



PERAK
CORPORATION
BERHAD

[Reg. No: 199101000605 (210915-U)]

THRIVE

TEAMWORK, HONESTY, RESPONSIBILITY, INTEGRITY, VALUE CREATION, ENTERPRISE

ANNUAL REPORT 2023





PERAK CORPORATION BERHAD

INCORPORATED IN MALAYSIA
199101000605 (210915-U)

2023 ANNUAL REPORT

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PERAK CORPORATION BERHAD

Registration No.: 199101000605 (210915-U)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting (“**AGM**”) of Perak Corporation Berhad (“**Perak Corp**” or “**Company**”) will be held fully virtual through the online meeting platform of TIIH Online provide by Tricor Investor & Issuing House Services Sdn Bhd via its website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on Tuesday, 11 June 2024 at 10.00 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Report of the Directors and Auditors thereon. [Explanatory Note 1]
2. To approve the payment of Directors’ fees and benefits up to an amount of RM637,000.00 from the date of the conclusion of this AGM until the date of the next AGM to be paid on a monthly basis. **Resolution 1**
[Explanatory Note 2]
3. To re-elect the following Directors who retire by rotation in accordance with Clause 15.2 of the Company’s Constitution:
a) Datuk Redza Rafiq bin Abdul Razak **Resolution 2**
b) Encik Ahmad Yani bin Aminuddin **Resolution 3**
[Explanatory Note 3]
4. To re-elect Puan Noor Azlin binti Zainal Abidin who retire in accordance with Clause 15.9 of the Company’s Constitution. **Resolution 4**
[Explanatory Note 3]
5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **Resolution 5**
[Explanatory Note 4]

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without modifications:

6. **Ordinary Resolution - Authority to Issue and Allot Shares** **Resolution 6**
[Explanatory Note 5]

“**THAT**, pursuant to Sections 75 and 76 of the Companies Act 2016 (“**Act**”), and subject always to the Constitution of the Company and the approval of the relevant authorities, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next AGM and to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the additional shares to be issued.

And that pursuant to Section 85 of the Act to be read together with Clause 11.2 of the Constitution of the Company, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empowered the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing shareholders to maintain their relative voting and distribution rights and such new shares shall rank pari passu in all respect with the existing class of ordinary shares.”

7 Ordinary Resolution - Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 7
[Explanatory Note 6]

“That approval be and is hereby given pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities for the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations with the Related Parties, as detailed in Section 2.2 of the Circular to Shareholders of the Company dated 30 April 2024, subject to the following:

- (a) the transactions are carried out in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company; and
- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders’ mandate during the financial year based on the following information:
 - (i) the type of the recurrent related party transactions made; and
 - (ii) the names of the Related Parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

That the approval given in the paragraph above shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 340(2) of the Act, but must not extend to such extension as may be allowed pursuant to section 340(4) of the Act; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

And that authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

8 To transact any other business of which due notice shall have been given in accordance with the Act and the Company’s Constitution.

By order of the Board

Cheai Weng Hoong
Company Secretary

Ipoh
30 April 2024

NOTES:

- a. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, all resolutions at the AGM will be put to vote by way of poll.
- b. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 if the online platform is located in Malaysia. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at this AGM via Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd's ("**Tricor**") through its TIIH Online website at <https://tiih.online>. Members are advised to follow the procedures provided in the Administrative Guide for this AGM in order to Participate remotely via the RPV.
- c. For the purposes of determining a member who shall be entitled to Participate in this AGM via the RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 5 June 2024. Only members whose names appear in the Record of Depositors as at 5 June 2024 will be entitled to Participate in this AGM via the RPV.
- d. A member of the Company who is entitled to Participate at the meeting may appoint any person to be his/her proxy to Participate in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to Participate at the meeting.
- e. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- f. When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
- g. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- h. The Form of Proxy can be submitted through either one of the following avenues no later than **Sunday, 9 June 2024 at 10.00 a.m.** or at any adjournment thereof:
 - (i) Lodgement of Form of Proxy in hardcopy - To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
 - (ii) Electronic lodgement of Form of Proxy - The Form of Proxy can be lodged electronically via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Guide for this AGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online website.
- i. A member who has appointed a proxy to Participate in this AGM must request his/her proxy to register himself/herself for the RPV at Tricor's TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Guide for this AGM.

EXPLANATORY NOTES:

These Explanatory Notes set out further information regarding the Agenda and the proposed resolutions to be considered by the members of the Company at the AGM.

1. Audited Financial Statements for financial year ended 31 December 2023

The audited financial statements under Agenda 1 are meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence, Agenda 1 is not put forward for voting.

2. Resolution 1

The Board through the Nomination and Remuneration Committee has assessed and agreed to the proposed Directors' fees and benefits payable to the Directors from the conclusion of the date of this AGM until the date of the next AGM at their respective meetings held on 27 February 2024 and 28 February 2024.

The breakdown of the proposed payment of Directors' fees on an annual basis is as follows:

Chairman	RM60,000
Other Directors	RM54,000 each

The Directors' benefits payable up to the amount of RM199,000.00 comprise meeting allowances.

The Directors' fees and benefits payable up to an amount of RM637,000.00 from the date of the conclusion of this AGM until the date of the next AGM to be paid on a monthly basis at the end of each month.

In the event the Directors' fees and benefits proposed are insufficient (e.g. due to enlarged Board size or additional Board meetings to be convened), approval will be sought at the next AGM for additional fees or benefits to meet the shortfall.

3. Resolutions 2 to 4

The Board through the Nomination and Remuneration Committee has deliberated on the suitability of the Directors standing for re-election ("**Retiring Directors**") at their respective meetings held on 27 February 2024 and 28 February 2024. Upon deliberation, the Board (except for the Retiring Directors) collectively agreed that the Retiring Directors have satisfied the fit and proper requirement and have the appropriate mix of skill and experience as well as have sufficient level of involvement and deliberation of relevant issues as in line with the Group's strategy. In addition, the performance and contribution of the Retiring Directors to the Company are highly satisfactory to discharge their respective roles as Directors of the Company and the Board recommended the Retiring Directors to be re-elected as the Directors of the Company.

The Retiring Directors, being eligible for re-election, have given their consent to seek for re-election at the AGM.

The profiles of the Retiring Directors are disclosed under the Profile of Board of Directors in the Annual Report and the details of their interest in the securities of the Company are disclosed under Analysis of Shareholdings in the Annual Report.

4. Resolution 5

The Board through the Audit Committee has assessed and is satisfied with the quality of audit and services, adequacy of resources, performance, competency and independence of the external auditors, Messrs Crowe Malaysia PLT, which are in accordance with the Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities, at their respective meetings held on 27 February 2024 and 28 February 2024 and recommended the re-appointment of Messrs Crowe Malaysia PLT at the AGM.

Messrs Crowe Malaysia PLT have indicated their willingness to continue their services for the ensuing year.

5. Resolution 6

Ordinary Resolution 6, if passed, will give authority to the Directors of the Company to allot and issue shares of the Company up to and not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a meeting of members. The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisition(s).

This general mandate, unless revoked or varied at a meeting of members, will expire at the conclusion of the next AGM.

6. Resolution 7

Ordinary Resolution 7, if passed, will allow the Company and its subsidiaries to enter into the recurrent related party transactions ("**RRPTs**") of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of business of the Group. The details of the RRPTs are set out in the Circular to Shareholders dated 30 April 2024 issued together with the Annual Report 2023 of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Redza Rafiq bin Abdul Razak
Chairman, Non-Independent and Non-Executive Director

Andy Liew Hock Sim
Independent and Non-Executive Director

Tan Chee Hau
Independent and Non-Executive Director

Ahmad Yani bin Aminuddin
Independent and Non-Executive Director

Faizul Hilmy bin Ahmad Zamri
Independent and Non-Executive Director

Dato' Seri Ir. Mohamad Othman bin Zainal Azim
Independent and Non-Executive Director

Datuk Seri Dr. Hj Hasim bin Hasan
Independent and Non-Executive Director

Noor Azlin binti Zainal Abidin
Independent and Non-Executive Director

AUDIT COMMITTEE

Chairman
Andy Liew Hock Sim

Members
Tan Chee Hau
Datuk Seri Dr. Hj Hasim bin Hasan

INVESTMENT COMMITTEE

Chairman
Datuk Seri Dr. Hj Hasim bin Hasan

Members
Tan Chee Hau
Faizul Hilmy bin Ahmad Zamri

TENDER COMMITTEE

Chairman
Faizul Hilmy bin Ahmad Zamri

Members
Ahmad Yani bin Aminuddin
Dato' Seri Ir. Mohamad Othman bin Zainal Azim

RISK MANAGEMENT COMMITTEE

Chairman
Tan Chee Hau

Members
Andy Liew Hock Sim
Dato' Seri Ir. Mohamad Othman bin Zainal Azim

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Ahmad Yani bin Aminuddin

Members
Faizul Hilmy bin Ahmad Zamri
Datuk Seri Dr. Hj Hasim bin Hasan

KEY SENIOR MANAGEMENT

Rosmin bin Mohamed
Group Chief Executive Officer

Rusnidar binti Samsudin
Group Chief Financial Officer
(Resigned on 8 March 2024)

Dato' Hj. Mubarak Ali bin Gulam Rasul
Chief Executive Officer
Lumut Maritime Terminal Sdn Bhd

COMPANY SECRETARY

Cheai Weng Hoong
(LS 0005624)

REGISTERED OFFICE

No. 1, Jalan Lasam
30350 Ipoh
Perak Darul Ridzuan
Tel. : +6 (05) 2380612
Fax : +6 (05) 2461689

REGISTRAR

Shared Services & Resources Sdn. Bhd.
No. 1, Jalan Lasam
30350 Ipoh
Perak Darul Ridzuan
Tel. : +6 (05) 2380612
Fax : +6 (05) 2461689

PRINCIPAL PLACE OF BUSINESS

No. 1-A, Blok B, Menara PKNP
Jalan Meru Casuarina
Bandar Meru Raya 30020 Ipoh
Perak Darul Ridzuan
Tel. : +6(05) 501 9888
Fax : +6(05) 501 9904
Website : www.perakcorp.com.my

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

PRINCIPAL BANKERS

Affin Islamic Bank Berhad
Bank Islam Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Name : PRKCORP
Stock Code : 8346

FINANCIAL HIGHLIGHTS

Financial year ended 31 December 2023

	2023	2022	2021	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>					
Revenue	160,651	149,001	245,244	131,220	149,686
Earnings/ (Loss) before interest, taxes, depreciation and amortisation	53,095	68,271	78,828	(21,665)	3,840
Profit/(Loss) before tax	32,053	41,827	49,040	(52,556)	(20,875)
Profit/(Loss) after tax	19,389	29,660	18,958	(63,421)	(36,587)
<u>Discontinued Operation</u>					
Revenue	-	-	-	415	14,030
Loss before interest, taxes, depreciation and amortisation	-	-	(2,526)	(17,166)	(47,809)
Loss before tax	-	-	(35,177)	(39,515)	(80,068)
Loss after tax	-	-	(34,930)	(39,226)	(79,799)
Net profit/ (loss) for the financial year	19,389	29,660	(15,972)	(102,647)	(116,386)
Profit/ (Loss) attributable to equity holders of the Company	2,859	13,359	(12,626)	(95,214)	(83,029)

		2023	2022	2021	2020	2019
Total assets	RM'000	540,184	526,659	549,208	727,500	742,273
Shareholders' equity	RM'000	257,179	242,790	218,130	(116,735)	(9,088)
Owners' equity	RM'000	95,067	92,208	78,849	91,475	186,689
Total borrowings	RM'000	119,953	127,955	183,212	548,325	517,889
Paid-up capital	unit	100,000	100,000	100,000	100,000	100,000
Net assets per share	RM	2.57	2.43	2.18	(1.17)	(0.09)
Share price as at fiscal year-end	RM	0.48	0.25	0.42	0.34	0.38
Return on total assets	%	5.93	7.94	2.52	(12.66)	(13.60)
Return on equity	%	3.01	14.49	(16.01)	(104.09)	(44.47)
Gross dividend per share	%	0.00	0.00	0.00	0.00	0.00
Gross dividend yield per share	%	0.00	0.00	0.00	0.00	0.00
Earnings/(Loss) per share	sen	2.86	13.36	(12.63)	(95.21)	(83.03)
Price-earnings ratio	times	0.17	0.02	(0.03)	(0.00)	(0.00)
Gearing ratio	%	70.35	70.10	77.40	89.38	78.72

FINANCIAL HIGHLIGHTS

2023 PERFORMANCE SNAPSHOT

Revenue

RM160.7
MILLION

(2022 : RM149.0 million)

Profit Before Tax

RM32.1
MILLION

(2022 : RM41.8 million)

Profit After Tax

RM19.4
MILLION

(2022 : RM29.7 million)

Total Assets

RM540.2
MILLION

(2022 : RM526.6 million)

Shareholders' Equity

RM257.2
MILLION

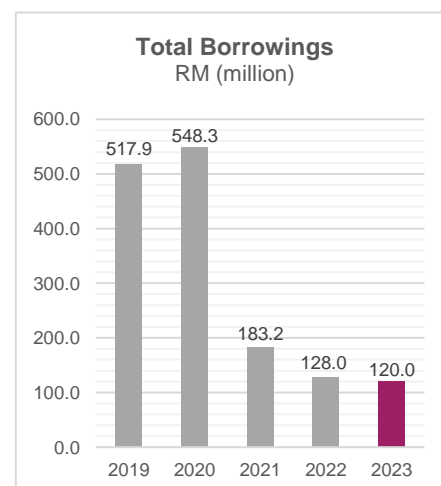
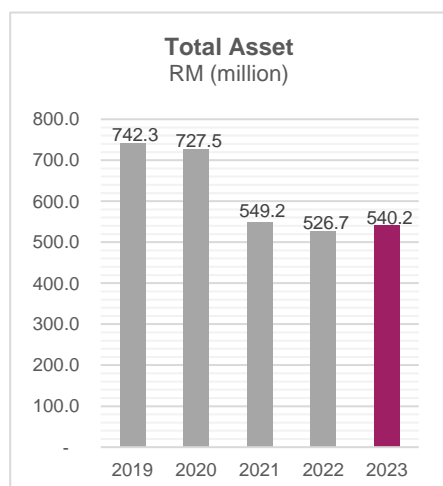
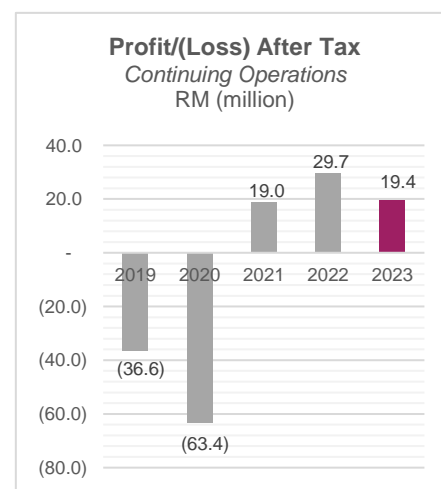
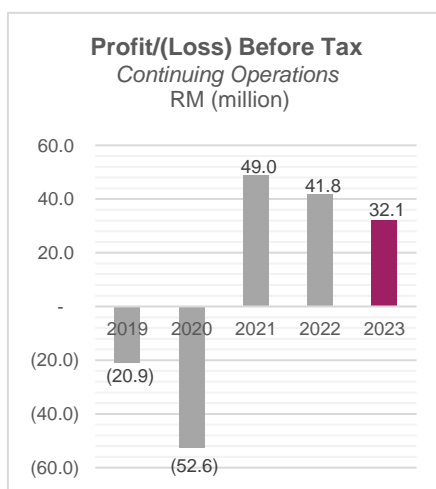
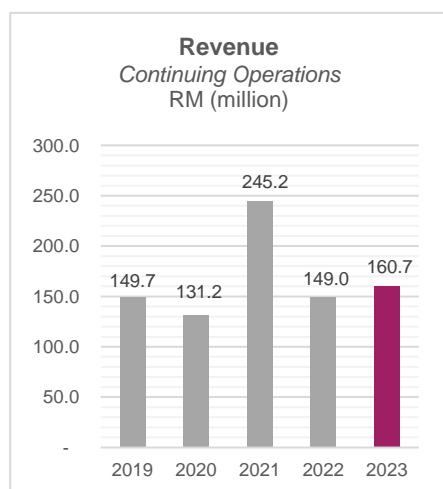
(2022 : RM242.8 million)

