

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2024	Preceding Year Corresponding Quarter Ended 30/06/2023	Current Year Ended 30/06/2024	Preceding Year Ended 30/06/2023
	RM'000	RM'000	RM'000	RM'000
REVENUE	39,254	39,131	77,283	79,816
COST OF SALES	(16,118)	(16,967)	(32,159)	(34,281)
GROSS PROFIT	23,136	22,164	45,124	45,535
Other income	229	1,704	445	2,189
Administrative expenses	(14,539)	(12,909)	(32,384)	(27,478)
Other expenses	(50)	(55)	(100)	(107)
(Net impairment losses)/ Reversal of impairment losses on:				
- receivables	-	-	2,811	(28)
- financial guarantee contracts	-	-	(1,793)	-
Exceptional items	-	-	1,793	-
OPERATING PROFIT	8,776	10,904	15,896	20,111
Finance costs	(1,231)	(1,995)	(3,185)	(3,672)
PROFIT BEFORE TAX	7,545	8,909	12,711	16,439
Tax expense	(2,809)	(3,773)	(5,131)	(6,973)
NET PROFIT FOR THE FINANCIAL PERIOD	4,736	5,136	7,580	9,466
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD, NET OF TAX	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	4,736	5,136	7,580	9,466
NET PROFIT / TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
Owners of the Company	131	244	263	276
Non-controlling interest	4,605	4,892	7,317	9,190
	4,736	5,136	7,580	9,466
Profit per share attributable to equity holders of the parent (cent)				
Basic/diluted profit/ per share	0.13	0.24	0.26	0.28

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 30/06/2024	As at 31/12/2023
	RM'000	RM'000 (Audited)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	71,607	72,957
Right-of-use assets	89,056	88,771
Port facilities	173,749	151,567
Investment properties	6,881	7,022
Other investments	25	25
Intangible assets	24,226	24,433
Inventories	10,428	10,428
	<u>375,972</u>	<u>355,203</u>
<b>CURRENT ASSETS</b>		
Inventories	104,384	95,813
Receivables, deposits and prepayments	46,665	47,651
Current tax assets	347	131
Other investments	128	126
Deposits, bank and cash balances	20,743	41,260
	<u>172,267</u>	<u>184,981</u>
<b>TOTAL ASSETS</b>	<u>548,239</u>	<u>540,184</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	272,770	272,770
Accumulated losses	(177,440)	(177,703)
	<u>95,330</u>	<u>95,067</u>
Non-controlling interests	169,429	162,112
<b>TOTAL EQUITY</b>	<u>264,759</u>	<u>257,179</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	68,272	54,119
Deferred tax liabilities	13,985	13,211
	<u>82,257</u>	<u>67,330</u>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	51,260	65,834
Payables and accrued liabilities	148,718	146,872
Current tax payable	1,245	2,969
	<u>201,223</u>	<u>215,675</u>
<b>TOTAL LIABILITIES</b>	<u>283,480</u>	<u>283,005</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>548,239</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.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>Issued and fully paid share capital RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total RM'000</b>	<b>Non- controlling interest RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 January 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	-	263	263	7,317	7,580
<b>At 30 June 2024 (unaudited)</b>	<u>272,770</u>	<u>(177,440)</u>	<u>95,330</u>	<u>169,429</u>	<u>264,759</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.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30/06/2024	30/06/2023
	RM'000	RM'000
<b>OPERATING CASH FLOW</b>		
Cash collection from trade/other receivables	90,802	89,367
Cash received from other income	30	564
Cash paid for other expenses	(40,680)	(35,342)
Cash paid to trade/other payables	(56,087)	(36,461)
Cash paid for tax	(5,817)	(5,943)
Net operating cash flow	<u>(11,752)</u>	<u>12,185</u>
<b>INVESTING CASH FLOW</b>		
Interest received	490	288
Purchase of property plant & equipment	(1,079)	(242)
Purchase of port facilities	(4,494)	(1,801)
Net investing cash flow	<u>(5,083)</u>	<u>(1,755)</u>
<b>FINANCING CASH FLOW</b>		
Proceeds from borrowings	262	-
Repayment of loans and borrowings	(2,720)	(2,860)
Interest paid	(1,197)	(902)
Uplift/ (Placement) of fixed deposits pledged with banks and fixed deposits with maturity of more than 3 months	<u>9,628</u>	<u>(5,168)</u>
Net financing cash flow	<u>5,973</u>	<u>(8,930)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,862)	1,500
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>3,796</u></u>	<u><u>31,674</u></u>
Cash and cash equivalents comprise :		
Deposits, bank and balances	20,743	58,048
Less:		
Deposits pledged with banks	(2,338)	(2,332)
Fixed deposits with maturity of more than 3 months	(9,611)	(19,013)
Overdraft	(4,998)	(5,029)
Cash and cash equivalents	<u><u>3,796</u></u>	<u><u>31,674</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 30 JUNE 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 RM7.6 million for the financial period ended 30 June 2024 and as at that date, the Group's current liabilities exceeded its current assets by RM29.0 million (2023: RM30.7 million). As at 30 June 2024, deposits, cash and bank balances of the Group totalled RM20.7 million and borrowing due repayment over the next 12 months after reporting date totalled RM51.3 million.

