financial effects arising from the deemed acquisition of a subsidiary and the disposal of a subsidiary.

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	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Income tax	1,935	2,813	1,935	2,813
Deferred Tax	387	387	387	387
Tax expense	2,322	3,200	2,322	3,200

The Group's effective tax rate for the current financial period was higher than the statutory tax rate of 24% (2023: 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	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Profit for the financial period attributable to owners of the Company (RM'000)	132	32	132	32
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Profit per share (cent)	0.13	0.03	0.13	0.03

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 2023 and current financial period ended 31 March 2024.

## A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 31/03/2024 RM'000	As at 31/03/2023 RM'000
Deposits, bank and cash balances	27,951	62,758
Less:		
Deposits pledged with banks	(2,338)	(2,332)
Fixed deposits with maturity of more than 3 months	(19,605)	(19,013)
Overdraft	(4,990)	(5,029)
Cash and cash equivalents	1,018	36,384

## 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>31 March 2024</b>				
Other investments	126	-	25	151
<b>31 December 2023</b> (Audited)				
Other investments	126	-	25	151

### A13 Borrowings

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

	<u>As at</u> <u>31/03/2024</u>	<u>As at</u> <u>31/12/2023</u>
	<u>RM'000</u>	<u>RM'000</u> (Audited)
<u>Secured</u>		
<u>Current</u>		
Hire purchase and finance lease liabilities	633	606
Term financing-i	1,290	2,720
Business financing-i and cash line-i	-	28,994
Revolving credits	5,182	28,489
Redeemable cumulative preference shares	39,805	-
Overdrafts	4,990	5,025
	<u>51,900</u>	<u>65,834</u>
<u>Non-current</u>		
Hire purchase and finance lease liabilities	14,833	14,793
Business financing-i and cash line-i	29,198	-
Revolving credits	24,143	-
Redeemable cumulative preference shares	-	39,326
	<u>68,174</u>	<u>54,119</u>
<u>Total borrowings</u>		
Hire purchase and finance lease liabilities	15,466	15,399
Term financing-i	1,290	2,720
Business financing-i and cash line-i	29,198	28,994
Revolving credits	29,325	28,489
Redeemable cumulative preference shares	39,805	39,326
Overdrafts	4,990	5,025
	<u>120,074</u>	<u>119,953</u>

- a) **Currency**  
None of the Group's borrowings is denominated in foreign currency.
- b) There was no borrowing default or breach of any borrowing's agreement by the Group during the current financial period.

### 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 31 March 2024.



## A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 31 March 2024 are as follows:

	<b>As at 31/03/2024</b>	<b>As at 31/12/2023</b>
	<b>RM'000</b>	<b>RM'000 (Audited)</b>
Approved and contracted for	171,750	192,622

## 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/year except for:

	<b>As at 31/03/2024</b>	<b>As at 31/12/2023</b>
	<b>RM'000</b>	<b>RM'000 (Audited)</b>
<u>Corporate guarantee given to banks for credit facilities granted to:</u>		
Amount guaranteed:		
Associates	24,697	24,697
A former subsidiary	963	963

For corporate guarantee granted to associates and its former subsidiary, the Group has 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:

	<b>Current Quarter Ended</b>		<b>Cumulative Year To Date</b>	
	<b>31/03/2024</b>	<b>31/03/2023</b>	<b>31/03/2024</b>	<b>31/03/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Transactions with:</b>				
<b>Ultimate Holding Corporation ("UHC")</b>				
Rental income	461	461	461	461
Interest expenses	(338)	-	(338)	-
Sales income	30	48	30	48
<b>Fellow subsidiaries of the UHC</b>				
Sales	4	-	4	-
Purchase of goods	-	(40)	-	(40)
Rendering of services	(30)	(3)	(30)	(3)
<b>Associate</b>				
Rendering of services	(19)	-	(19)	-
<b>Related parties</b>				
Revenue from operation and maintenance	10,982	12,121	10,982	12,121
Provision of utility	(537)	(629)	(537)	(629)