Total Borrowings

RM120.0
MILLION

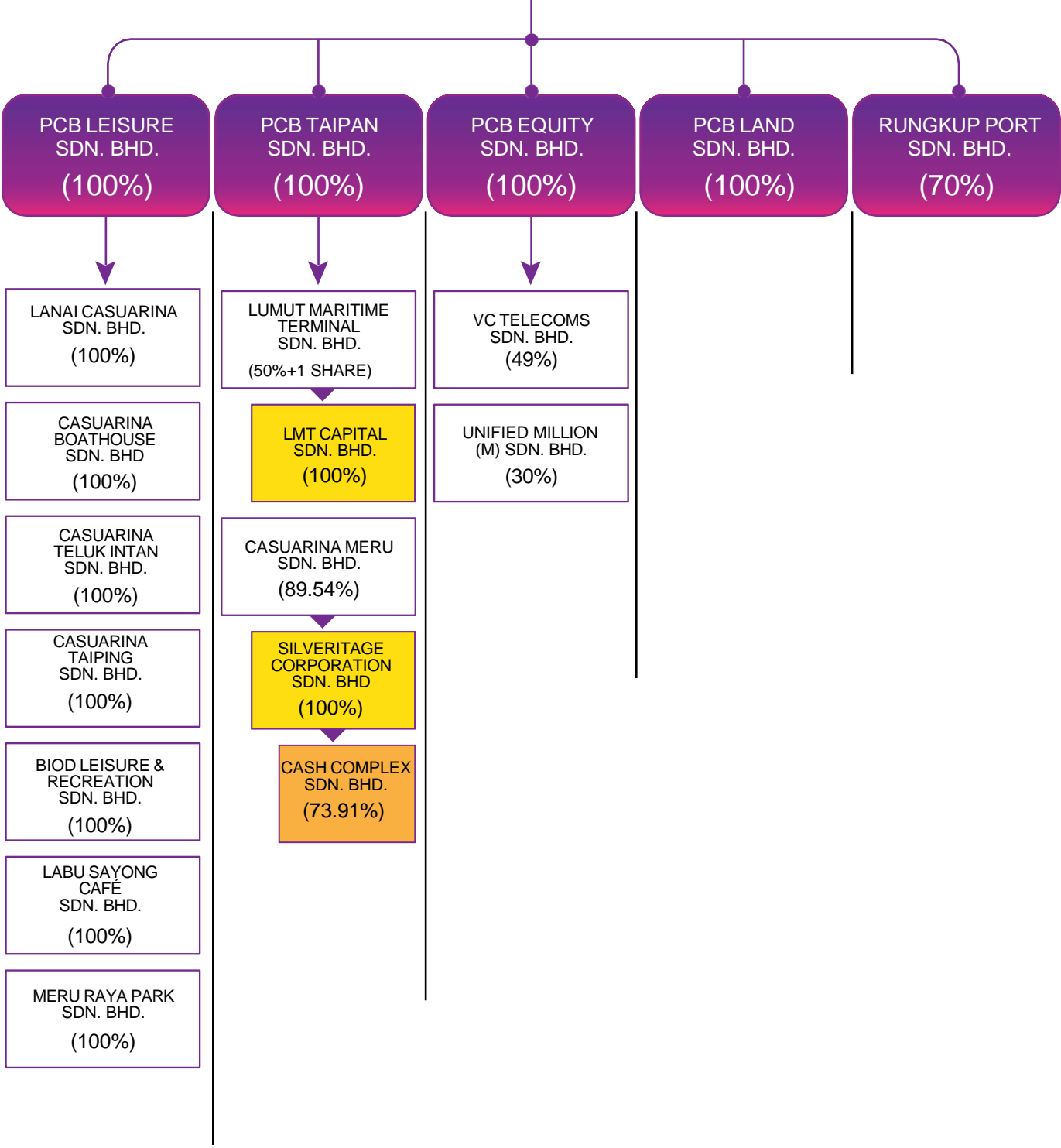
(2022 : RM128.0 million)

Summary of Financial Performance



CORPORATE STRUCTURE

AS AT 31 DECEMBER 2023



PROFILE OF DIRECTORS

DATUK REDZA RAFIQ BIN ABDUL RAZAK

Chairman

Non-Independent and Non-Executive Director

MALAYSIAN | MALE | AGE 56



Datuk Redza Rafiq bin Abdul Razak was first appointed to the Board of Perak Corporation Berhad on 25 February 2021 as the Non-Independent and Non-Executive Director. He was also appointed as the Vice Chairman and then appointed as the Chairman on 24 May 2022 and 1 August 2022 respectively.

He is currently the Chief Executive of Perbadanan Kemajuan Negeri Perak ("PKNPK"), the Perak State Economic Development Corporation, which is the key state agency entrusted to spearhead economic development and socio-economic growth for the State of Perak.

He is also the Executive Chairman of Majuperak Holdings Berhad ("MHB").

He holds a Bachelor of Economics and Business (Hons) degree from the University of Hull and an Honorary Doctorate (Economics) from University of Malaysia Perlis (UNIMAP).

Datuk Redza has had an extensive career in economic development and the property sector, including regional development, property development and investment,

the development of economic zones as well as business and industrial parks. He played an instrumental role in the development of Cyberjaya, Malaysia's Cybercity, the Northern Corridor Economic Region (NCER), the Special Border Economic Zone, the Malaysia Vision Valley and the Pagoh Special Economic Zone.

For more than 30 years, he has accumulated vast experience in leading turnarounds, setting up new entities and restructuring organisations, turning adversity into opportunities to unlock value for companies and their stakeholders.

Besides PKNPK and MHB, he is also a board member of the Lumut Maritime Terminal Sdn Bhd, the Ipoh Cargo Terminal Sdn Bhd and Universiti Sultan Azlan Shah.

He has served on the Boards of Universiti Sains Malaysia and numerous corporate bodies and companies, such as Penang Port Sdn Bhd, Kulim Hi-Tech Park, Cyberview Sdn Bhd, Malaysia Venture Capital Sdn Bhd and Prasarana Malaysia Berhad.

In addition, he was also on the board of a joint venture company between Sime Darby Property, Mitsui & Co. and Mitsubishi Estate for industrial and logistics development, as well as a joint venture between Sime Darby Property and CapitaLand Singapore for the development and operation of Melawati Mall.

Testament to his outstanding track record and achievements, he has received several awards, accolades and recognition from various organisations over the years.

He attended 8 out of 8 Board of Directors' meetings held during the financial year ended 31 December 2023.

He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

ANDY LIEW HOCK SIM

Independent and Non-Executive Director

MALAYSIAN | MALE | AGE 44



Andy Liew Hock Sim was appointed to the Board of Perak Corporation Berhad as the Independent and Non-Executive Director on 6 August 2020. He was also appointed as the Chairman of the Audit Committee and a member of the Risk Management Committee on 6 August 2020 and 23 February 2022 respectively.

Andy is a Chartered Accountant with the Malaysian Institute of Accountants (MIA) and a member of the Certified Practising Accountant (CPA) Australia. He has over 21 years of experience with major audit firms in audit, taxation and accountancy that he gained from both Malaysia and overseas. He was involved in numerous successful initial public offerings (IPO) in Malaysia, Singapore, Hong Kong and Germany throughout his career.

Andy started his career with a local audit firm in Malaysia. He then joined KPMG Kuala Lumpur after obtaining his professional qualifications, i.e. MIA and CPA Australia in 2006.

In KPMG Kuala Lumpur, he started to involve in the audit of Multinational Corporation (MNC) and public listed company (PLC). He was also involved in the IPO of a financial services company in the Main Market of Kuala Lumpur Stock Exchange (KLSE).

In 2008, he ventured to China and since then, he has spent eight (8) years in China. From 2008 to 2012, he worked in KPMG Beijing and actively involved in audit and IPO. In 2012, he joined a China-based manufacturing company in the capacity of Chief Financial Officer (CFO), and listed the company on the Frankfurt Stock Exchange in 2014 prior to his return to Malaysia.

Upon his return to Malaysia in 2016, he joined Baker Tilly Malaysia as the Director of the Transaction Reporting department. He was then promoted to Partner in 2017 and led a team of 40, specialising in IPO and was actively involved in various corporate exercises, e.g. business restructuring, mergers and

acquisitions (M&A), reverse takeovers (RTO), transfer listing, financial due diligence, regularisation plans for PN17 companies, fund raising and etc. In 2019, he started his own public practice and assumed the role of Managing Partner.

At present, he also sits on the board of directors of XOX Berhad, XOX Networks Berhad and Oversea Enterprise Berhad.

He attended 8 out of 8 Board of Directors' meetings held during the financial year ended 31 December 2023.

He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

TAN CHEE HAU

Independent and Non-Executive Director

MALAYSIAN | MALE | AGE 56



Tan Chee Hau was appointed to the Board of Perak Corporation Berhad as the Independent and Non-Executive Director on 20 October 2020. He was also appointed as the Chairman of the Risk Management Committee, a member of the Audit Committee and Investment Committee on 23 February 2022, 30 September 2022 and 24 August 2023 respectively.

He graduated from RMIT University, Melbourne, Australia with a Bachelor of Business (Accountancy & Finance) (Distinction) in 1991, and obtained his Chartered Accountant (CA) membership and Certified Practising Accountant (CPA) membership from the Malaysian Institute of Accountants (MIA) and CPA Australia respectively in 1995.

He has more than 30 years of experience in Corporate and Debt Restructuring, Corporate Finance, Private Equity and Accounting, and has worked for many companies/firms, including as Director & Co-Head of Corporate Finance of an Investment Bank, Head of Corporate Finance in several listed and private companies, Investment Director in a Private Equity company, and Senior Auditor in an International Accounting Firm. He has advised many companies on listings, restructuring, mergers and acquisitions, equity and debt fund raisings, etc.

He is presently involved in corporate finance advisory works and holds directorships in Lay Hong Berhad and in several private companies.

He attended 7 out of 8 Board of Directors' meetings held during the financial year ended 31 December 2023.

He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

AHMAD YANI BIN AMINUDDIN

Independent and Non-Executive Director

MALAYSIAN | MALE | AGE 53



Ahmad Yani bin Aminuddin was appointed to the Board of Perak Corporation Berhad as the Independent and Non-Executive Director on 1 July 2021. He was also appointed as the Chairman of the Nomination and Remuneration Committee and a member of the Tender Committee on 30 September 2022 and 23 February 2022 respectively.

He graduated with a Bachelor of Laws (Honors) from the International Islamic University of Malaysia in July 1997. In May 1998, he was admitted as an advocate and solicitor of the High Court of Malaya upon completion of reading in the chambers of the late Ngan Siong Hing of Messrs Abbas & Ngan.

He was retained as legal assistant in Messrs Abbas & Ngan and left the firm in August 2000 to join Malaysian Resources Corporation Berhad. There he was seconded to The News Straits Times Press group of companies as legal adviser.

Subsequently he re-joined Messrs Abbas & Ngan in February 2001 as an associate before he was made a partner in 2004. He is still with Messrs Abbas & Ngan and is a partner of the firm.

His scope of work from the commencement of his legal practice until the present time includes rendering advice to financial institutions and various individuals as well as corporations in relation to private, corporate and commercial matters, regulatory issues, property development projects and has appeared in all levels of courts and tribunals in a wide range of laws including torts (defamation, trespass, nuisance, negligent misstatement, misrepresentation, professional negligence), professional misconduct, intellectual property, insolvency, company (shareholders' disputes, derivative action, oppression), contract, election petition, construction, constitutional and administrative laws.

He is also a Deputy Chairman of the Perak Appeal Board under the Town and Country Planning Act 1976 since 2018 and an adjunct lecturer for final year law students in Universiti Utara Malaysia Sintok Kedah on subjects of duties of lawyers, lawyers' immunity, solicitor-client relationship and privileges, professional negligence and professional misconduct since 2019.

At present, he is also the Chairman of Ladang Lekir Sdn Bhd, a subsidiary of Perak State Agriculture Development Corporation (SADC).

He has attended 5 out of 8 Board of Directors' meetings held during the financial year ended 31 December 2023.

He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

FAIZUL HILMY BIN AHMAD ZAMRI

Independent and Non-Executive Director

MALAYSIAN | MALE | AGE 57



Faizul Hilmy bin Ahmad Zamri was appointed to the Board of Perak Corporation Berhad as the Independent and Non-Executive Director on 1 July 2021. He was also appointed as the Chairman of the Tender Committee and a member of the Nomination and Remuneration Committee on 23 February 2022 and a member of Investment Committee on 24 August 2023.

He graduated with LLB (Honours), ADIL, DIL from Universiti Teknologi Mara in 1992 and enrolled as an advocate and solicitor of the High Court of Malaya on 17 April 1993.

He first joined the law firm of Messrs WY Chan & Roy, Advocates & Solicitors as an associate and later joined as a partner in 1995. He is a litigator until the present time with special emphasis on contentious matters pertaining to Land Law,

Administrative Law, Commercial, Aviation Law, Banking and Corporate Law, Building and Construction Law and Arbitration.

As the senior partner of the law firm, he advises and has acted for various institutions and corporations including, amongst other: KL Kepong Group of Companies, Taiko Group of Companies, Yee Lee Group of Companies, Batu Kawan Berhad, Tan Chong Holdings Berhad, Hexza Group, Total Investment Group of Companies, MAEKO Group, Aeon Co (M) Bhd, RCI Berhad, Alliance Bank Berhad, Public Bank Berhad, Hong Leong Bank Berhad and Malayan Banking Berhad. He has also advised and acted for the Canadian High Commission and has undertaken work for the Australian High Commission.

Faizul Hilmy is a member of Malaysian Bar Disciplinary Committee since 2014.

He has attended 8 out of 8 Board of Directors' meetings held during the financial year ended 31 December 2023.

He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

DATO' SERI IR. MOHAMAD OTHMAN BIN ZAINAL AZIM

Independent and Non-Executive Director

MALAYSIAN | MALE | AGE 70



Dato' Seri Ir. Mohamad Othman bin Zainal Azim was appointed to the Board of Perak Corporation Berhad as the Independent and Non-Executive Director on 30 September 2022. He was also appointed as a member of the Risk Management Committee and the Tender Committee on 30 September 2022.

He graduated from the University of Southampton, UK in 1977 with a Bachelor of Science (Hons) Civil Engineering and obtained his Master of Civil Engineering at University of Birmingham, UK in 1988. He is registered as a Professional Engineer with the Board of Engineers, Malaysia.

Dato' Seri Ir. Mohamad Othman has accumulated over 42 years of experience in engineering and project development services. He started his career in 1977 as a District Engineer in the Publics Works Department and attached to the department until 1979.

His last service in Government was as Chief Operating Officer from 2009 until 2012 in the Project Management Unit (PMU) under the Ministry of Finance Malaysia. He successfully implemented the Government of Malaysia's Economic Stimulus Package and Mini Budget in tandem with the Annual Budget. In 2016, he was appointed as a Board member of University Malaya, UMSC, Chairman of UM Property Holdings Sdn Bhd and Pusat Perubatan University Malaya (PPUM).

In addition, he also had attended an advanced management programme organised by INSEAD, and several Senior Management Programme in Tokyo, Belgium and Sweden.

At present, Dato' Seri Ir. Mohamad Othman is also the Chairman of Straits Consulting Engineers Sdn Bhd; and sits on the boards of TCS Group Holdings Berhad and several private companies.

He has attended 6 out of 8 Board of Directors' meetings held during the financial year ended 31 December 2023.

He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

DATUK SERI DR. HJ HASIM BIN HASAN

Independent and Non-Executive Director

MALAYSIAN | MALE | AGE 63



Datuk Seri Dr. Hj Hasim bin Hasan was appointed to the Board of Perak Corporation Berhad as the Independent and Non-Executive Director on 30 September 2022. He was also appointed as the Chairman of the Investment Committee on 24 August 2023, and a member of the Audit Committee and the Nomination and Remuneration Committee on 30 September 2022.

He graduated from Universiti Kebangsaan Malaysia (UKM) with a Bachelor of Arts in Political Science (Hons) and holds a Doctor of Philosophy in Strategic Studies from Universiti Utara Malaysia (UUM). He has obtained several awards and honours from the State Governments of Perak and Melaka for his contributions.

Datuk Seri Dr. Hj Hasim started his career as Assistant District Officer (Land) in 1989 and has been promoted a few times until 2004.