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

On 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. On 9 August 2024, the Company submitted a further extension of time application to Bursa Malaysia of ten (10) months i.e. up to 10 June 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. As of the date of this report, the extension is pending approval from Bursa Malaysia and the regularisation plan is being finalised with its advisers.

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.

*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 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.

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 PC 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.

On 9 August 2024, the Company submitted a further extension of time application to Bursa Malaysia of ten (10) months i.e. up to 10 June 2025 to submit the Company's Regularisation Plan to the relevant regulatory authorities. As of the date of this report, the extension is pending approval from Bursa Malaysia and the regularisation plan is being finalised with its advisers.

With the resolution of debt issues, the Company is in the midst of finalising 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 30 June, the total loans and borrowings of the Group amounted to RM119.5 million (2023: RM120.0 million), constituted about 42.2% of the total liabilities of the Group.

In addition, out of the total loans and borrowings of the Group, RM51.3 million (2023: RM65.8 million) are due repayable on demand or within 1 year.

The bank and cash position of the Group as at 30 June 2024 of RM20.7 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 finalising 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 30 June 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 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 30 June 2024.

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

### **(a) Deemed Acquisition of a 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 PC 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>
<b>Cash Flow Arising from Deemed Acquisition</b>		
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 exceeded 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>
<b>Cash Flow Arising from Disposal</b>		
Cash and cash equivalents of a subsidiary disposed		(6,444)
Less: Consideration		-
Net cash outflow on disposal of a subsidiary		<u>(6,444)</u>

## A5 Segmental Information

	Current Quarter Ended		Cumulative Year To Date	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
<b>Segment revenue</b>				
Port & Logistics	33,878	33,122	65,952	68,526
Property development	-	-	-	-
Hospitality & tourism	5,469	6,181	11,679	11,621
Management services and others	892	939	1,784	1,877
<b>Total revenue</b>	<b>40,239</b>	<b>40,242</b>	<b>79,415</b>	<b>82,024</b>
Eliminations	(985)	(1,111)	(2,132)	(2,208)
	<b>39,254</b>	<b>39,131</b>	<b>77,283</b>	<b>79,816</b>
<b>Segment results</b>				
<b>Profit/ (loss) before tax</b>				
Port & Logistics	11,905	13,300	19,391	25,017
Property development	(419)	(654)	(2,769)	(1,168)
Hospitality & tourism	(632)	1,106	(390)	1,067
Management services and others	(3,415)	(2,008)	(6,427)	(2,388)
	<b>7,439</b>	<b>11,744</b>	<b>9,805</b>	<b>22,528</b>
Eliminations	106	(2,835)	2,906	(6,089)
	<b>7,545</b>	<b>8,909</b>	<b>12,711</b>	<b>16,439</b>

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

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

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

### Comparison between Quarter 2 2024 and Quarter 2 2023

#### Group Summary

The Group recorded revenue of RM39.3 million for the current quarter ended 30 June 2024 compared to revenue of RM39.1 million in the corresponding quarter of the previous financial year. Higher revenue contributed by port & logistics segment was offset by the revenue decrease in other segments. In the current quarter, the Group reported profit before tax of RM7.5 million compared to RM8.9 million in the corresponding quarter of the previous financial year.