Account balances with significant related parties of the Group at the current financial period/year ended 31 March 2024 and 31 December 2023 are as follows:

	<u>As at</u> 31/3/2024	<u>As at</u> 31/12/2023
	RM'000	RM'000 (Audited)
<u>Account balance with UHC</u>		
Receivables	5,641	7,855
Payables	(35,109)	(38,007)
<u>Account balances with fellow subsidiaries</u>		
Receivables	10,289	10,286
Payables	(1,791)	(1,793)
<u>Account balances with associate</u>		
Receivables	8,619	8,619
Payables	(532)	(532)
<u>Account balances with related parties</u>		
Receivables	18,547	21,436

#### A19 Significant Events During the Financial Period

- (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 on thirty-nine (39) pieces of leasehold lands all located in Mukim Hulu Kinta, Daerah Kinta, Perak with a term of 99 years expiring on 28 June 2112 measuring a total gross area of approximately 798.32 acres, as defined in the said agreement, sale of industrial plots and other product offerings to end-purchasers and end-users in furtherance to the development initiatives set out in the MDA dated 31 March 2023. PKNP is entitled to basic revenue share of RM9.70 per square foot of each industrial plot sold.

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 for the implementation and carrying out the main infrastructure works for SVTP Industrial Hub and sale of completed industrial lots with main infrastructure on thirty-nine (39) pieces of leasehold lands all located in Mukim Hulu Kinta, Daerah Kinta, Perak as defined in the said agreement.

- (b) On 17 January 2024, the creditors’ voluntary winding-up of PCB Development has been set aside by the High Court of Kuala Lumpur (“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 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 20 May 2024.
- (c) On 2 February 2024, the Company has entered into a (second) supplemental agreement with ARX-YSC Sdn Bhd for an early settlement of the Company’s entitlement of the piece of land held under PN 394961, Lot 20402 and PN 394962, Lot 20403, all in Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak (“Parcel 2”) under the proposed joint development for a total consideration of RM63,500,000.00 as full and final settlement towards the Company’s entitlement in respect of Parcel 2 pursuant to the supplemental agreement to the JVA dated 10 September 2019.
- (d) On 9 February 2024, the Company submitted a further extension of time application to Bursa Malaysia for a period of twelve (12) months up to 9 February 2025 to submit the Company’s regularisation plan to the relevant regulatory authorities.

- (e) On 8 March 2024, the Company has entered into a joint development agreement (“JDA”) with PKNP to collaborate with each other to jointly carry out the development of the land alienated by the State Authority of Perak (“State”) to PKNP pursuant to a State approval of alienation dated 26 January 2023 bearing file reference No: PTG.PK602/5-189(26) (B) into a gated and guarded housing scheme comprising double storey bungalow, double storey semi-detached houses and double storey terrace houses and to undertake their respective roles and obligations set out in the JDA in furtherance to the development initiatives set out in the MDA dated 31 March 2023.

In tandem with the execution of the JDA, the Company and PKNP have on 8 March 2024 entered into a joint venture agreement with Uni-Poh Construction Works Sdn Bhd to jointly undertake the construction and completion of a gated and guarded housing scheme comprising double storey bungalow, double storey semi-detached houses and double storey terrace houses on a parcel of land located in Bandar Meru Raya, Mukim Hulu Kinta, Perak Darul Ridzuan measuring approximately 43.79 acres in area and to market and carry out sales of the units from the development to end purchasers.

- (f) On 29 March 2024, the Company entered into a Share Sale and Purchase Agreement in relation to disposal of 100% shares and interest in PCB Development on a willing buyer-willing seller and on a “as is where is” basis to Rescene Sdn Bhd for a purchase price of RM1.00. The transaction was completed on the same day. The decision to dispose of PCB Development was made after careful consideration and thorough evaluation of PCB Development’s significant negative financial standing, its non-going concern status and the creditors’ voluntary winding-up.