In 2005, he was appointed as Principal Assistant Secretary in Perak State Secretarial Office. Then he was promoted as District Officer for Perak Tengah in 2006. He was then appointed as State Development Director for the state of Perak in 2010. Later in 2019, Datuk Seri Dr. Hj Hasim was appointed as State Secretary of Melaka.

Due to his excellent performance as an Administrative and Diplomatic Officer, he has been promoted to the highest civil service position in the state of Melaka. He retired from government service in July 2021.

He has attended 7 out of 8 Board of Directors' meetings held during the financial year ended 31 December 2023.

He does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

NOOR AZLIN BINTI ZAINAL ABIDIN

Independent and Non-Executive Director

MALAYSIAN | FEMALE | AGE 59



Noor Azlin binti Zainal Abidin was appointed to the Board of Perak Corporation Berhad as the Independent and Non-Executive Director on 30 August 2023.

She is a graduate of Northern Illinois University, holding a Bachelor of Science in Computer Science and a Master of Science in Management Information Systems from the same institution.

With over 20 years of experience, she has successfully led complex and large-scale IT projects, demonstrating expertise in transformation programme management, business process reengineering, IT strategic planning, change management, and systems implementation.

She commenced her career at Accenture, a global IT and management consulting company, in 1989, and ascended to the position of Partner until her relocation to Belgium in 2004.

Her tenure at Accenture was marked by her pivotal role in establishing the Government Market Unit practice for the company's Kuala Lumpur office. Throughout the 15 years in Accenture, she has been deeply involved in collaborating with multiple government agencies, steering their reengineering and transformation programs to deliver innovative services and bolster efficiency in the public sector.

Since returning from Belgium, she has worked as an independent consultant, providing transformation programme advisory and related services to government-linked companies and statutory bodies. Additionally, she was appointed as a member of the Jawatankuasa Penasihat (JAPENA) ICT for Majlis Agama Islam Selangor (MAIS) for the 2024-2025 session.

She has attended 3 out of 3 Board of Directors' meetings held from the date of her appointment to the end of the financial year ended 31 December 2023

She does not have any family relationship with any director and/or major shareholder and has no conflict of interest with the Company. She has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT



ROSMIN BIN MOHAMED
Group Chief Executive Officer
Date of Appointment: 9 January 2023

MALAYSIAN | MALE | AGE 54

Academic/ Professional Qualification(s)

- ◆ Executive Management Hull University Business School
- ◆ Business Management Renong Training School

Directorship in Public Companies and Listed Issuer

- ◆ Nil

Working Experiences

- ◆ Head, Special Economic Zone Division in Sime Darby Property Berhad.
- ◆ Senior Vice President at Sime Darby Property Berhad, Malaysia Vision Valley (MVV) project.
- ◆ Senior Director of Development Division at Northern Corridor Implementation Authority ("NCIA").
- ◆ Senior Manager, Cyberview Sdn Bhd for Cyberjaya project.

Family Relationship

- ◆ He does not have any family relationship with any director and/ or major shareholder and has no conflict of interest with the Company.

Securities holding in the Company

- ◆ Nil

Conviction of offences

- ◆ He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



RUSNIDAR BINTI SAMSDIN
Group Chief Financial Officer
Date of Appointment: 28 August 2019
(Resigned on 8 March 2024)

MALAYSIAN | MALE | AGE 51

Academic/ Professional Qualification(s)

- ◆ Member of Malaysian Institute of Accountants
- ◆ Master in Business Administration, Universiti Utara Malaysia (UUM)
- ◆ Bachelor of Accounting (Hons) University Teknologi MARA (UiTM)
- ◆ Diploma in Accounting University Teknologi MARA (UiTM)

Directorship in Public Companies and Listed Issuer

- ◆ Nil

Working Experiences

- ◆ Director, Finance and Accounting Division, Perak Corporation Berhad
- ◆ Director, Accounting Division, Kumpulan Perbadanan Kemajuan Negeri Perak
- ◆ Accounts Executive, Finance and Accounting Division, Perak Corporation Berhad

Family Relationship

- ◆ She does not have any family relationship with any director and/ or major shareholder and has no conflict of interest with the Company.

Securities holding in the Company

- ◆ Nil

Conviction of offences

- ◆ She has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



**DATO' HJ MUBARAK ALI
BIN GULAM RASUL**

Chief Executive Officer
Lumut Maritime Terminal Sdn Bhd
Date of Appointment: 1 March 2015
MALAYSIAN | MALE | AGE 57

Academic/ Professional Qualification(s)

- ◆ Master of Business Administration in General Management, University of Greenwich
- ◆ LCCI in Accounting – Inter and Higher

Directorship in Public Companies and Listed Issuer

- ◆ Nil

Working Experiences

- ◆ Director of Special Projects, National Air Cargo Middle East
- ◆ Director Abel (M) Sdn. Bhd.
- ◆ Senior Vice President, Business Development, Konsortium Logistik Berhad
- ◆ General Manager Commercial, Spanco Sdn. Bhd.
- ◆ Senior Manager, Alam Flora Sdn. Bhd.
- ◆ Resources Management Manager, Malaysia Airlines
- ◆ Operations Manager, United Parcel Service

Family Relationship

- ◆ He does not have any family relationship with any director and/ or major shareholder and has no conflict of interest with the Company.

Securities holding in the Company

- ◆ Nil

Conviction of offences

- ◆ He has no conviction for any offence within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT



*Dear Shareholders,
On behalf of the Board of Directors of Perak Corporation Berhad ('Perak Corp' or 'Company') I am pleased to present the annual report of Perak Corp for the financial year ended 31 December 2023 ('FY 2023').*

Dear Shareholders,

Against the backdrop of challenging market conditions and our status as a PN17 company, I am proud to report that Perak Corp and its subsidiaries ("Group") have made significant strides in our restructuring efforts, resulting in stronger revenue and a more resilient financial foundation, paving the way for a brighter future.

In FY 2023, our Group achieved a revenue of RM160.7 million, marking an 8% rise from the RM149.0 million in FY 2022. The ports and logistics segment continued to be a key revenue driver, contributing significantly to the Group's overall performance. Revenue in this segment reached RM136.6 million in FY 2023, showcasing a 7.0% increase from the previous financial year. Additionally, our hospitality and tourism segment demonstrated resilience and potential for growth, reporting revenue of RM22.2 million in FY 2023, a significant improvement from the previous financial year.

While our profit before tax decreased slightly to RM32.1 million from RM41.8 million in the previous financial year, this was primarily due to the absence of non-recurring compensation received from the compulsory land acquisition in FY 2022.

We continued to strengthen our financial position, with total assets rising to RM540.2 million and shareholders' equity reaching RM257.2 million. Our commitment to enhancing shareholder value was evident in the positive trend of owners' equity, which increased to RM95.1 million.

Our strategic initiatives and proactive debt management strategies have been instrumental in our journey. On 11 September 2023, the Company entered into a supplemental agreement to the debt settlement agreement dated 8 November 2021 with CIMB Bank Berhad ("CIMB") to amend, modify, substitute, vary and alter the terms and conditions of the CIMB debt settlement

agreement. Additionally, on 15 September 2023, PCB Taipan Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a debt settlement agreement with CIMB to settle the amount outstanding due and payable by PCB Taipan to CIMB. This represents the final step in our comprehensive debt restructuring efforts with financial institutions, specifically addressing defaulted loans. These agreements underscore our commitment to resolving financial obligations and fortifying our financial position through prudent debt reduction measures.

Strategic agreements and partnerships were executed during the financial year to lay the groundwork for future revenue streams and operational performance.

We successfully concluded a Master Development Agreement with Perbadanan Kemajuan Negeri Perak (PKNPk) on 31 March 2023 (“MDA”) to define the general and overarching terms and conditions governing the development initiatives to be undertaken by the Company and PKNPk. These development initiatives, which are an integral part of the Company’s proposed regularisation plan, are anticipated to be a catalytic component for the following:

- (a) direct foreign and domestic investment for the state of Perak;
- (b) creation of employment and business opportunities; and
- (c) spur the economic activities and growth in the areas of port & logistics, hospitality and tourism and industrial and property development, which are the main businesses of the Group.

Furthermore, our proactive approach to joint developments and asset optimisation has strategically positioned us for robust revenue generation in the coming years. During the financial year, we finalised key agreements that underscore our commitment to maximising the value of our assets, including but not limited to a joint development for multiple land parcels in Tanjung Malim, Perak

These initiatives are part of our comprehensive strategy to optimise our asset portfolio and capitalise on emerging market trends. As we continue to execute these strategic initiatives, we are well-positioned to generate sustainable and recurring income, bolstering our financial resilience and creating long-term value for our stakeholders.

Outlook

Our portfolio diversification into industrial parks gained traction in 2024. In furtherance to the development initiatives set out in the MDA, Perak Corp has on 8 January 2024, entered into a Joint Venture Agreement with PKNPk (“JVA”) 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, Perak. In tandem with the execution of JVA, Perak Corp has entered into a joint development agreement with a strategic partner to implement and carry out the main infrastructure works for the SVTP Industrial Hub and sell completed industrial lots with the main infrastructure.

SVTP is strategically located amongst billion-making industrial parks such as Kanthan Industrial Park and PKNPK's pride, Bandar Meru Raya. As Perak gains prominence arising from the Perak Sejahtera 2023 development agenda, the addition of a state-of-the-art industrial park presents substantial opportunities for domestic and foreign direct investment and development.

The joint development of SVTP Industrial Hub provides an avenue for the Company to generate sustainable and recurring income towards the Group's business operations, which will improve the Group's overall cash flow position as well as strengthen its financial position as part of its regularisation effort.

Strategic Development Plan

Our recently initiated 5 Years Strategic Development Plan (2024 – 2028), guided by our core values encapsulated in the acronym THRIVE, sets the stage for our future growth trajectory and brand visibility.



The aim and purpose of our Strategic Development Plan are multi-faceted. We aim to achieve the following key strategic priorities:

- **Achieve Cost & Operational Efficiencies:** Streamline processes and operations to enhance efficiency and reduce costs.
- **Launch New Growth Areas:** Identify and capitalise on emerging opportunities to expand our market presence.
- **Expand Recurring Income Portfolio:** Diversify revenue streams and increase stability through recurring income sources.
- **Embark On Digital Transformation:** Embrace digital technologies to enhance customer experience, operational effectiveness, and decision-making.
- **Improve Organisational Effectiveness:** Strengthen internal capabilities, talent development, and governance structures to drive sustainable growth and performance.

Looking ahead, we are focused on enhancing our financial performance and competitiveness across all segments. Our strategic initiatives include optimising port capacity, unlocking value in real estate assets, and capitalising on emerging tourism trends. We are actively formulating

a regularisation plan to uplift the Company from being a PN17-affected listed issuer, which is in line with our commitment to sustainable growth and industry leadership.

We are confident that our Strategic Development Plan, coupled with our dedicated team's efforts and your continued support, will propel us towards achieving our long-term goals and securing a leading position in our industry.

Appreciation

I am delighted to warmly welcome Puan Noor Azlin Zainal Abidin, our newly appointed independent and non-executive director. With over three (3) decades of invaluable experience in spearheading complex and large-scale IT projects, Puan Noor Azlin brings a wealth of knowledge and expertise to our esteemed Board. She has demonstrated exceptional leadership and strategic acumen throughout her illustrious career, particularly in her close collaborations with various government agencies. Her addition will enrich our deliberations and decision-making processes, fostering a culture of forward-thinking and innovation.

On this note and on behalf of the Group, I would like to express my deepest appreciation to my fellow board members, the board members of our subsidiaries, and our key senior management team for their dynamic leadership through these challenging times. We would like to acknowledge our employees' commitment and unwavering effort as we chart the way forward in today's highly competitive operating environment.

Our sincere thanks and gratitude to the shareholders, customers, clients and business associates for their support and contribution towards the success of our Company's initiatives. Together, we will navigate challenges, capitalise on opportunities, and build a stronger, more resilient future for our Group.

Thank you.

Datuk Redza Rafiq bin Abdul Razak

Chairman

30 April 2024

MANAGEMENT

DISCUSSION AND ANALYSIS

OVERVIEW

Perak Corp is a diversified public listed company with interests in various segments, including ports and logistics, property development, hospitality and tourism and management services. The business operations of the Group are primarily focused in the state of Perak.

FINANCIAL REVIEW

In FY 2023, the Group demonstrated resilience and growth despite challenging market conditions. The Group's revenue increased to RM160.7 million compared to RM149.0 million in FY 2022, reflecting an 8% growth. However, the profit before tax decreased to RM32.1 million from RM41.8 million in the previous financial year, primarily due to compensation received from the compulsory acquisition of land in FY 2022, which is non-recurring in FY 2023.

Total assets increased to RM540.2 million from RM526.7 million in FY 2022, reflecting the Group's continued investment in assets to support future growth. Shareholders' equity also strengthened, reaching RM257.2 million from RM242.8 million in FY 2022. Owners' equity similarly showed a positive trend, rising to RM95.1 million from RM92.2 million in FY 2022, showcasing our commitment to enhancing shareholder value.

On 11 September 2023, the Company entered into a supplemental agreement to the debt settlement agreement dated 8 November 2021 with CIMB Bank Berhad ("CIMB") to amend, modify, substitute, vary and alter the terms and conditions of the CIMB debt settlement agreement. Additionally, on 15 September 2023, PCB Taipan Sdn Bhd, a wholly-owned subsidiary of the Company, 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 from 1 January 2023 to full payment and/or repayment of all amounts due and owing under the Facility Agreement to CIMB. The debt settlement agreements signify a significant milestone in the Group's debt management strategy, demonstrating its commitment to resolving financial obligations and strengthening its financial position, through the reduction in total borrowings.

Net assets per share improved to 2.57 sen in FY 2023 compared to 2.43 sen in FY 2022, indicating enhanced value creation for shareholders.

Financial year ended 31 December		2023	2022
Revenue	RM'000	160,651	149,001
Profit before tax	RM'000	32,053	41,827
Total assets	RM'000	540,184	526,659
Shareholders' equity	RM'000	257,179	242,790
Owners' equity	RM'000	95,067	92,208
Total borrowings	RM'000	119,953	127,955
Net assets per share	Sen	2.57	2.43

SEGMENTAL PERFORMANCE REVIEW

The Group is principally involved in the following business activities:

- Ports and logistics;
- Property development;
- Hospitality and tourism; and
- Management services.

RM'000	Revenue		Profit/(Loss) before Tax	
	2023	2022	2023	2022
Ports and logistics	136,627	127,777	44,504	45,487
Property development	-	-	(2,200)	47,327
Hospitality and tourism	22,180	19,378	2,047	(20,739)
Management Services	1,844	1,846	(12,298)	(30,248)
Total	160,651	149,001	32,053	41,827

Ports and Logistics

Ports play an important role in facilitating internal and external trade. As enablers, ports provide key logistical services, thus opening up trades and creating economic opportunities. Ports' contribution to economic growth is significant to the State's and nation's Gross Domestic Product (GDP). This economic impact can be further amplified by the availability of a well-connected logistics network, including inland depots and freight villages.

Strategically located off the Straits of Malacca, on the west coast of Peninsular Malaysia, in Perak, Lumut Maritime Terminal (known as "Lumut Port") was established as a catalyst for economic growth, development, and industrialisation of the State and the nation in general. The Group manages Lumut Port through its subsidiary, Lumut Maritime Terminal Sdn. Bhd. ("LMTSB"), with the vision to be the most efficient bulk cargo terminal operator in South East Asia.

LMTSB provides an integrated range of maritime services, inclusive of tuggage, pilotage, berthing, stevedorage, cargo handling, storage and ancillary services. LMTSB is also the operator and manager of Lekir Bulk Terminal, a dedicated terminal that handles coal for Janakuasa Sultan Azlan Shah in Sri Manjung, Perak.

Since the implementation of LMTSB's strategic business plan in 2016, LMTSB has begun to record a steady tonnage increase in cargo handling, except in 2020, mainly due to the COVID-19 pandemic. The ports and logistics segment continued to be a significant contributor to the Group's overall performance, accounting for 85% of total revenue in FY 2023 (compared to 86% in FY 2022). This

segment exhibited notable growth, generating revenue of RM136.6 million, a 7.0% increase from the previous financial year's revenue of RM127.7 million. The rise in revenue can be attributed to factors such as increased cargo throughput, rate adjustments, and additional income streams unrelated to tonnage, such as stockpile management charges.