#### Port & Logistics

The port & logistics segment revenue comprises mainly of revenue from port operations for the provision of port facilities and ancillary services at Lumut Maritime Terminal ("LMT"), operation and maintenance of Lekir Bulk Terminal ("LBT") and rental of LMT port related industrial land. For the quarter under review, the revenue amounted to RM33.9 million, compared to RM33.1 million recorded in the corresponding quarter of the previous financial year. Although LBT experienced lower throughput due to the M4 disruption, i.e. the outage and shutdown of power plant no. 4 for maintenance, this impact was mitigated by higher throughput in LMT where the rates are higher. In the current quarter, the port & logistics segment achieved a pre-tax profit of RM11.9 million, down from RM13.3 million in the corresponding quarter of the previous financial year. This decline was attributed to higher emoluments and administrative expenses.

The summary results are as follows:

	Current Quarter Ended		% change
	30/06/2024	30/06/2023	
	RM'000	RM'000	
<b>Revenue</b>			
Port Operations	33,878	33,122	2%
Total	33,878	33,122	2%
<b>Profit before tax</b>			
Port Operations	11,905	13,300	-10%
Total	11,905	13,300	-10%
<b>Throughput</b>	<b>metric tonnes</b>	<b>metric tonnes</b>	<b>% change</b>
LBT	2,736,958	3,079,803	-11%
LMT	1,323,588	1,261,389	5%
	4,060,546	4,341,192	-6%

### Property Development

For the quarter under review, property development segment recorded no revenue and reported a loss before tax of RM0.4 million, compared to RM0.7 million loss before tax in the corresponding quarter of the previous financial year.

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 RM5.5 million, compared to RM6.2 million in the corresponding quarter of the previous financial year. The segment recorded a pre-tax loss of RM0.6 million in the current quarter, down from pre-tax profit of RM1.1 million in the same quarter of the previous financial year. The pre-tax profit in the corresponding quarter last year was mainly due to one-time waiver of interest expenses.

### 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 RM3.4 million in the current quarter, compared to RM2.0 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.

## **Comparison between Cumulative Year To Date Quarter 2 2024 and Quarter 2 2023**

### Group Summary

For the financial period ended 30 June 2024, the Group reported revenue of RM77.3 million, down from RM79.8 million in the same period of the previous financial year. This decrease was mainly due to lower revenue in the port and logistics segment, which was affected by the M4 disruption. Consequently, profit before tax fell to RM12.7 million in the current period, compared to RM16.4 million in the corresponding period of the previous year, and partly due to the absence of a one-time waiver of interest expenses that benefited the previous year.

## Port & Logistics

The port & logistics segment remains the largest contributor to the Group's revenue amounting to RM66.0 million for the current financial period. This represents a decline from RM68.5 million in the corresponding period of the previous financial year, attributed to the M4 disruption. Consequently, profit before tax for the current period decreased to RM19.4 million, down from RM25.0 million reported in the corresponding period of the previous financial year.

The summary results are as follows:

	Cumulative Year To Date		
	30/06/2024	30/06/2023	
	RM'000	RM'000	% change
<b>Revenue</b>			
Port Operations	65,952	68,526	-4%
Total	65,952	68,526	-4%
<b>Profit before tax</b>			
Port Operations	19,391	25,017	-22%
Total	19,391	25,017	-22%
<b>Throughput</b>	<b>metric tonnes</b>	<b>metric tonnes</b>	<b>% change</b>
LBT	5,382,301	6,427,442	-16%
LMT	2,316,737	2,365,405	-2%
	7,699,038	8,792,847	-12%

## Property Development

For the financial period under review, property development segment recorded no revenue and reported a loss before tax of RM2.8 million, compared to RM1.2 million loss before tax in the corresponding period of the previous financial year. The increased loss was due to the provision for a financial guarantee contract in PCB Development.

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

The hospitality & tourism segment recorded revenue of RM11.7 million for the current financial period compared to RM11.6 million in the corresponding period of the previous financial year. This segment posted a loss before tax of RM0.4 million for the current financial period compared to profit before tax of RM1.1 million in the corresponding period of previous financial year. The pre-tax profit in the same quarter last year was primarily driven by a one-time waiver of interest expenses.