## A20 Material Events Subsequent to the End of the Current Financial Period

- (a) On 9 May 2024, Bursa Malaysia has resolved to grant the Company for a further extension of time of six (6) months up to 10 August 2024 to submit its regularisation plan to the relevant regulatory authorities for approval.

## 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		Changes (%)	Cumulative Year To Date		Changes (%)
	31/03/2024 RM'000	31/03/2023 RM'000		31/03/2024 RM'000	31/03/2023 RM'000	
Revenue	38,029	40,685	-7%	38,029	40,685	-7%
Operating profit	7,120	9,207	-23%	7,120	9,207	-23%
Profit before tax	5,166	7,530	-31%	5,166	7,530	-31%
Net profit for the financial period	2,844	4,330	-34%	2,844	4,330	-34%
Net profit for the financial period attributable to owners of the Company	132	32	313%	132	32	313%

## B2 Comment on Material Change in Profit Before Taxation

	Current Quarter Ended 31/03/2024	Immediate Preceding Quarter Ended 31/12/2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	38,029	41,481	(3,452)	-8%
Operating profit	7,120	13,224	(6,104)	-46%
Profit before tax	5,166	9,298	(4,132)	-44%
Net profit for the financial period	2,844	6,341	(3,497)	-55%
Net profit for the financial period attributable to owners of the Company	132	2,560	(2,428)	-95%

In the current quarter ended 31 March 2024, the Group recorded a revenue of RM38.0 million, compared to revenue of RM41.5 million from the previous quarter ended on 31 December 2023. Revenue decreased primarily due to a decline in the port & logistics Segment, which was impacted by the M4 disruption, i.e., the outage and shutdown of power plant no. 4 for maintenance.

As a result, profit before tax decreased to RM2.8 million in the current quarter compared to net profit of RM6.3 million from the previous quarter ended 31 December 2023.

## B3 Commentary on Prospects

### Port & Logistic

With the M4 repairs expected to be completed by the end of the year, LMTSB may face challenges in maintaining revenue at LBT. Additionally, despite the difficulties in retaining tonnage at LMT and the rising repair costs, management remains positive about sustaining the earnings and profits while exploring new opportunities in other markets.

### Property Development

Despite a challenging global financial and economic environment, Malaysia's property market remains robust, with 104,297 transactions valued at RM56.53 billion in the first quarter of 2024 (1Q24). This marks a 34.3% increase over the same period in 2023, which saw 89,024 transactions valued at RM42.11 billion.

According to the Annual Property Market Report 2023, the Malaysian property market demonstrated resilience in 2023, supported by positive performance in all sub-sectors except agriculture compared to the previous year. Total transaction volume and value in 2023 increased by 2.5% and 9.9%, respectively, to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential sub-sector continued to contribute the largest share of transactions, recording a marginal increase in both volume and value. In 2023, there were 250,586 transactions worth RM100.93 billion, reflecting a 3.0% increase in volume and a 7.1% increase in value compared to 2022. The industrial sub-sector also showed moderate growth in 2023, with a 0.9% increase in volume to 8,157 transactions and a 13.1% increase in value to RM23.94 billion (2022: 8,082 transactions worth RM21.16 billion).

In Perak, property market activity showed a downward trend during the review period, with overall volume and value of property transactions decreasing by 7.1% and 1.4%, respectively. However, the market is showing signs of recovery, with moderate economic growth driven by domestic demand and improving unemployment rates, supporting the property market momentum for the year.

According to Rahim & Co Research Sdn Bhd's Property Market Review 2023/2024, the industrial sector has received significant interest over the past three years, although there are warnings of a potential oversupply. To mitigate this, niche industrial developments for specific needs and built-to-suit properties are becoming more popular, such as managed industrial parks with centralized labour quarters or data centre technology parks, as opposed to generic industrial offerings.