Despite the revenue growth, the profit before tax of the ports and logistics segment experienced a slight decline, decreasing by 2% to RM44.5 million from RM45.5 million in FY 2022. This decrease in profit before tax was primarily due to higher expenses in diesel and maintenance, partially mitigated by reductions in other operating expenses. The segment's proactive approach to cost management and operational efficiency played a key role in optimizing performance amidst challenging cost dynamics.

The terminal showcased strong growth in throughput volumes and revenue, leveraging its high-capacity utilisation rate and operational efficiency initiatives. LMTSB remains integral to the Group's operations and growth strategy, and we are confident in its ability to continue generating value for our shareholders in the foreseeable future.

Property Development

The property development segment reported nil revenue for both FY 2023 and FY 2022. However, it is important to note that in FY 2022, the segment recorded a profit before tax of RM47.3 million, primarily due to compensation received from the compulsory acquisition of land. In contrast, FY 2023 saw a loss before tax of RM2.2 million, reflecting the absence of similar one-off gains.

Despite the lack of revenue in FY 2023, the property development segment actively engaged in strategic agreements throughout the year that laid the groundwork for future revenue streams and operational performance. This included the execution of several key agreements, such as the execution of a Master Development Agreement with Perbadanan Kemajuan Negeri Perak ("PKNPk"), aimed at defining the terms and conditions governing development initiatives with PKNPk. Additionally, the sale and purchase agreement for the disposal of a piece of agricultural land in Mukim Kampar, Daerah Kampar, Perak, as well as the joint development agreement for multiple land parcels in Mukim Hulu Bernam Timor, Daerah Muallim, Perak, were finalised during the year.

Post FY 2023, this segment further strengthened its strategic position by entering into a joint development agreement for significant projects for the implementation of main infrastructure works and the sale of completed industrial lots in Silver Valley Technology Park. Furthermore, another joint development agreement was signed for the development of a gated and guarded housing scheme comprising double-storey bungalows, double-storey semi-detached houses and double-storey terrace houses.

These strategic agreements are expected to positively impact the segment's revenue and overall performance. They represent strategic steps towards unlocking value and leveraging opportunities in the property development sector, positioning this segment for sustainable growth and profitability in the future.

Hospitality and Tourism

The hospitality and tourism segment operates multiple hotels and resorts across Perak, capitalising on the state's natural beauty, historical landmarks, and cultural richness. Leveraging the Group's home-grown Casuarina brand, known for embodying Perak's distinct and gracious hospitality, this segment has established a solid presence in the hotel industry.

Named after the iconic casuarina tree, symbolising strength, size, and boldness, the Casuarina hotels under the Group's portfolio epitomise excellence and offer a unique guest experience.

The Group's hospitality offerings include prominent properties such as Hotel Casuarina @ Meru in Ipoh, Hotel Casuarina @ Kuala Kangsar in Kuala Kangsar, Hotel Casuarina @ Pangkor in Pulau Pangkor, and Casuarina Houseboat @ Temenggor 1 in Tasik Temenggor, Gerik, Perak. These properties offer diverse accommodation options tailored to meet the needs of both business and leisure travellers, showcasing the segment's versatility and appeal.

The financial performance of the hospitality and tourism segment in FY 2023 reflects positive growth, with revenue reaching RM22.2 million compared to RM19.4 million in FY 2022. The segment also achieved a significant turnaround in profitability, reporting a profit before tax of RM2.0 million in FY 2023, following a substantial loss before tax of RM20.7 million in FY 2022. The substantial loss in FY 2022 primarily stemmed from impairment losses on property, plant, equipment, and right-of-use assets. The FY 2023 profit before tax also includes other income from the sale of non-core assets, such as land, contributing to the segment's improved financial performance.

This segment rebounded strongly through strategic initiatives and operational enhancements in FY 2023, demonstrating resilience and effective management. Achieving profitability amidst challenging market conditions underscores the segment's ability to adapt and thrive.

The Group's continued investment in guest experience, operational efficiency, and marketing initiatives will further bolster its competitive edge. With Perak's allure as a tourist destination and the Casuarina brand's reputation for excellence, this segment is well-positioned to capitalise on emerging opportunities and contribute positively to the Group's overall performance.

Management Services

The management services segment primarily generates revenue from rental income. In FY 2023, the segment reported revenue of RM1.8 million, consistent with the revenue figures from FY 2022. However, the segment's financial performance improved significantly, with a loss before tax of RM12.3 million in FY 2023 compared to RM30.2 million in FY 2022. This improvement can be attributed to factors such as the absence of impairment losses on amounts due from related parties, which impacted the segment's performance in the previous year.

Future Prospects

The Group will continue to focus on improving its financial performance and enhancing its competitiveness in all its business segments:

Ports and Logistics Segment: The ports and logistics segment continues to be a key revenue driver, contributing significantly to the Group's financial performance. Aligned with its

Business Strategic Plan for 2016-2026, the ports and logistics segment is committed to increasing port capacity, enhancing operational efficiency, and focusing on business development initiatives. Through strategic investments in infrastructure and technology, the segment aims to optimize port operations and improve overall service delivery.

Property Development Segment: The property development segment has laid a solid foundation for future growth through strategic agreements and partnerships. Despite the absence of revenue in FY 2023, the segment's proactive approach to joint developments, infrastructure projects, and asset optimisation positions it well for revenue generation in the coming years. 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 and Tourism Segment: The hospitality and tourism segment demonstrates resilience and potential for growth, supported by Perak's rich cultural heritage and the Casuarina brand's strong market presence. The segment's improved financial performance in FY 2023, coupled with enhanced guest experiences, bodes well for revenue growth and profitability. The segment remains optimistic about tapping into emerging tourism trends, leveraging digital platforms, and expanding its market reach to capitalise on Perak's tourism potential.

Management Services Segment: The management services segment exhibits stability in revenue from rental income. Moving forward, the segment aims to optimise its rental income streams, enhance operational efficiencies, and explore opportunities for revenue diversification.

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.

The submission of its regularisation plan to Bursa Malaysia was due on 10 February 2023. The Company had on 9 February 2023 submitted an application to Bursa Malaysia for an extension of time for a period of 12 months up to 9 February 2024. 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 for a period of ten (10) months up to 8 June 2024 to submit the Company's

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

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. As of the date of authorisation of the financial statements, this extension is pending approval from Bursa Malaysia and the regularisation plan is still being formulated.

The Group's future prospect is dependent on its efforts to formulate a suitable regularisation plan with all other stakeholders and boost its existing business activities as well as venture into new businesses, in order to uplift the Company from being a Practice Note 17 ("PN17") Affected Listed Issuer. In January 2024, the Group 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.

SUSTAINABILITY STATEMENT

GROUP STRUCTURE

Perak Corp has 17 subsidiaries and 2 associate companies, strategically positioned in key growth sectors. Perak Corp's group structure integrates main business units, subsidiaries, core business functions, and common support functions, fostering operational cohesion and efficiency while upholding our sustainability goals. Perak Corp remains committed in its strategic initiatives across our four (4) core businesses. These business segments are pivotal in driving sustainable growth and value creation for stakeholders. Our approach includes proactive planning and implementation of various business strategies to navigate the evolving market landscape. The Group is dedicated to building a great and enduring company that harmonises profitability with social responsibilities. We recognise the importance of balancing economic performance with environmental stewardship, social well-being, and governance integrity. Through these efforts, we strive to make a positive impact on our communities and contribute to a sustainable future.

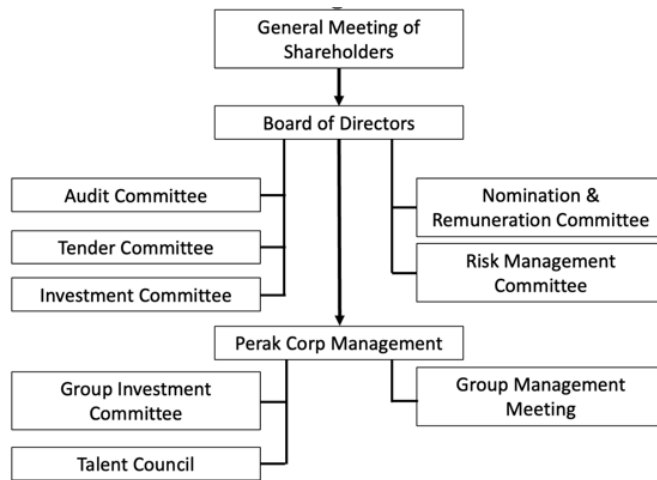
GOVERNANCE STRUCTURE

Our sustainability commitment extends to our governance philosophy, where the Board recognises corporate governance as a cornerstone process crucial for delivering enduring shareholder value while prioritising the interests of all stakeholders. At the apex is the General Meeting of Shareholders, where major company decisions are voted upon, including re-election of directors.

Supporting and augmenting this governance framework is our esteemed Board, diligently overseeing the strategic trajectory and operational performance of the Group. Complementing their oversight are specialised committees that play vital roles in specific areas of governance excellence.

Driving operational excellence and talent development is our management, which includes the Group Investment Committee, tasked with reviewing, assessing and making recommendations about viability of potential project, investment or joint venture of the Group; the Talent Council, focused on nurturing and retaining top-tier talent; and the Group Management Meeting, harmonising cross-functional efforts to drive cohesive and impactful outcomes.

This comprehensive governance architecture underscores our unwavering commitment to integrity, compliance, and stakeholder value, serving as the bedrock of our long-term sustainability and success.



FORWARD-LOOKING STATEMENTS

This sustainability statement contains forward-looking statements regarding our financial and non-financial position, future priorities, strategies and opportunities based on reasonable assumptions. These statements do not guarantee future results, as actual outcomes may significantly differ due to various factors, risks and uncertainties.

ABOUT US

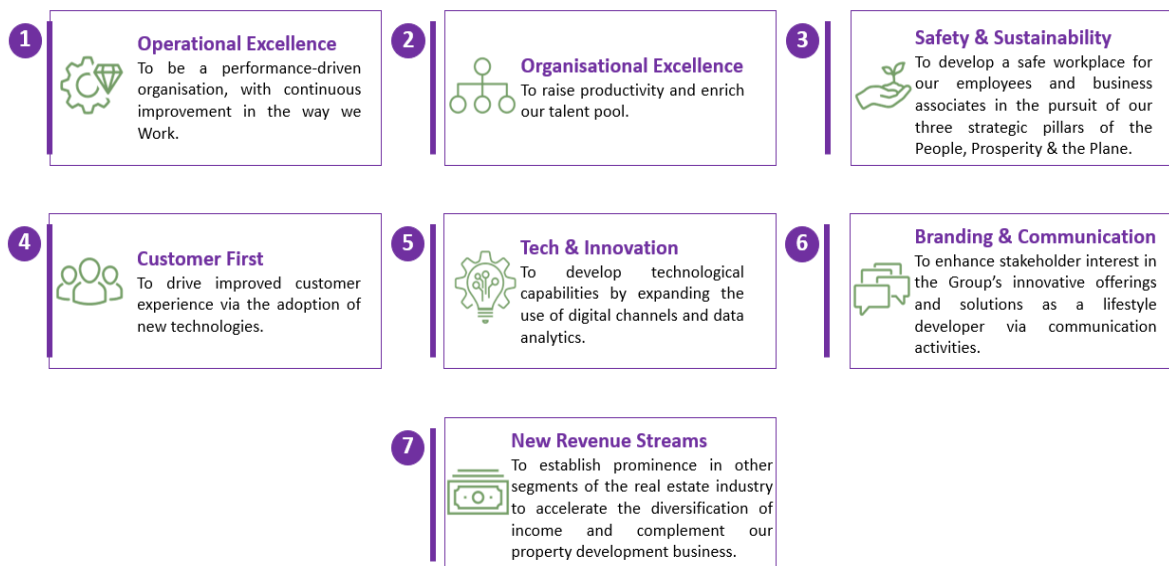
Our Vision : To be a leading and dynamic conglomerate in Malaysia.

Our Mission : To build, own and manage a thriving asset portfolio, creating value for all stakeholders.

Our Core Values:



We also unveiled our new vision, mission and values, redefining a clear aspiration and vision with a shared purpose that will drive the Group into the future. Empowered by both our engines of growth and redefined vision, mission and values, our emphasis as we go forward will be on fine-tuning our plans to realise our transformation. We have seven (7) focus areas towards our vision, mission and values.



Our newly launched 5-Years Strategic Development Plan (2024 – 2028) (“SDP”), anchored in our core values encapsulated in the acronym THRIVE, intertwines our commitment to sustainability with our strategic growth initiatives.

Our strategic focus is centred on executing initiatives that align with our priorities to diversify revenue streams, enhance competencies to increase resilience and improve market offerings, cultivate new capabilities that complement our transformation and expansion plans, as well as implement new and innovative technology. We are also focused on prioritising sustainability and integrating environmental, social, and governance (“ESG”) practices across every facet of our operations and initiatives.

Aligned with our future-forward direction, we are ready to advance real estate as a catalyst for collective progress and manage a thriving asset portfolio that delivers value to all our stakeholders. By redefining our property development initiatives, our goal is to ensure a resilient and adaptive state that can effectively respond to challenges while continuing to provide residents with a high quality of life. Ultimately, we are looking at sustainability, a higher standard of living and better jobs.

SCOPE

This statement provides an overview of the Group's sustainability performance for FY 2023, highlighting our commitment to sustainability throughout the development and implementation of business strategies that create positive, tangible impact and value for our stakeholders. It covers the performance of our businesses towards our four (4) core businesses within the Group, i.e. ports and logistics, property development, hospitality and tourism and management services. Our objective is to provide our stakeholders with reliable information on our economic, environmental, social and governance aspects, fostering trust and strengthening relationship through enhanced transparency and disclosure.

REPORTING FRAMEWORK

This statement has been developed according to Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition).

We are committed to embedding sustainable practices throughout the Group. Building upon our core values, the sustainability practices under the SDP is fundamental to determine how we do business by creating long-term value for our people, our customers, our stakeholders and the communities. The overarching aim to foster sustainable continuity by aligning to our corporate purpose, which is to deliver sustainable futures.

OUR APPROACH TO SUSTAINABILITY

(a) Sustainability Governance

The sustainability policy of the Group aims to facilitate the adoption of practices that promote economic stability, social betterment and environmental stewardship. This includes:

- i. Implementing sustainable business strategies and practices;
- ii. Cultivating a reputation and corporate image aligned with a holistic approach in business decisions, ensuring performance that balances environmental and financial sustainability;
- iii. Overseeing the implementation of the policy by the management and regularly reviewing sustainability performance; and
- iv. Reporting on sustainability performance and achievements.

The Board responsibilities include:

- i. Reviewing Perak Corp Group's sustainability principles and policies, along with environmental conservation efforts and ecosystems protection;
- ii. Reviewing priority goals and monitoring implementation;
- iii. Reviewing reports submitted by management on sustainability and environmental performance;
- iv. Ensuring compliance with relevant legislation and the Group policies; and
- v. Supervising Corporate Social Responsibility ("CSR") matters.

The Group places a strong emphasis on CSR, being key to sustainability. The Group has established a CSR framework that places a firm commitment towards achieving a balance between profitability and contribution to CSR activities.

- i. Environment - We promote the conservation of the environment and the protection of the ecosystems.
- ii. Education - We promote investment in human capital through educational opportunities, knowledge empowerment and talent nurturing through skills development;

- iii. Community - We strive to make a positive difference in the community with our skills and resources in enhancing the community's social well-being through supporting initiatives related to health care, arts and culture, sports, community development, the underprivileged and disability groups.
- iv. Workplace - We strive to foster a rewarding environment for our employee's career development. The continued success of our organisation depends on the quality and effective teamwork of our people in the pursuit of our common vision, values and principles as a corporate family.
- v. Marketplace - We uphold the highest ethical standards in business policies, procurement systems and investment practices to earn the confidence of our customers, business partners, bankers and local authorities.

(b) Diversity

Board Diversity

The Board and Nomination and Remuneration Committee ("NRC") place significant emphasis on diversity within the Board. This includes considerations of character and integrity, experience, competency, time and commitment, and gender when identifying potential candidate(s). This approach is instrumental in fostering a broad range of viewpoints to facilitate optimal decisions made by the Board and effective corporate governance by utilising different skills, qualifications, experience, knowledge, and gender.

While the Board retains ultimate responsibility to appoint new Directors the NRC is entrusted with the pivotal role of screening and conducting initial selection process in accordance with the Company's Directors' Fit and Proper Policy. The NRC conducts thorough assessments of the nominees' capabilities in fulfilling their duties and responsibilities, presenting recommendations to the Board for approval.