## Management Services and Others

This segment recorded a revenue of RM1.8 million in the current financial period compared to RM1.9 million in the corresponding period of previous financial year. This segment recorded a pre-tax loss of RM6.4 million for the current financial period compared to loss before tax of RM2.4 million in the corresponding period of previous financial year. The lower pre-tax loss in the corresponding period of the previous financial year was mainly due to the reversal of impairment losses 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	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/ (crediting):				
Dividend Income	-	-	(1)	-
Loss/(gain) on foreign exchange	3	-	(5)	-
Interest income	(169)	(224)	(274)	(528)
Waiver of interest expense	-	(1,183)	-	(1,183)
Depreciation and amortisation	3,055	3,311	6,118	6,651
Impairment losses:				
- property, plant and equipment	-	5	-	7
Inventories written down	50	50	100	100
Reversal of impairment loss:				
- Trade receivables	-	(38)	-	(38)
- Amount due from ultimate holding corporation	-	(3)	(2,811)	(3)
- Amount due from former subsidiaries	-	-	(199,116)	-
Impairment losses:				
- Trade receivables	-	12	-	21
- Other receivables	-	29	-	48
- Amount due from former subsidiaries	-	-	199,116	-
Impairment loss on financial guarantee contracts	-	-	1,793	-
Interest expenses	1,231	1,995	3,185	3,672
Included in exceptional items are:				
Impairment loss on goodwill arising from deemed acquisition of a subsidiary *	-	-	519,634	-
Gain on disposal of a subsidiary *	-	-	(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	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
Income tax	2,422	3,386	4,357	6,199
Deferred Tax	387	387	774	774
Tax expense	2,809	3,773	5,131	6,973

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	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
Profit for the financial period attributable to owners of the Company (RM'000)	131	244	263	276
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Profit per share (cent)	0.13	0.24	0.26	0.28

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 30 June 2024.

## A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at 30/06/2024 RM'000	As at 30/06/2023 RM'000
Deposits, bank and cash balances	20,743	58,048
Less:		
Deposits pledged with banks	(2,338)	(2,332)
Fixed deposits with maturity of more than 3 months	(9,611)	(19,013)
Overdraft	(4,998)	(5,029)
Cash and cash equivalents	3,796	31,674

## A12 Fair value hierarchy

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

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30 June 2024</b>				
Other investments	128	-	25	153
<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 were as follows:

	<b>As at</b> <b>30/06/2024</b> <b>RM'000</b>	<b>As at</b> <b>31/12/2023</b> <b>RM'000</b> <b>(Audited)</b>
<b>Secured</b>		
<b>Current</b>		
Hire purchase and finance lease liabilities	808	606
Term financing-i	-	2,720
Business financing-i and cash line-i	-	28,994
Revolving credits	5,154	28,489
Redeemable cumulative preference shares	40,300	-
Overdrafts	4,998	5,025
	<b>51,260</b>	<b>65,834</b>
<b>Non-current</b>		
Hire purchase and finance lease liabilities	14,873	14,793
Business financing-i and cash line-i	29,256	-
Revolving credits	24,143	-
Redeemable cumulative preference shares	-	39,326
	<b>68,272</b>	<b>54,119</b>
<b>Total borrowings</b>		
Hire purchase and finance lease liabilities	15,681	15,399
Term financing-i	-	2,720
Business financing-i and cash line-i	29,256	28,994
Revolving credits	29,297	28,489
Redeemable cumulative preference shares	40,300	39,326
Overdrafts	4,998	5,025
	<b>119,532</b>	<b>119,953</b>

- 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 30 June 2024.