Supported by the Ministry of Finance (MoF), Malaysia's economy is expected to grow moderately with projected growth between 4% to 5% in 2024, driven by domestic demand, a sustained and diversified economic structure, and ongoing policy support including the National Energy Transition Roadmap and the New Industrial Master Plan 2030. Premised on this 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.

The property development segment has laid a solid foundation for future growth through strategic agreements and partnerships. Despite the absence of revenue in current quarter, the segment's proactive approach to joint developments, infrastructure projects, and asset optimisation positions it well for revenue generation in the coming periods. The segment's focus on unlocking value from real estate assets and executing planned developments augurs well for its future performance and contribution to the Group's overall revenue stream.

### Hospitality & Tourism

The launch of the Visit Perak 2024 campaign, themed "Promising Perak," aims to boost and revitalize the tourism sector in Perak post-Covid-19. Indirectly, this initiative serves as a precursor to Visit Malaysia Year 2026. Grounded on principles of sustainability, competitiveness, and inclusiveness, Visit Perak 2024 is designed for sustainable development. It aims to position the state as a leading and competitive destination in ecotourism, culture, heritage, and gastronomy. The hospitality and tourism sectors stand to benefit from this initiative by capitalizing on the influx of visitors seeking lodging options during their stay. The increased tourism from December 2023 to February 2024, totalling 2.4 million visitors both local and foreign, has stimulated the local economy, creating a positive ripple effect for businesses, including hotels, through increased patronage and revenue generation.

The hospitality & tourism segment remains optimistic about tapping into emerging tourism trends, leveraging digital platforms, and expanding its market reach to capitalise on Perak's tourism potential.

### Corporate Restructuring

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

- (a) repayment of the Group's future debt obligations via the redemption of redeemable preference shares issued to the financial institutions and to be issued to scheme creditors as well as the settlement to the scheme creditors in the ordinary course of business;
- (b) improve the financial state of the Group by securing new projects/businesses to revitalise the Group's existing ports and logistics, property development, hospitality and tourism, and management services segments; and
- (c) proposed balance sheet reconstruction to strengthen its future balance sheet position.

On 9 May 2024, Bursa Malaysia has resolved to grant the Company for a further extension of time of 6 months up to 10 August 2024 to submit its regularisation plan to the relevant regulatory authorities for approval.

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:

**COURT PROCEEDINGS – PERAK CORPORATION BERHAD**

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
1.	<p>Industrial Court: Proposed joinder parties 2 and 3</p> <ol style="list-style-type: none"> <li>1. State</li> <li>2. PKNP</li> <li>3. Perak Corporation Berhad (“Perak Corp”)</li> <li>4. PCB Development Sdn. Bhd. (In Creditors’ Voluntary Liquidation) (“PCB Development”)</li> <li>5. Animation Theme Park Sdn Bhd. (Receiver and Manager Appointed)</li> </ol> <p>vs.</p> <ol style="list-style-type: none"> <li>1. 10.1-670.21-Hasbullah bin Padzil</li> <li>2. 10.1-675.21-Mohd Shamsudin bin Mukhtar</li> <li>3. 10.1-666.21-Inderjit Singh a.l. Cuar</li> <li>4. 10.1-674.21-Ng Yoot Mei</li> <li>5. 10.1-669.21-Zaber Nassar bt Painsa Khan</li> <li>6. 10.1-664.21-Hamiruddin bin Bakar</li> <li>7. 10.1-667.21-Choo Kam Ming</li> <li>8. 10.1-665.21-Rejinimala a.p Gopal</li> <li>9. 10.1-676.21-Liew Wei Chee</li> <li>10. 10.1-671.21-Suguneswari a.p Subramaniam</li> <li>11. 10.1-672.21-Shahrul Efendy bin Shukur</li> <li>12. 10.1-668.21-Ashwin Kumar Kaura a.l Krishan Kumar</li> </ol> <p>Ipoh High Court Civil Appeal - Perak Corporation Berhad v. Choo Kam Ming &amp; 11 Others</p>	<p>In respect of IR Matter in Industrial Court – dismissal.</p> <p>Appeal against the Interim Awards.</p> <p>Consolidation of Appeal.</p> <p>Stay of Proceedings.</p>	<p>Awards on the Constructive Dismissal of all the Claimants were received on: 21/01/2021</p> <p>The Claimants filed Notice of Application and Affidavit in Support for Joinder on 28/08/2021</p> <p>Industrial Court handed down its interim award on 1.6.2022, joining Perak Corp and PCB Development as Parties to the Interim Awards No. 1020.2022 dated 1/6/2022.</p> <p>The Court fixed the matter for Non-Compliance Proceedings Hearing on 21/10/2022 (“Proceedings”) vacated pending disposal of appeal at the High Court.</p> <p>Pursuant to Court Order 29/9/2022 following a consolidation application filed by Perak Corp:-</p> <ol style="list-style-type: none"> <li>i. The proceedings at the Ipoh Industrial Court involving Perak Corporation Berhad are now stayed until the full and final disposal of the appeals at the Perak High Court; and</li> <li>ii. All the 12 appeals will be heard together before Yang Arif Tuan Bhupindar Singh A.L Gurcharan Singh Preet</li> </ol> <p>Parties had filed written submission on 14/2/2023 and have filed submission in reply on 28/2/2023.</p> <p>The Court has fixed a hearing date on 19/9/2023.</p> <p>During the case management on 19/9/2023, the hearing had been vacated as the judge was unwell and the</p>	<ol style="list-style-type: none"> <li>1. 57,530.00</li> <li>2. 52,500.00</li> <li>3. 57,530.00</li> <li>4. 117,120.00</li> <li>5. 64,000.00</li> <li>6. 78,500.00</li> <li>7. 76,879.00</li> <li>8. 112,035.00</li> <li>9. 77,400.00</li> <li>10. 51,500.00</li> <li>11. 115,324.00</li> <li>12. 50,000.00</li> </ol>

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
			Court postponed the hearing to 19/3/2024 at the Ipoh High Court. During the appeal hearing on 19/3/2024, the Court has fixed another case management on 18/6/2024.	



**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 &amp; 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> <p>c) Application was struck out with no order as to costs on 28/2/2024 following the setting aside of Creditors' Voluntary Liquidation of PCB Development.</p>	N/A
2.	<p>Affin Hwang Investment Bank Berhad &amp; 3 Ors. v PCB Development Sdn. Bhd ("PCB Development") (In Creditors' Voluntary Liquidation) &amp; 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 2<sup>nd</sup> and 3<sup>rd</sup> respondents as joint and several liquidators of the 1<sup>st</sup> 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 &amp; Bok</p> <p>1st Respondent Solicitors: Messrs. Dennis Nik &amp; 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 &amp; 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 31/7/2024.</p>	<p>N/A</p>

NO	PARTIES/ SUIT	SUBJECT MATTER	STATUS/ NEXT DATE	CLAIM AMOUNT (RM)
	<p data-bbox="215 316 517 344">Kuala Lumpur High Court</p> <p data-bbox="215 387 658 485">No. WA-28PW-62-02/2024 [PCB Development Sdn Bhd V Affin Hwang Investment Bank Berhad &amp; 5 Others]</p>	<p data-bbox="685 316 931 344">Stay of Proceedings.</p>	<p data-bbox="1176 316 1839 416">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 data-bbox="1176 459 1839 520">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 period ended 31 March 2024 or the previous financial year ended 31 December 2023.

**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 March 2024 and 31 December 2023.

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

The auditors' report on the financial statements for the financial year ended 31 December 2023 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 quarter ended 31 March 2024. Their review report to the Board of Directors of the Company for this Quarter 1 interim financial information for the period ended 31 March 2024 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.