The diversity in the race/ethnicity, nationality, age and gender of the Board in FY 2023 is as follows:

	Race/Ethnic			Nationality	
	Malay	Chinese	Indian	Malaysian	Foreigner
Number of Directors	6	2	0	8	0

	Age Group				Gender	
	40-49	50-59	60-69	70-79	Male	Female
Number of Directors	1 (12.5%)	5 (62.5%)	1 (12.5%)	1 (12.5%)	7 (87.5%)	1 (12.5%)

As of 30 April 2024, the Board has eight (8) members comprising a non-independent and non-executive Chairman and seven (7) independent and non-executive directors. With more than half of the Board members being independent, this higher proportion of independent directors

aims to alleviate boardroom dominance, encourage diverse discussions and prevent complacency.

The current Board comprises one (1) woman director following the appointment of Puan Noor Azlin binti Zainal Azim on 30 August 2023. Currently, there is no female representative in the Board Committee.

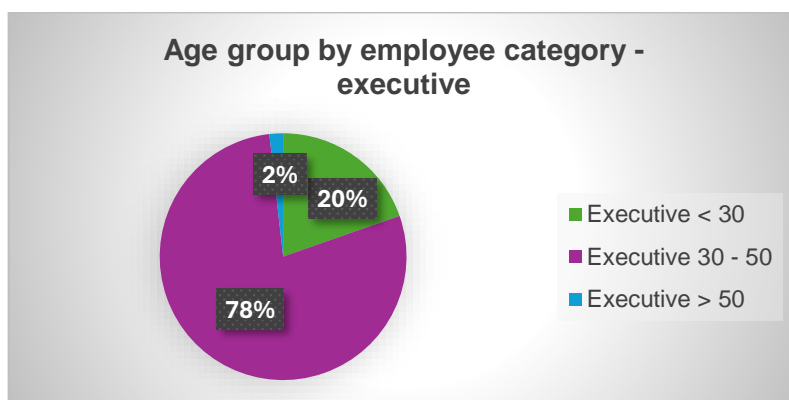
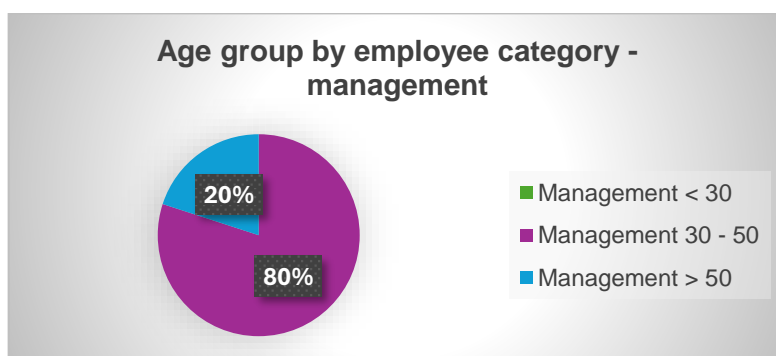
The Board and NRC remain unwavering in their commitment to achieving gender diversity objective of attaining a 30% representation of women on the Board and their involvement in Board Committees. Gender diversity is consistently considered as a pivotal factor in identifying, assessing, and selecting potential Board members.

The Notice of the 32nd AGM of the Company held on 7 June 2023 was issued to shareholders on 28 April 2023 (39 days between the date of notice and date of meeting), providing a 28-day notice period prior to the AGM.

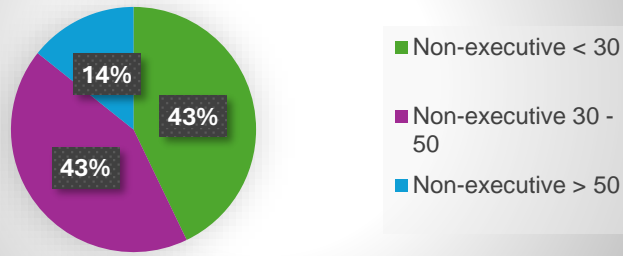
The Notice for the forthcoming 33rd AGM which is scheduled for 11 June 2024, to be issued to shareholders on 30 April 2024 (41 days between the date of notice and date of meeting), ensuring a minimum 28-day notice requirement.

Employee Diversity

i. Age Group by Employees Category

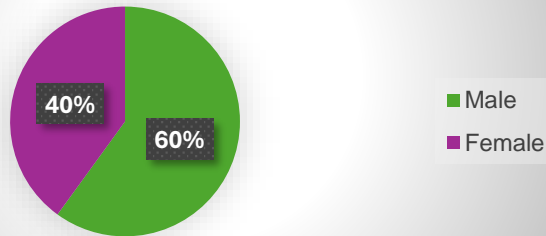


Age group by employee category - non-executive

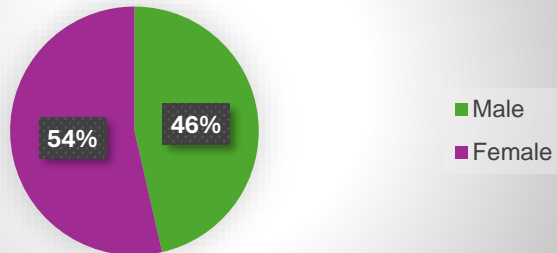


ii. Gender Group by Employees Category

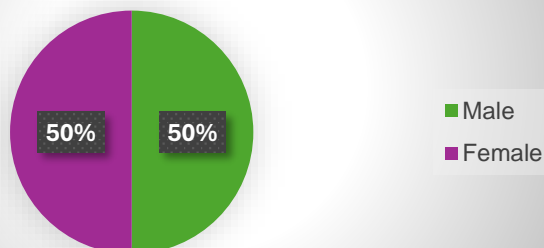
Gender group by employee category - management



Gender group by employee category - executive



Gender group by employee category - non-executive



(c) Stakeholder Engagement

Stakeholders play a crucial role in various aspects of a business. They significantly impact corporate governance, strategic decision-making, and CSR initiatives. The future of stakeholder relations is evolving rapidly with the rising prominence on ESG investing and technological advancements. Today's stakeholders expect companies to take proactive measures in addressing societal and environmental challenges proactively.

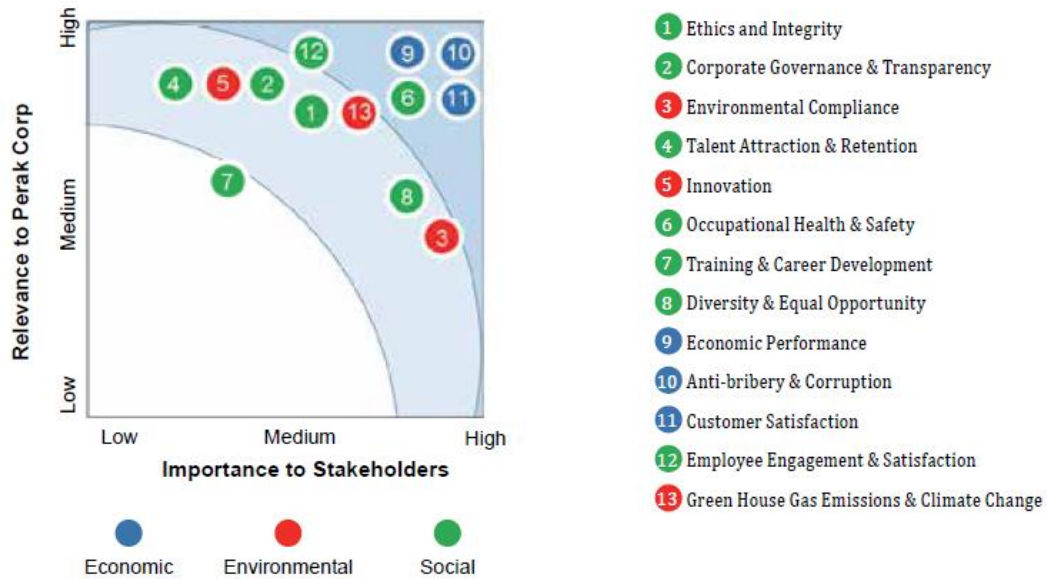
The engagement platform with stakeholders has expanded with technological advancements, offering new avenues such as social media platforms and virtual shareholder meetings. These platforms enable companies to connect with stakeholders more effectively, gather feedback and address concerns promptly.

Key Stakeholders	Engagement Platform	Area of interest or concerns	Our Response
Shareholders, Financiers and Investors	Company website, quarterly financial announcement, annual report, AGM, press and releases,	Financial performance, business strategies, future plans, corporate governance practices.	Provide transparent and detailed financial reports, adhere to best corporate governance practices, engage in open and constructive dialogue with shareholders to address concerns and gather feedback.
Government Agencies and Regulatory Authorities	On-site inspections, correspondences, compliance audit and participate in government and regulatory events.	Regulatory compliance	Maintain strict adherence to legal and regulatory requirements, ensure transparent reporting and compliance with industry standards, actively engage with regulatory authorities to address concerns and seek guidance,
Customers	Customer feedback surveys, social media channels, customer service interactions and periodic meetings.	Product quality, pricing, customer service experience, ethical business practices	Ensure high product standards and quality control measures, maintain competitive pricing strategies, deliver excellent customer service, uphold ethical business practices, actively listen to customer feedback and address issues promptly.

Key Stakeholders	Engagement Platform	Area of interest or concerns	Our Response
Employees	Employee town halls, feedback surveys, internal communications channels	Compensation and benefits, career development opportunities, workplace safety and well-being	Offer competitive compensation and benefits packages, provide training and development programs, prioritize employee health and safety, establish open channels for feedback and communication, foster a positive and inclusive work culture.
Community and Society	Community outreach programs, CSR initiatives, social media.	Environmental impact, community development, social responsibility	Implement sustainable and environmentally friendly practices, contribute to community development projects, engage in CSR activities aligned with societal needs, support charitable causes and initiatives, collaborate with local stakeholders for mutual benefit.
Suppliers/ Contractors	Vendor meetings, contract negotiations, regular business review.	Timely payments, fair contract terms, quality of goods or services, sustainability practices	Negotiate transparent and equitable contract terms, prioritise quality in goods or services procured, promote sustainability initiatives within the supply chain, establish clear channels for feedback and communication.

(d) Material Matters

Materiality assessment is crucial to identify and prioritise the material matters that significantly impact our business's economic, social, and environmental aspects. In 2023, the Group improved its materiality assessment process. We have maintained the thirteen (13) material sustainability matters identified since 2019, and they continue to reflect our ongoing efforts to strengthen the Group's sustainability performance.

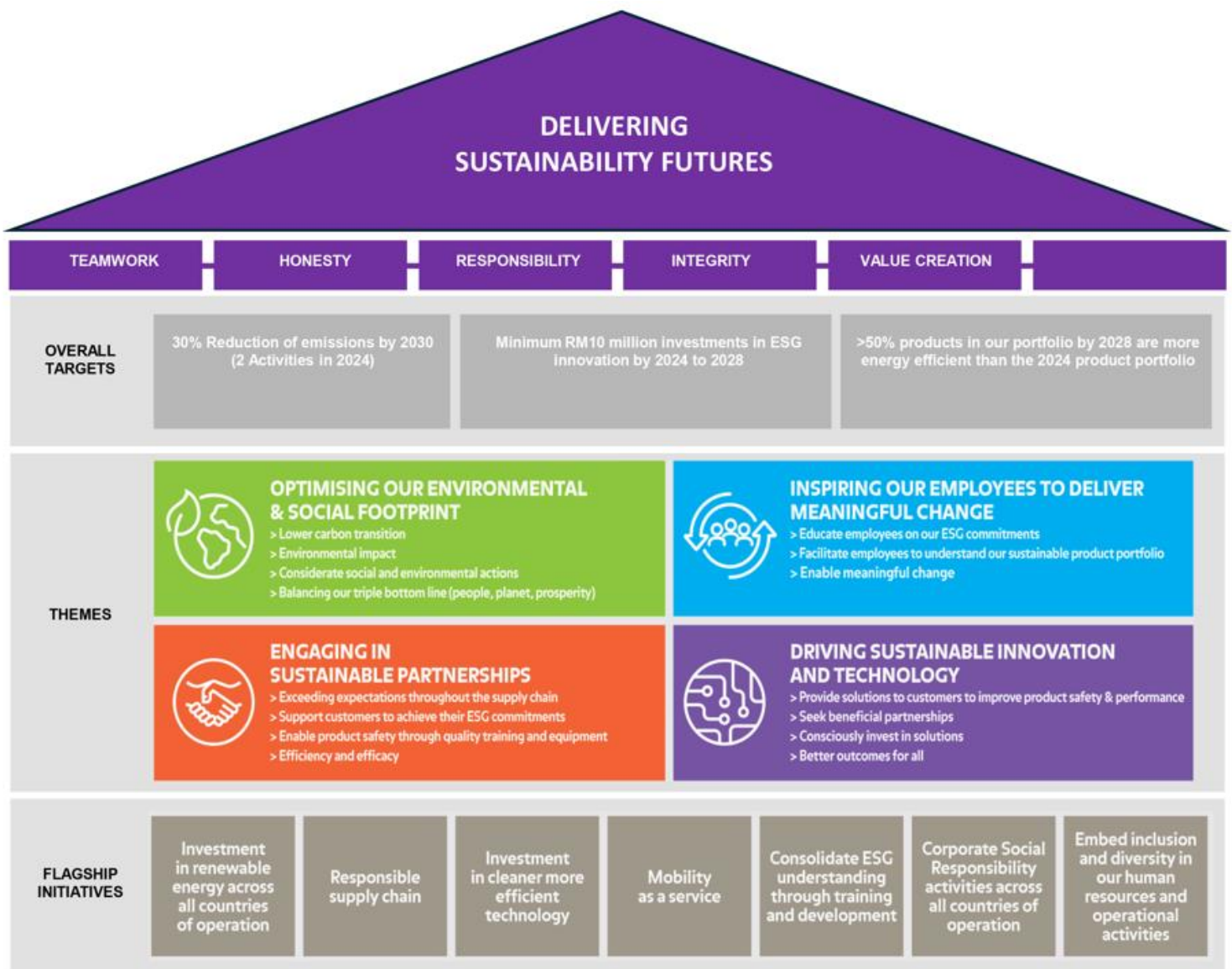


Each material sustainability matter was categorised as economic, environmental or social depending on the nature of its impact on the stakeholders and the business. These materiality findings guide our business strategy, track critical issues, prioritise sustainability initiatives and establish meaningful metrics to measure our performance.

(e) Sustainability Framework

Our sustainability framework serves as a strategic blueprint for integrating sustainable practices into the core of our businesses. This framework reflects the key sustainability dimensions that are important to our business operations and their impact. The key dimensions are energy efficiency, low carbon transition, urban biodiversity enhancement, climate-resilient communities, and enriching community experiences. The integration of corporate sustainability practices into our business processes is crucial for long-term resilience and prosperity. It ensures that Perak Corp thrives and acts as a catalyst for positive change in the industry, benefiting all stakeholders.

We bring our sustainability agenda to life through the activities across the Group:



Identifiable to specific initiatives, these activities represent subsets of categorical projects that are being implemented across the Group. The activities were identified through ongoing projects that implement sustainable response or solution, as well as sustainable projects expected to have the most upside and desirable impact on our current operations.

Our contribution to the United Nations Sustainable Development Group (“UNSDG”) - We are committed to driving positive impacts sustainably across our business and ensure our efforts are strategically aligned with the UNSDG. Based on the UNSDG, targets, and indicators, we have identified 7 relevant sustainable development groups in which we can make the most impact. This focused alignment ensures our efforts and contributions are aligned with global priorities.