### A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 30 June 2024 are as follows:

	<b>As at</b> <b>30/06/2024</b> <b>RM'000</b>	<b>As at</b> <b>31/12/2023</b> <b>RM'000</b> <b>(Audited)</b>
Approved and contracted for	161,327	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 except for:

	As at 30/06/2024 RM'000	As at 31/12/2023 RM'000 (Audited)
<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:

	Current Quarter Ended		Cumulative Year To Date	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
<b>Transactions with:</b>				
<b>Ultimate Holding Corporation ("UHC")</b>				
Rental income	461	461	922	922
Reversal of interest/ (Interest expenses)	100	-	(238)	-
Sales income	49	32	79	80
<b>Fellow subsidiaries of the UHC</b>				
Sales	1	-	5	-
Purchase of goods	-	(40)	-	(40)
Rendering of services	(12)	(3)	(42)	(3)
<b>Associate</b>				
Rendering of services	(22)	-	(41)	-
<b>Related parties</b>				
Revenue from operation and maintenance	11,404	12,676	22,386	24,797
Provision of utility	(121)	(607)	(658)	(1,236)

Account balances with significant related parties of the Group at the current financial period/ year ended 30 June 2024 and 31 December 2023 are as follows:

	As at 30/6/2024	As at 31/12/2023
	RM'000	RM'000 (Audited)
<u>Account balance with UHC</u>		
Receivables	5,806	7,855
Payables	(35,119)	(38,007)
<u>Account balances with fellow subsidiaries</u>		
Receivables	10,292	10,286
Payables	(1,800)	(1,793)
<u>Account balances with associate</u>		
Receivables	8,617	8,619
Payables	(532)	(532)
<u>Account balances with related parties</u>		
Receivables	13,264	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.
- (g) 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.
- (h) On 7 June 2024, the Company entered into a Joint Development Agreement (“JDA”) with Urbax Properties Sdn Bhd (“Urbax”) to undertake a housing development project on the lands held under Geran 178753, Lot No. 516682, Geran 178754, Lot No. 516683 and Geran 151067, Lot No. 516687 all in Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Darul Ridzuan with a total area measuring approximately 24.807 acres. The composition of the development and type of properties to be developed are subject to the agreement of the parties through a supplemental agreement based on the surveyor and town planner reports to be obtained within six (6) months from the date of the JDA and as may be approved by the appropriate authorities

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

- (a) On 9 August 2024, the Company submitted a further extension of time application to Bursa Malaysia of ten (10) months i.e. up to 10 June 2025 to submit the Company’s Regularisation Plan to the relevant regulatory authorities.

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

**B1 Performance Review**

Explanatory comments on the performance of each the Group's business activities are provided in Note A5.

	Current Quarter Ended			Cumulative Year To Date		
	30/06/2024	30/06/2023	Changes	30/06/2024	30/06/2023	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	39,254	39,131	0%	77,283	79,816	-3%
Operating profit	8,776	10,904	-20%	15,896	20,111	-21%
Profit before tax	7,545	8,909	-15%	12,711	16,439	-23%
Net profit for the financial period	4,736	5,136	-8%	7,580	9,466	-20%
Net profit for the financial period attributable to owners of the Company	131	244	-46%	263	276	-5%

**B2 Comment on Material Change in Profit Before Taxation**

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes	
	30/06/2024	31/03/2024	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	39,254	38,029	1,225	3%
Operating profit	8,776	7,120	1,656	23%
Profit before tax	7,545	5,166	2,379	46%
Net profit for the financial period	4,736	2,844	1,892	67%
Net profit for the financial period attributable to owners of the Company	131	132	(1)	-1%

In the current quarter ended 30 June 2024, the Group recorded a revenue of RM39.3 million, compared to revenue of RM38.0 million from the previous quarter ended on 31 March 2024. Revenue increased primarily contributed by the port & logistics Segment with higher throughput.

As a result, net profit improved to RM4.7 million in the current quarter compared to net profit of RM2.8 million from the previous quarter ended 31 March 2024.

### **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

Based on analysis titled 'Real Estate Highlights First Half of 2024 (REH 1H 2024)' released by Knight Frank Malaysia, Malaysia's property sector has demonstrated commendable mid-year performance, signalling a promising trajectory for the industry fuelling by strategic developments and growing investors' interest. Robust economic growth, significant strategic investments, infrastructure improvements and adaptive market trends are key catalysts supporting this growth. The dynamic and resilient market are apparent across residential, office, retail, hospitality, and industrial sectors. Malaysia's property market is poised to remain stable in 2024, followed by sustained growth in the next three years.

In the first quarter (1Q) of 2024, property market transactions reached RM56.53 billion, with over 104,000 transactions, an increase of RM14.22 billion compared to 1Q2023, where transactions were valued at RM42.31 billion with more than 89,000 transactions.