MANAGEMENT APPROACH

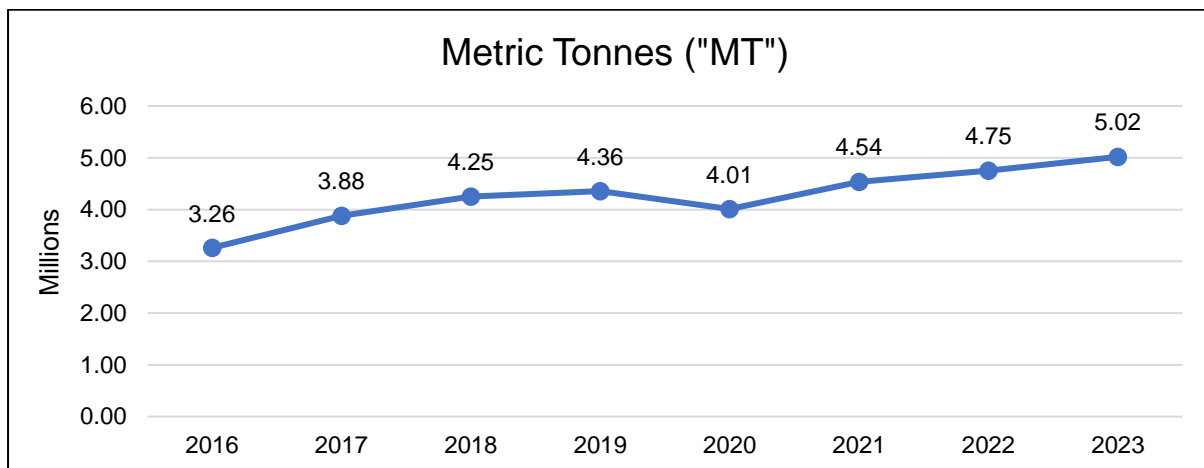
(a) Economic Performance

i. Ports & Logistics

Ports play an important role in facilitating internal and external trade. As enablers, ports provide key logistics services, thus opening up trade and creating economic opportunities. Ports contribution to economic growth is significant to the state's and nation's Gross Domestic Product ("GDP"). This economic impact can be further amplified by the availability of a well-connected logistics network, including inland depots and freight villages.

The ports and logistics segment remains the largest contributor to the Group's revenue. The Group manages Lumut Port through its subsidiary, Lumut Maritime Terminal Sdn. Bhd. ("LMTSB") with the vision to be the most efficient bulk cargo terminal operator in South East Asia. LMTSB provides an integrated port service, inclusive of tuggage, pilotage, berthing, stevedorage, cargo handling, storage and ancillary services.

Since the implementation of LMTSB's strategic business plan in 2016, LMTSB has begun to record a steady tonnage increase in cargo handling except in 2020, mainly due to the pandemic Covid-19, as illustrated below:



LMTSB has embarked on the development of a new terminal, namely Lumut Maritime Terminal 2 ("LMT 2"), located in Batu Undan, Lumut, Perak, and will be expected to handle clean cargo covering an area of approximately 115 acres. Upon completion of the development of LMT 2, LMTSB is expected to increase its total port capacity from 5.5 million MT per annum to approximately 14.0 million MT per annum.

On 24 August 2016, LMTSB was certified with ISO 9001:2015. LMTSB endeavours to control and mitigate the impact of LMTSB's business on the environment through responsible business conduct. It adopts initiatives to conserve biodiversity via various programmes in partnership with local groups, communities, and associations.

ii. Property Development

Recognising the significance of townships and its communities, the Group leads the way in creating integrated townships in identified places to support progressive community needs, facilitates the creation of values within existing townships and develops plans to raise overall socio-economic values in the areas.

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. The Group will continuously monitor the latest developments in the property market in Malaysia and aim to time the launches of its future property development and management projects to capitalise on the upcycle of the property market as and when appropriate.

The Company is continuously in effort towards green building and innovation with the aim to increase the efficiency of resource use such as energy, water, and materials while reducing building impact on human health and the environment during the building's construction, operation, and maintenance. In order to address the sustainability of the development and meet the standards set out under the local authority's policy and regulation, the Group continuously conducts feasibility studies to ascertain efficient development components and development values.

iii. Hospitality and Tourism

Despite the pandemic's unprecedented impact on the global hospitality industry, the Group has remained committed to the importance of sustainability practices in the hotel and tourism segment.

The Group believes that sustainable tourism benefits the environment and contributes to the well-being of local communities and the long-term success of our business. To achieve this, we strive to reduce our carbon footprint by implementing energy-efficient measures such as using LED lighting, reducing water consumption, and implementing waste reduction programs. We also encourage our guests to participate in these efforts through education and awareness programmes and provide them with eco-friendly options. We also promote cultural awareness and respect by supporting local traditions and preserving historical sites. We are committed to integrating sustainable practices into our hotel and tourism operations to ensure a positive impact on the environment, local communities, and our stakeholders.

(b) Anti-Corruption

Integrity and Governance Unit (“IGU”) ensures all matters relating to anti-corruption, integrity and governance are integrated under one specific unit so that any plan, module, program, and strategy can be implemented in a focused and organised manner in order to ensure that institutionalisation of integrity, preventive measure, compliance and detection of misconduct can be enforced in an efficient and effective way.

- i. Percentage of employees who have received training on anti-corruption by employee category

Category	FYE2023
Executive	58%
Management	45%
Non-Executive	29%

In FY 2023, IGU diligently conducted comprehensive training sessions, fostering employee compliance with procedures and policies throughout the Group. These sessions included refresher courses specifically focusing on the implementation of anti-corruption policies within the Group.

As part of the anti-corruption initiative, a significant number of employees across the Group underwent relevant anti-corruption training, whereby Perak Corporation Berhad and its subsidiary demonstrated high levels of engagement across all employee categories which executives demonstrated a participation rate of 58%, followed by management at 45%, and non-executive staff at 29%. These initiatives not only enhance the Group’s resilience against corruption but also reinforce its reputation as a responsible corporate entity committed to ethical conduct and governance standards.

- ii. Percentage of operations assessed for corruption-related risks.

Details	FY 2023
Total number of operations assessed for corruption-related risks.	6
Total number of operations.	7
Percentage of operations assessed for corruption related risks (%).	86%

In assessing the corruption related risk of the Group, the Group’s Organisational Anti-Corruption Plan (“OACP”) focused on corruption risk across the Group, while at the same time identifying initiatives or action plans to manage exposure to corruption or integrity-related matters.

The OACP is committed to mitigating corruption risks within the Group. Established in FY 2022, the OACP delineates an anti-corruption strategy covering FY 2022 to FY 2024. It includes tailored plans to address corruption across different sectors of the Group, including property development, hospitality and tourism, ports and logistics, and management services. Furthermore, the assessment of the OACP focuses on critical areas susceptible to corruption

risks, such as Finance and Procurement, Human Resources, and Integrity and Governance.

iii. Confirmed incidents of corruption and action taken.

During FY 2023, there were no reported incidents of corruption.

(c) Health & Safety

The Group is dedicated to achieving excellence in managing occupational safety and health ("OSH") by providing a safe and healthy working environment for all employees and relevant stakeholders throughout business activities. OSH is a prerequisite in daily business activities, as it complies with applicable legal requirements and national standard practice to prevent OSH-related injuries and illness.

The Group managed to achieve zero work-related fatalities by employees as the safe work environment fosters trust and confidence among employees, leading to higher morale and increased productivity. However, there is (one) 1 fatality case involving a truck driver of LMTSB's contractor. Control measures involve a multifaceted approach that addresses the incident, including a Safety Alert Session, vehicle inspection and regular maintenance, manpower schedule and consistent safety audits and reviews. By implementing the control measures and continuously evaluating and refining, recurrence incidents can be avoided.

Category	FYE2023
Number of work-related fatalities	1
i) Employees	0
ii) Contractor	1

OSH policy has been established to demonstrate the organisation's commitment and leadership towards any activities in the organisation. Navigating Group safety and health compliance, the Group actively and consistently provide internal briefing and awareness to the employees and contractors as an ongoing effort to maintain a high level of awareness and vigilance towards safety practices and procedures among employees.

In pursuing health and safety excellence, LMTSB was certified with ISO 45001:2018 Occupational Health and Safety Standard on 6 November 2020, replacing OHSAS 18001:2007, whereby LMTSB has been certified since 2018. This certification shows that LMTSB has established a systematic approach to instilling quality by ensuring that its products meet customer requirements without compromising health and safety. Moreover, towards efficient implementation of a safe work system, LMTSB is transforming the Health, Safety, Security and Environment Management System to a digital-based and paperless including an E-Permit to Work System, Hazard Management System, and Action Tracking and Recording Register.

(d) Cybersecurity and Data Protection

Cyber threats are constantly evolving, and we are committed to implementing robust measures to strengthen cybersecurity and increase our information technology security standards. In our ongoing efforts to safeguard personal and confidential information, we align our practices with the applicable laws and regulations, seeing this not just as compliance but as a crucial element of building trust. Through ongoing investment in cybersecurity technologies, regular risk assessments, and employee training programs, we strive to continuously enhance cybersecurity and protect data privacy.

We are committed to transparently reporting on our cybersecurity practices, incidents, and response mechanisms to demonstrate our commitment to safeguarding data and protecting the interests of our shareholders, customers, employees, and partners.

By prioritising cybersecurity and data protection as integral components of our sustainability agenda, we aim to contribute to a secure digital ecosystem, foster trust, and ensure the long-term resilience and success of our business in an increasingly interconnected world.

Performance Data – In 2023, Perak Corp identified zero “0” number of online breaches.

Disclosures	FY 2023
Online Security:	
Number of online breaches	0

(e) Climate Change

The Group has always been committed to complying with the legal and regulatory requirements set forth by the Department of Environment and other environmental standards. The Group acknowledges its responsibility to the environment and expresses our commitment to integrating environmental considerations into development activities and related decision-making processes that foster long-term economic growth and environmental protection. This commitment to environmental protection has been embedded in the Group’s operations for an extended period.

i. Consumption of Resources

The Group is committed to reducing the adverse environmental effects arising from its business operations. Recognising the need for a collaborative effort, the Group fosters environmental consciousness among our staff through diverse initiatives and advocates for the adoption of eco-friendly work practices.

The Group prioritises electricity conservation by emphasising the efficient use of energy to create a healthier environment for present and future generations. The Group encourages the use of energy-efficient lighting, equipment, and practices across its hotels and office facilities. In line with its efforts to reduce its environmental footprint, the Group encourages its employees to minimise paper usage, and printing of

documents is discouraged unless it is necessary, as it endeavours to transition into a fully digitised organisation.

ii. Environment Impact Assessment

In the property development segment, the Group recognises that certain development operations entail the removal of natural flora and fauna to facilitate construction. In order to mitigate the impact on the environment, the Group adheres closely to the obligation of conducting an environmental impact assessment to ascertain that any development pursuits uphold the conservation of the ecosystem in the vicinity.

iii. Urban Farming Project (Greening the empty spaces)

Perched on Hotel Casuarina @ Meru's second-floor rooftop, the urban farming project has transformed the unoccupied outdoor area into a productive urban green farm that yields a variety of crops that the hotel uses to prepare a fresh salad for the customers.

Unlike traditional farming, which requires manpower and massive land resources, urban farming relies on simple technology that recycles water and fertilizers through soilless plant cultivation (hydroponics), generating electricity from the solar panels installed near the farm. The Group foresees that the initiatives can be further extended to its hotels.

iv. Renewable Energy (Solar Initiative)

Green energy has become significantly relevant nowadays. Through the Sustainable Energy Development Authority, the government has aggressively promoted renewable energy to businesses, including commercial properties. Hotel Casuarina @ Meru, through this effort, has initiated its Net Energy Metering (“NEM”), which provides NEM solar solution on top of the Casuarina Convention Centre's roof that allows the hotel to generate its own electricity and effectively reducing the overall energy costs. The NEM also contributes to a cleaner environment by reducing greenhouse gas emissions. We plan to extend this initiative to other properties, including Hotel Casuarina @ Kuala Kangsar and the upcoming Hotel Casuarina @ Teluk Intan (currently under construction), furthering our commitment to sustainable energy practices.

Our commitment to sustainability drives us to launch a comprehensive solar initiative. By leveraging cutting-edge technology and fostering partnerships, we aim to promote renewable energy adoption, reduce carbon emissions, and pave the way for a greener, more sustainable future for generations to come.

LMTSB has successfully installed a solar panel system covering an area of 6,720 square meters on the largest warehouse within our premises at LMT1 Terminal. This solar installation has yielded several advantages, including a cost-saving of RM130,000 since its full operation began in March 2023 under Net Energy Metering (NEM) 2.0. Additionally, the system generated 238,145.53 kilowatt-hours of solar power in 2023, equivalent to a reduction of 20,242 kilograms of carbon emissions.

As a responsible corporation, the Group undertakes various initiatives to contribute to the global climate agenda. We continuously seek to improve energy consumption at our premises and our clients' premises by promoting the use of renewable energy and energy efficiency solutions and reducing the resultant emissions from our operations and across our value chain.

In line with the 12th Malaysia Plan to achieve carbon neutrality by 2050, we are enhancing our carbon footprint's measurement and monitoring mechanisms to enable us to set our climate goals and ultimately support the nation's net zero emission target. Additionally, we are committed to contributing to the global climate agenda by providing energy efficiency and renewable energy solutions.

The Group also focuses on waste, material, and water management as part of its environmental management programmes. In response to our substantial use of these resources, Perak Corp attempts to promote efficiencies through efforts such as using recycled content materials and thoughtfully consuming resources.

(f) Customer Satisfaction

At Perak Corp, our approach to customer satisfaction is an integral part of our sustainability efforts across our core businesses in port and logistics, property development, hospitality and tourism and management services. We recognise that meeting and exceeding customer expectations is essential for long-term success and sustainability. Our approach to customer satisfaction is grounded in several key principles:

- i. **Customer-Centric Culture:** We foster a customer-centric culture across our organisation, where understanding and meeting customer needs and preferences are top priorities. This approach guides our decision-making processes and ensures that customer satisfaction is embedded in everything we do.
- ii. **Quality Products and Services:** We are committed to delivering high-quality products and services that meet or exceed customer expectations. Whether it's developing innovative and sustainable properties, providing efficient and reliable logistics solutions, or delivering exceptional hospitality experiences, quality is paramount.
- iii. **Continuous Improvement:** We continuously seek feedback from our customers and stakeholders to identify areas for improvement. Through regular surveys, reviews, and engagement initiatives, we gather valuable insights that inform our efforts to enhance customer satisfaction.
- iv. **Sustainability and Responsible Practices:** Our commitment to sustainability extends to our customer interactions. We strive to integrate sustainable and responsible practices into our products and services, ensuring that they align with customer values and contribute positively to the environment and society.

(g) Employee Management

The Group recognises that the long-term sustainability of our businesses hinges upon our workforce, which we regard as our most valuable asset. In order to achieve this, we endeavour to cultivate a workplace culture that upholds mutual respect, equal treatment and opportunities for all, and continuous learning. Our human resources policies and guidelines are designed to comply with all applicable laws, and we prioritise diversity, inclusion, and equality in our workplace.

We recognise that talent management is a key priority at all levels of our organisation, as the success of our business relies on the skills, dedication, and well-being of our employees. To support their health and well-being, we provide comprehensive benefits such as medical, hospitalisation, and insurance coverage.

Employee engagement is a vital factor in effectuating sustainable practices within the Company. By actively involving employees in our sustainability initiatives, we foster a culture of sustainability and empower our workforce to contribute towards achieving our environmental and social objectives. This collaborative approach ensures that sustainability remains a core value across all levels of our organisation.

i. Program *Ukhuwah*

The Group strongly believes in the immeasurable value our employees bring to the Company. As integral contributors to our collective success, we are proud to have established *Program Ukhuwah*, an initiative designed to celebrate our employees' birthdays on a quarterly basis. Our commitment to recognising personal milestones extends beyond professional accomplishments, serving as a reminder that there is more to life than work. Several other programmes were held, such as *Majlis Sambutan Hari Raya Aidilfitri* and *Majlis Bacaan Yassin dan Tahlil*. Through this programme, we aim to boost morale and foster a greater sense of appreciation among our team members, ultimately cultivating stronger relationships across the entire organisation.





ii. Office Decoration Competition in Conjunction with Deepavali Festival

Sustainability aims to reduce resource usage that neither harms our environment nor jeopardises employee well-being. To instil a culture of sustainability within the Company, an inter-Department office decoration competition was organised in conjunction with the Deepavali festival. The competition was held in October 2023, and challenged employees to showcase their creativity by using recycled materials to decorate while embracing the theme of the Deepavali festival.

With rising awareness around climate change and environmental issues continues to grow, our employees are inspired to connect with a higher purpose and contribute to a positive impact on individuals and communities. Engaging employees in sustainability efforts is crucial for protecting environmental and fostering a sense of responsibility and awareness among the workforce.



iii. Training Programme

To drive progress and promote the well-being of our organisation and its personnel, our Group is focused on assembling a team that is up-to-date with the latest trends and technologies to achieve our objectives. Through internal and external training programmes, we have fostered a positive culture and improved job satisfaction, engagement, and retention. By investing in training and development, the Group can significantly reduce employee turnover and improve their talent return on investment.

Our employees have participated in diverse programmes designed to support their career development. Competency-based training has been introduced to help our employees gain

technical skills and develop leadership and strategic thinking abilities, which will benefit them both professionally and personally. The training programmes included Mastering Microsoft Excel Advance, Website Management, Ethics and Integrity, Masterclass Management of Return to Work, and Corporate Grooming and Business Etiquette.

We have also provided our employees with short-term courses to enhance their knowledge and professionalism. Our employees have completed the CompTIA A+ for Digital Information and Technology and Occupational Safety and Health Coordinator for Occupational Safety and Health and Risk Management.



(h) Diversity, Equity & Inclusion

The Group places great importance on the incorporation of diverse perspectives and experiences in its pursuit of achieving its objectives and strengthening its operations. Cultivating an inclusive working environment that fosters employee engagement is the primary mission of the Group, which is to promote team cohesion among its staff. The Group's policy is to uphold equal opportunities and support diversity in all aspects of employment, development, and progression for every employee, regardless of their sex, age, religion, political beliefs, ethnicity, or any other pertinent characteristic. The Group is committed to eliminating discrimination in recruitment and employment practices and ensuring that all individuals have equal opportunities and rewards. Employee engagement indirectly contributes to a company's sustainability performance as the employees are motivated to actively contribute to positive social impacts, such as promoting workplace diversity and inclusion, ultimately enhancing its overall sustainability profile.

Achieving gender equality and women's empowerment is integral to the UNSDGs. The female employees of the Group have been given opportunities to participate in several programmes under *Majlis Ilmu*, such as *Muhasabah Solat Kita*, *Cahaya Rumahku* and *Isteri Solehah*. These programmes are to inspire and eradicate gender disparities, securing equal participation and leadership opportunities for women.



(i) Human Rights

Our Commitments - We are committed to helping people thrive and ensuring their well-being. One of our central commitments is to respect, support and uphold the fundamental human rights of those in and around our operations.

(j) Supply Chain Management

Establishing and nurturing relationships with suppliers and contractors is critical to any successful business strategy. Our Group recognises the fundamental role that suppliers and contractors play in our growth model. We strive to build a solid vendor-contractor relationship based on shared values and transparent communication. The Group prioritises identifying suppliers and contractors who align with its ethics and growth objectives and who can provide quality, innovative, and continuous supply and service. Such collaborations lead to long-term relationships that benefit all parties involved.

To ensure that our suppliers and contractors align with our ethical standards, they must comply with all relevant laws and regulations and minimise their impact on society and the environment. Our Group unequivocally denounces the use of undocumented workers or any form of illegal employment, and we will not tolerate any supplier or contractor who engages in such practices.

(k) Community Investment

The Group has always believed that the best way to build a great and long-lasting company is to strike a balance between profit and social responsibility. While profitability, growth, and brand recognition are undoubtedly important, they are not the only factors that define business success. In today's business landscape, customers, employees, and other stakeholders assess a company based on its impact on the community, economy, environment, and society as a whole. The Group acknowledges the importance of considering the common good rather than just maximizing profits.

In 2023, the Group remained committed to operating responsibly and conscientiously to align with the evolving expectations of its workforce and society at large. The Group is committed to eco-friendly practices that create a stronger sense of community among employees and

boost morale and job satisfaction. In return, employees are more engaged, leading to more workplace integrity.

i. Essential Need Donation to Orphanage

Giving back to the community is a virtue in which engaged employees are enriched by volunteering opportunities while acquainted with the community and its residents. Engaging in philanthropic activities and collaborating with individuals who share a passion for improving the environment around them not only broadens our social circle but also deepens our understanding of the unique circumstances faced by members of our community.

In May 2023, the Group exemplified this commitment by distributing essential needs to *Pusat Jagaan Anak-Anak Yatim dan Miskin Nurul Iman* and *Pertubuhan Kebajikan Anak Yatim dan Miskin Ar-Ridwani*, charitable giving can provide a sense of purpose beyond financial gain. It can also strengthen the Group's ties to the community and boost employee morale.

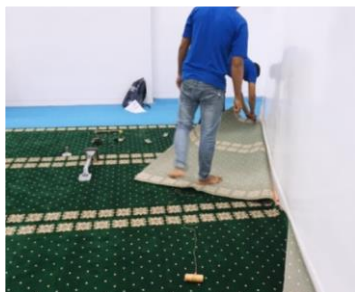


ii. Iftar Programme with *Rumah Anak Yatim*

In April 2023, our Group initiated a charitable campaign aimed at promoting social welfare for the less fortunate. As part of our corporate social responsibility efforts, we organised an Iftar programme in collaboration with *Pusat Jagaan Anak-Anak Yatim & Miskin Nurul Iman* and *Pusat Pendidikan Al-Barakah*. The event served to care for the welfare of individuals in need, aligning with our commitment to social responsibility.



Perak Corp has a long history of philanthropic contributions, outreach initiatives, and community campaigns. We continue to strengthen outreach initiatives through employee volunteerism and support social enterprises through targeted community investment that is consistent with our intent to empower and uplift local communities.



Donation to Masjid Hidayatul Ummah, Kota Lama Kiri, for carpet replacement



Donation to Pusat Khidmat ADUN Pengkalan Baharu for Hari Raya Programme



Donation duit raya to PDK Nur Hidayah students in conjunction with Majlis Sambutan Hari Raya Lumut Port



Donation to Tahfiz Nur Muhammad Student and Teachers during Majlis Berbuka Puasa at Surau An Nashriyyah, Kg Serdang



Donation to Maahad Tahfiz Addin 14



Donation to Persatuan Pesakit Parah Miskin Malaysia



Donation to Persatuan Usahawan Prihatin Malaysia for Kempen Sayangi Alam Sekitar



Donation to Persatuan Ar Rayyan for Ziarah Mahabbah Programme



Donation 4 hydroponic station to Masjid Jamek Al Ikhwan Desa Manjung Raya

(l) Water Management

The Group aims to improve water efficiency and promote water conservation as we recognise a consistent water supply is requisite for businesses to operate efficiently. Installing rainwater harvesting at Hotel Casuarina @ Meru is paramount in reducing the Company's reliance on municipal water supply. The rainwater harvesting captures, diverts, and stores rainwater from rooftops for landscape irrigation, which leads to cost savings in water bills. The Group reduces water wastage through regular checking and maintenance.

(m) Labour Practices and Standards

As an organisation that strongly believes in providing a safe environment for its workers, we have since taken strategic measures to improve workplace health and safety. This includes raising awareness of safety standards and practices, inculcating safety culture at worksites, and emphasising safety compliance. Safety activities have also been improved to ensure all employees, contractors, and site workers comply with safety standards and the safety culture enforced by the Group. We update our Board of Directors on safety issues every quarter of the year to ensure efficient workplace health and safety management.

PERFORMANCE DATA

Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	58.00
Executive	Percentage	45.00
Non-executive/Technical Staff	Percentage	29.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	86.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	1 *
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.48 *
Bursa C5(c) Number of employees trained on health and safety standards	Number	2
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	168
Executive	Hours	424
Non-executive/Technical Staff	Hours	56
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	22.06
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	6
Executive	Number	8
Non-executive/Technical Staff	Number	2
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,032,660.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	119
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	80.00
Management Above 50	Percentage	20.00
Executive Under 30	Percentage	19.64
Executive Between 30-50	Percentage	78.57
Executive Above 50	Percentage	1.79
Non-executive/Technical Staff Under 30	Percentage	42.86
Non-executive/Technical Staff Between 30-50	Percentage	42.86
Non-executive/Technical Staff Above 50	Percentage	14.29
Gender Group by Employee Category		
Management Male	Percentage	60.00
Management Female	Percentage	40.00
Executive Male	Percentage	46.43
Executive Female	Percentage	53.57
Non-executive/Technical Staff Male	Percentage	50.00

Non-executive/Technical Staff Female	Percentage	50.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	87.50
Female	Percentage	12.50
Under 30	Percentage	0.00
Between 30-50	Percentage	12.50
Above 50	Percentage	87.50
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,387.79
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	25.666000

Internal assurance External assurance No assurance (*)Restated

STATEMENT OF ASSURANCE

This statement has not been subjected to any internal or external assurance but has been reviewed by the management and approved by our Board. We remain committed to enhance the accuracy and quality of our disclosures to further strengthen the credibility of this statement. To achieve this, we may consider this statement to be independently assured in the near future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Perak Corporation Berhad fully supports the Malaysian Code on Corporate Governance (“MCCG”), which sets out the principles, intended outcomes and practices for good corporate governance that should apply towards achieving the optimal framework to protect and enhance sustainable shareholders’ value and the financial performance of the Group.

The Board is responsible for delivering shareholders value over the long term through the Group’s culture, strategy, values and governance. This statement provides an overview of the Company’s commitment to applying the three principles and the practices with reference to the principles set out in the MCCG, except where stated otherwise, during the financial year ended 31 December 2023 under the leadership of the Board.

The three (3) principles set out in the MCCG are as follows:

- (a) Board leadership and effectiveness;
- (b) Effective audit and risk management; and
- (c) Integrity in corporate reporting and meaningful relationship with stakeholders.

This statement is prepared in compliance with Bursa SecuritiesMMLR. The extent of the application of each practice encapsulated in the principles of the MCCG is further presented in the Corporate Governance Report, which can be viewed on the Company’s website at www.perakcorp.com.my.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Board Roles and Responsibilities

The Board retains full and effective control of the Company and plays an important role in defining the scope of corporate governance within the Group. This includes responsibility for determining the Company’s overall strategic direction as well as the development and control of the Group’s business and operations. The Board ensures the integration of consideration of the environmental, social and governance matters embedded into the Company’s business strategies and action plans. No individual or group of individuals dominates the Board’s decision-making.

The functions reserved for the Board are clearly stated in the Board Charter, besides the discharge of the director’s fiduciary duties.

Board Charter

The Company has formalised a Board Charter which clearly sets out the composition, roles and responsibilities of the Board and Board committees and the processes and procedures for convening their meetings. The Board Charter serves as a reference providing prospective and existing members of the Board and management insight into directors’ fiduciary duties.

The Board reviews the Board Charter on a regular basis to keep up to date with changes in the MMLR, other regulations and best practices and ensure its effectiveness and relevance to Board's objectives and responsibilities.

The details of the Board Charter are available for reference on the Company's website at www.perakcorp.com.my.

Code of Conduct

The Board has formalised a Code of Conduct ("**Code**"), which is based on the principles in relation to integrity, sincerity, honesty, responsibility, social responsibility and accountability in order to enhance the standard of corporate governance and behaviour.

The Board is committed to creating a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct.

The Code is to assist the directors and all personnel of the Group in defining the ethical standards and conduct at work and extent beyond normal working hours, which they should possess in discharging their duties and responsibilities.

The Board reviews the Code when deemed necessary to ensure it remains relevant and appropriate. The details of the Code are available for reference on the Company's website at www.perakcorp.com.my.

Anti-Corruption and Bribery Policy

The Board has formalised an Anti-Corruption and Bribery Policy, which outlines the responsibilities of the directors, officers and employees of the Group to uphold all laws to combat corruption and bribery and the procedures on anti-corruption and anti-bribery.

Apart from the above, the Board had also established an Integrity and Governance Unit for the purpose of carrying out programmes, modules and strategies within the Group to promote integrity, honesty and accountability in the conduct of business and operations, as well as to enforce compliance and promote the detection of misconduct in an efficient and effective way.

The Board has reviewed and revised the Anti-Corruption and Bribery Policy on 24 August 2023. The Board reviews the Anti-Corruption and Bribery Policy when deemed necessary to ensure it remains relevant and appropriate, and in any event, at least once every three (3) years.

The details of the Anti-Corruption and Bribery Policy are available for reference on the Company's website at www.perakcorp.com.my.

Whistle Blowing Policy

The Board has established a Whistle Blowing Policy to improve the overall organisational effectiveness and to uphold the integrity of the Group, which acts as a formal internal communication channel, where the staff may communicate in cases where the Group's business conduct is deemed to the contrary to the common values of the Group.

The Group is committed to maintaining the highest possible standards of integrity, openness and accountability in the conduct of its businesses and operations within the Group and aspires to conduct its affairs in an ethical, responsible and transparent manner. The policy is intended to provide and facilitate a mechanism for any persons to report concerns related to any suspected and/or known misconduct, wrongdoing, corruption, fraud, waste and/or abuse of which they become aware and to ensure that the reporting person can report an allegation of such malpractice or misconduct in an appropriate manner and without fear of retaliation.

All reports will be investigated promptly and dealt with fairly and equitably. Actions will be taken based on the nature of the allegation and may be resolved by agreed action.

The Board reviews the Whistle Blowing Policy when deemed necessary to ensure it remains relevant and appropriate, and in any event, at least once every three (3) years. The details of the Whistle Blowing Policy are available for reference on the Company's website at www.perakcorp.com.my.

Directors' Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy of the Company to ensure there are formal and transparent procedures for the appointment and re-election of directors of the Company and its subsidiaries. The Board is committed to ensuring that each of its directors has the character, integrity, experience, competence and time to effectively discharge his or her role as a director in tandem with good corporate governance practices.

The Board reviews the Directors' Fit and Proper Policy when deemed necessary to ensure it remains relevant and appropriate, and in any event, at least once every three (3) years. The details of the Directors' Fit and Proper Policy are available for reference on the Company's website at www.perakcorp.com.my.

Board Composition

The Board has eight (8) members as of the date of this Statement, comprising one (1) non-executive non-independent director and seven (7) independent directors. More than half of the Board members are independent directors, as recommended under Practice 5.2 of the MCCG, for more effective oversight of management.

The profile of the Board members is set out on pages 10 to 17 of this Annual Report.

The Company considers that its complement of non-executive directors provides an effective Board with a mix of industry-specific knowledge and business and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgement to many aspects of the Group's strategy and performance so as to ensure that the Group maintains the highest standard of conduct and integrity.

In order to assist the Board in the discharge of its responsibilities, the Board has delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. The Board Committees are the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Tender Committee and the Investment Committee.

The Board Committee meetings are conducted separately from the Board meeting to facilitate objective and independent discussions during the meetings. At the Board meeting, the respective chairman of the Board Committees reports to the Board on the matters discussed, considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

Board Meetings

The Board schedules meetings on a quarterly basis, with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. The calendar for the Board and Board Committees meeting is circulated in advance at the end of the previous financial year to enable the directors to plan their schedule ahead for the new financial year.

During the financial year 2023, the Board held eight (8) meetings on 25 February 2023, 12 April 2023, 25 May 2023, 31 July 2023, 24 August 2023, 11 September 2023, 29 September 2023 and 24 November 2023.

The details of meeting attendance of each individual director are as follows:

Meeting attendance in 2023

Datuk Redza Rafiq bin Abdul Razak (<i>Chairman</i>)	8/8
Dato' Seri Ir Mohamad Othman bin Zainal Azim	6/8
Datuk Seri Dr Hj Hasim bin Hasan	7/8
Andy Liew Hock Sim	8/8
Tan Chee Hau	7/8
Ahmad Yani bin Aminuddin	5/8
Faizul Hilmy bin Ahmad Zamri	8/8
Noor Azlin binti Zainal Abidin (appointed on 30 August 2023)	3/3

At the scheduled meetings, the Board reviewed and deliberated on the operational and financial performance, corporate proposals, risk management, internal audit findings, internal control system and significant issues of the Company and the Group.

The Board Chairman

Datuk Redza Rafiq bin Abdul Razak is the non-independent non-executive Chairman of the Board. The Chairman is responsible for the oversight, leadership, effectiveness, conduct and governance of the Board.

In keeping with the provisions of Practice 1.4 of the MCCG, the Chairman is not involved in any of the Board Committees to ensure that there is appropriate check and balance as well as objective review by the Board.

The majority of the Board members are independent directors since the Company recognises the contribution of independent directors as equal Board members in the development of the Group's strategy, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. The independent directors are independent of management and free from any relationship that could interfere with their independent judgement.

Separation of Roles between the Chairman and the Group Chief Executive Officer

Encik Rosmin bin Mohamed, the Group Chief Executive Officer (“**GCEO**”), appointed on 9 January 2023, led the executive management team. There is a clear division of responsibility between the Chairman and the GCEO and between the independent Board members and the GCEO, together with his executive management team, to ensure a balance of power and authority.