The industrial property segment in Malaysia is experiencing strong demand, particularly for high-quality, sustainable developments. The manufacturing sector is forecasted to grow by 3.5% in 2024, supported by the recovery of export-oriented industries and continued growth in domestic clusters.

There is also a notable shift towards high-quality and sustainable logistics spaces, with institutional investors increasingly targeting industrial assets in the Klang Valley for their stable returns and yield-accretive potential (as highlighted by Allan Sim, Executive Director of Land and Industrial Solutions).

Premised on the above, the Company remains positive on the prospects of the SVTP Industrial Hub, which offers a range of options for investors, including industrial plots with ready infrastructure, as well as ready-built factories and warehouses. The Company is also optimistic on the viability and projected performance of other proposed developments, such as high-end housing projects in Bandar Meru Raya.

#### Hospitality & Tourism

As the country continues to recover from the pandemic's impact, strengthened by the launched of the Visit Perak 2024 (VPY2024), the hospitality and tourism segment is poised for a robust comeback. Since the launching of VPY 2024 up until June 2024, the State has registered 7.5 million tourists including 894,000 foreign visitors coming to Perak. The influx of the tourists has helps stimulating the tourism industry especially lodging services, F&B outlets, local operators and simultaneously improve revenues.

With strategic goal and positive regional outlook, efforts to promote and strengthen the tourism industry is being intensified through various mechanism including collaboration efforts with various agencies including travel agents, tour operator, government bodies and educational institutions, consistent sales and marketing activities, promotions, and introduction of wider range of local and international cuisines.

As Perak remains as top 5 popular destinations amongst domestic tourist, the hospitality and tourism segment is optimistic that the segment will continue to contribute to the Group's profitability.

## Corporate Restructuring

With the resolutions of the majority of the debt issues, the Company is in the midst of finalising 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. On 9 August 2024, the Company submitted a further extension of time application to Bursa Malaysia of ten (10) months i.e. up to 10 June 2025 to submit the Company's Regularisation Plan to the relevant regulatory authorities.

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 finalising the 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.	Industrial Court: Proposed joinder parties 2 and 3 1. State 2. PKNP 3. Perak Corporation Berhad (“Perak Corp”) 4. PCB Development Sdn. Bhd. (In Creditors’ Voluntary Liquidation) (“PCB Development”) 5. Animation Theme Park Sdn Bhd. (Receiver and Manager Appointed)  vs.  1. 10.1-670.21-Hasbullah bin Padzil 2. 10.1-675.21-Mohd Shamsudin bin Mukhtar 3. 10.1-666.21-Inderjit Singh a.l. Cuar 4. 10.1-674.21-Ng Yoot Mei 5. 10.1-669.21-Zaber Nassar bt Pinda Khan 6. 10.1-664.21-Hamiruddin bin Bakar 7. 10.1-667.21-Choo Kam Ming 8. 10.1-665.21-Rejinimala a.p Gopal 9. 10.1-676.21-Liew Wei Chee 10. 10.1-671.21-Suguneswari a.p Subramaniam 11. 10.1-672.21-Shahrul Efendy bin Shukur 12. 10.1-668.21-Ashwin Kumar Kaura a.l Krishan Kumar  Ipoh High Court Civil Appeal - Perak Corporation Berhad v. Choo Kam Ming & 11 Others	In respect of IR Matter in Industrial Court – dismissal.              Appeal against the Interim Awards.  Consolidation of Appeal.  Stay of Proceedings.	On 18 July 2024, a consent order was recorded in Ipoh High Court before Judge Bhupindar Singh a/l Gurcharan Singh Preet. According to the terms of this order, Perak Corp is required to pay each of the respondents the agreed sum totalling RM127,487.19 as a full and final settlement. This sum will be paid to the respondents’ solicitors, Messrs. Gibb & Co, Ipoh, who will act as stakeholders, in four (4) equal monthly instalments on the 7th of each month from September 2024 to December 2024.	<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>

**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 30 June 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 30 June 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 30 June 2024. Their review report to the Board of Directors of the Company for this Quarter 2 interim financial information for the period ended 30 June 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.