The GCEO has the overall responsibility for the day-to-day management of the business and implementation of the Board’s policies and decisions. The GCEO is responsible for ensuring the due execution of strategic goals and effective operation within the Group and for explaining, clarifying and informing the Board on matters pertaining to the Group. The GCEO is supported by the executive management team with their respective scope of responsibilities. The executive management team’s performance is assessed by the GCEO based on the key performance indexes.

Company Secretary

The Board is supported by an experienced and competent Company Secretary who is qualified to act as company secretary under Section 235(2) of the Companies Act 2016. The Company Secretary reports directly to the Board and plays an advisory role to the Board and Board Committees, particularly with regard to their policies and procedures and the Company’s compliance with regulatory requirements, rules, guidelines and legislation, as well as the best practices of corporate governance.

All directors have access to the advice and services of the Company Secretary and are updated on the changes in the regulatory framework and corporate governance practices. The Company Secretary provides support to the Board in ensuring that the applicable rules and regulations are complied with, as well as that the governance structure of the Group remains relevant and effective.

The Company Secretary attends all meetings of the Board and Board Committees and ensures that meeting procedures are followed, and deliberations and proceedings at the meetings are accurately recorded and well-documented. The Company Secretary also ensure that all resolutions of the Board and Board Committees are properly drafted and maintained.

Supply of Information

Each Board member receives quarterly interim financial reports, including comprehensive review and analysis. Prior to each Board and Board Committees’ meeting, directors are sent an agenda of the meeting and a full set of meeting papers for each agenda item prepared and presented in a concise and comprehensive manner so that the directors have a proper and relevant depiction of the issues to be discussed at the meeting. This is issued in sufficient time to enable the directors to review and evaluate the meeting materials and to obtain further explanations, where necessary.

All directors have access to all information within the Group, whether as full board members or in their individual capacity, in furtherance of their duties. Directors also have direct access to the services of the Company Secretary who is responsible for ensuring the Board and Board Committee procedures are followed. Directors are entitled to obtain independent professional advice, where necessary, in the course of discharging their duties at the Company’s expense.

Tenure of Independent Directors

In determining the independence of individual directors, the Board, through the Nomination and Remuneration Committee, conducts an assessment of the independent directors of the Company annually.

Puan Noor Azlin binti Zainal Abidin has declared her independence upon appointment as director. The rest of the independent directors, based on the annual assessment conducted during the year, have declared their independence.

The Board noted that the provisions of Practice 5.3 of the MCGG recommend that the tenure of an independent director should not exceed a cumulative term of nine (9) years. The Board has not adopted a formal policy which limits the tenure of its independent directors to nine (9) years. The Board believes that the length of service of the independent directors on the Board does not interfere with their exercise of independent judgment and acts in the best interest of the Group, notably in discharging their roles. Nevertheless, the Board will undertake a further assessment of the independence of its independent directors should their tenure reach the cumulative term of nine (9) years.

All seven (7) independent directors' tenures have yet to exceed the cumulative term of nine (9) years as of the end of the financial year 2023.

Board Diversity Policy

The Board recognises the importance of diversity in determining the optimum composition of the Board and amongst its workforce, including but not limited to gender, character and integrity; experience and competency; and time and commitment. The ultimate decision will be based on the competency, ability, leadership quality and qualification, particularly candidates with specialised knowledge, that meet the Group's needs.

The Board considers that gender diversity contributes positively to the performance of the Board, which is vital to the sustainability of the Group's businesses. The Board has appointed a female director to the Board to comply with paragraph 15.02 (1)(b) of the Listing Requirements. Currently, the Board comprises seven (7) male directors and one (1) female director. The Board recognises that the evolution of diversity is a long process and weighs the various factors relevant to board balance and diversity when vacancies arise.

Overall, the Board is satisfied with the existing number and composition of the members and is of the view that the Board comprises a good mix of members with diverse experiences and backgrounds to provide a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group's businesses.

Out of three (3) key senior management personnel, one (1) position, namely the Group Chief Financial Officer, was held by a lady.

Sourcing and nomination of Board members

The Board, through the Nomination and Remuneration Committee, continuously reviews the composition of the Board and sources for suitable directors considering the diversity in business background, area of expertise, skills, educational background and gender as well as other factors that may provide the Board with a broader range of viewpoints and perspectives.

The Nomination and Remuneration Committee is responsible for considering nominees for appointment to the Board and recommends to the Board for approval on the appointment, re-appointment, re-election and annual assessment of directors.

The Nomination and Remuneration Committee considers and recommends to the Board candidates of sufficient calibre, knowledge, integrity, reliability, professionalism and experience to fulfill the duties of a director. This Committee also considers the ability of the candidate to attend Board and Board committees' meetings regularly and devote sufficient time and effort to carry out their duties and responsibilities effectively and be committed to serving on the Board for an extended period of time.

Re-election of Directors

The Board, through the Nomination and Remuneration Committee, assesses the performance, fitness and propriety of those directors who are subject to re-election at the Annual General Meeting (“**AGM**”) of the Company and recommends to the Board for the decision to table the resolution on the re-election of the director concerned for shareholders' approval.

Based on the results of the fit and proper assessment, the Nomination and Remuneration Committee concluded that those directors who are due to retire at the forthcoming AGM had devoted their time, committed and contributed to the decision-making of the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three (3) independent directors. The Nomination and Remuneration Committee is empowered to bring to the Board recommendations as to the appointment of any new executive or non-executive director upon evaluation of the candidate's ability to discharge the expected responsibilities as well as establishing a formal and transparent procedure for developing policy on the remuneration packages of the executive and non-executive directors of the Company and key senior management.

During the FY 2023, the Nomination and Remuneration Committee held four (4) meetings on 21 February 2023, 12 April 2023, 12 July 2023 and 24 August 2023.

The attendance of the members of the Nomination and Remuneration Committee is as follows:

	<i>Meeting attendance in 2023</i>
Ahmad Yani bin Aminuddin (Chairman)	4/4
Faizul Hilmy bin Ahmad Zamri	4/4
Datuk Seri Dr Hj Hasim bin Hasan	4/4

The activities carried out by the Nomination and Remuneration Committee during the financial year 2023, amongst others, included the recommendations to the Board on the following matters:

- (a) Reviewed and recommended the directors' fees and benefits packages for the duration from the month following the AGM in 2023 up to the month of the next AGM in 2024;
- (b) Assessed the eligibility and recommended the re-election of the retiring directors at the AGM of the Company;
- (c) Assessed the directors' training needs to ensure all directors receive appropriate continuous training;
- (d) Evaluated and assessed the performance of the Audit Committee as a whole and each of its members;
- (e) Evaluated and assessed the individual directors, the Board as a whole and the independent directors;
- (f) Assessed and recommended the appointment of directors to the subsidiaries of the Company;
- (g) Reviewed and recommended the remuneration for the directors of a subsidiary of the Company;
- (h) Assessed and recommended the appointment of a female director to the Board; and
- (i) Assessed and recommended the renewal of Puan Rusnidar binti Samsudin's service contract as the Group Chief Financial Officer.

Board, Audit Committee and Individual Director Assessment

The Nomination and Remuneration Committee conducts an annual assessment of each individual director and collectively as a Board under the evaluation process to ensure the effectiveness of the Board as a whole. The assessment of the directors is an examination of each director's ability to contribute to the effective decision-making of the Board. The assessment is carried out internally wherein at the end of the financial year, each director is distributed a Board Evaluation Form to conduct the self and peer assessment. Upon completion, the Board Evaluation Form is returned to the Company Secretary for compilation of the assessment results to be tabled at the next Committee meeting.

The areas covered by the annual assessment are:

- (a) Attributes of each individual director, i.e., professionalism, industry knowledge, specific competencies, business acumen, strategic vision, integrity, attendance, active participation, teamwork and more;
- (b) Board structure – whether the Board is composed of directors with an appropriate mix of skill and experience to meet the Company's requirements;
- (c) Board operations and interactions in terms of the conduct of Board meetings and Board communication;
- (d) Board roles and responsibilities – strategy planning, performance management, risk management and succession planning; and
- (e) Board understanding and knowledge of sustainability issues and opportunities.

Based on the results of the annual assessment, the directors had evaluated and agreed that the Board structure is efficient and the performance of the Board is generally good. The Nomination and Remuneration Committee was satisfied that the Board is composed of directors with appropriate mix of skill and experience, has a sufficient level of involvement and deliberation of relevant issues and has put in place adequate risk management procedures.

The Nomination and Remuneration Committee also conducts an annual review of the term of office and performance of the Audit Committee's members annually. It assesses whether the Audit Committee as a whole carried out their duties in accordance with its terms of reference.

The overall results of the evaluation process and the improvements recommended thereon are presented by the Chairman of the Nomination and Remuneration Committee to the Board in respect of the performance of the Audit Committee and its members and the Board as a whole.

Based on the results of the annual assessment, the Nomination and Remuneration Committee concluded that:

- (a) The Audit Committee is competent and efficient in discharging and fulfilling their roles and responsibilities in accordance with its terms of reference;
- (b) The Board structure is efficient, and the performance of the Board is generally good;
- (c) The Board is composed of directors with the appropriate mix of skill and experience, has a sufficient level of involvement and deliberation of relevant issues and has put in place adequate risk management procedures; and
- (d) The independent directors have satisfied the criteria of independence as defined in the Listing Requirements.

Directors' Training

All directors are encouraged to continuously undertake training and regularly update and enhance their skills and knowledge to enable them to effectively discharge their duties. In this connection, the Board had adopted Paragraph 15.08(1) of the MMLR.

In addition to the training programmes attended, the directors were briefed on the amendments to the Listing Requirements and regulatory requirements during the year.

The directors who have attended the training programmes are as follows:

Name	Training Programme
Datuk Redza Rafiq bin Abdul Razak	<ul style="list-style-type: none"> • Bengkel Pelan Usahawan Perak Sejahtera 2030 • Dialog Bajet 2023 Peringkat Negeri Perak • Kursus Protokol dan Etiket Ketua Jabatan GLC • Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers • Asia Exclusive Seminar in Antwerp Belgium
Dato' Seri Ir Mohamad Othman bin Zainal Azim	<ul style="list-style-type: none"> • Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers

- | | |
|----------------------------------|---|
| Datuk Seri Dr Hj Hasim bin Hasan | <ul style="list-style-type: none"> • Mandatory Accreditation Programme |
| Andy Liew Hock Sim | <ul style="list-style-type: none"> • Detecting & Deterring Financial Statement Fraud • Tax Audits and Investigations Framework • An Overview of the Malaysian Private Entities Reporting Standard – Practical approach to recognition and measurement principles including updates |
| Tan Chee Hau | <ul style="list-style-type: none"> • Special Voluntary Disclosure Programme • Regulatory Requirements for Exporting to US |
| Ahmad Yani bin Aminuddin | <ul style="list-style-type: none"> • Bursa Malaysia Immersive Experience: The Board “Agender” • Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers |
| Faizul Hilmy bin Ahmad Zamri | <ul style="list-style-type: none"> • AKPK Financial Management Program • Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers |
| Noor Azlin binti Zainal Abidin | <ul style="list-style-type: none"> • Mandatory Accreditation Programme |

Remuneration Policy and Procedure

For the remuneration policy, the Nomination and Remuneration Committee reviews the salaries, annual fees, attendance allowance and other benefits for the executive and non-executive directors of the Company and key senior management benchmarked against industry standards and market competitiveness in light of the performance of the Group in the industry. The decision to determine the level of remuneration will be the responsibility of the Board as a whole after considering recommendations from the Nomination and Remuneration Committee. In addition, the annual fees of non-executive directors will be subject to the ultimate approval of the shareholders at the AGM.

The Board believes that fair remuneration is critical to attracting and retaining talents within the Company and ensures that the remuneration of directors and key senior management is commensurate with their level of responsibility, their individual performance, and the Company’s performance.

Directors' Remuneration

The remuneration of the directors of the Company on a named basis for the financial year ended 31 December 2023 is as follows:

Company

Name of directors	Fees RM'000	Salaries RM'000	Other emoluments RM'000	Benefit-in- kind RM'000	Total RM'000
Datuk Redza Rafiq bin Abdul Razak	60	-	18	-	78
Andy Liew Hock Sim	54	-	23	-	77
Tan Chee Hau	54	-	23	-	77
Ahmad Yani bin Aminuddin	54	-	15	-	69
Faizul Hilmy bin Ahmad Zamri	54	-	20	-	74
Dato' Seri Ir Mohamad Othman bin Zainal Azim	54	-	18	-	72
Datuk Seri Dr Hj Hasim bin Hasan	54	-	21	-	75
Noor Azlin binti Zainal Abidin (appointed on 30 August 2023)	18	-	5	-	23

Group

Name of director	Fees RM'000	Salaries RM'000	Other emoluments RM'000	Benefit- in-kind RM'000	Total RM'000
Datuk Redza Rafiq bin Abdul Razak	84	-	4	-	88

Key Senior Management's Remuneration

The remuneration component, including salary, bonus, benefits-in-kind, and other emoluments of the current top two (2) key senior management of the Company within the following bands for the financial year ended 31 December 2023 are as follows:

Remuneration in band	Key Senior management (number)
RM250,001-RM300,000	1
RM300,001-RM350,000	
RM350,001-RM400,000	
RM450,001-RM500,000	
Above RM500,000	1

The Board noted that Practice 8.2 of the MCCG recommends the disclosure on a named basis of the top three (3) key senior management's remuneration components, including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.

The Board considered the information required of the key senior management's remuneration to be sensitive and proprietary in nature. The Board is of the view that the non-disclosure on the named basis of the remuneration of the key senior management will not significantly affect the understanding and the evaluation of the Group's governance and will ensure the confidentiality of the remuneration of the key senior management.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee comprises three (3) independent directors. In order to ensure transparency and objectivity in the discussions and decisions of the Audit Committee, the Chairman of the Audit Committee is not the Chairman of the Board. The members of the Audit Committee are sufficiently financially literate with a good understanding of the Group's businesses to enable them to continuously apply a critical and probing view on the financial reporting process, transactions and other financial information, and effectively challenge management's assertions on the Group's financials.

The Audit Committee provides assistance to the Board in fulfilling its oversight responsibilities of the financial reporting process, the system of internal controls, the audit process and the process of monitoring compliance with laws and regulations.

The terms of reference of the Audit Committee provided that no former partner of the Company's external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) shall be appointed as a member of the Audit Committee before first observing a cooling-off period of at least three (3) years.

The role and summary of the activities of the Audit Committee are described in more detail in the Audit Committee Report set out on pages 80 to 82 of this Annual Report.

Financial Reporting

For financial reporting through quarterly interim financial reports to Bursa Securities and the audited annual financial statements to the shareholders, the Board has a responsibility to present a balanced and fair assessment of the Group's financial position, performance and future prospects.

The Statement of Directors' Responsibility in relation to the preparation of the annual audited financial statements of the Company and the Group are set out on page 90 of the Annual Report.

The Audit Committee assists the Board in scrutinising the financial reporting processes and quality of the financial reporting of the Group. This Committee, on a quarterly basis, reviews the quarterly interim financial reports and yearly financial statements to ensure accuracy, adequacy and completeness, as well as to comply with applicable financial reporting standards and other regulatory and legal requirements.

Assessment of Suitability and Independence of External Auditors

Through the Audit Committee, the Board has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with applicable financial reporting standards in Malaysia. This Committee is accorded the power to communicate directly with the external auditors.

The Audit Committee conducts an annual assessment of the suitability, objectivity and independence of the external auditors by considering, amongst others, the following:

- (a) the performance, technical competence, audit quality, sufficiency of resources and allocation of audit staff assigned to the audit;
- (b) the appropriateness of audit fees to support a quality audit;
- (c) the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
- (d) the written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Messrs Crowe Malaysia PLT has confirmed that they were and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

Based on the recent annual assessment, the Audit Committee is satisfied with the independence, suitability, objectivity, technical competency and professionalism demonstrated by Messrs Crowe Malaysia PLT. With regard to the outcome of the annual assessment of external auditors by the Audit Committee, the Board has agreed with the Audit Committee's recommendation to seek the shareholders' approval at the forthcoming AGM on the re-appointment of Messrs Crowe Malaysia PLT as external auditors of the Company for the financial year ending 31 December 2024.

Risk Management and Internal Control

The Board takes responsibility for the Group's risk management and internal control system and for reviewing its adequacy and integrity and has established a Risk Management Committee accordingly.

The Risk Management Committee comprises three (3) independent directors. The role of the Risk Management Committee is to evaluate and assess the impact of the risks faced by the Group and then consider the actions taken or that are required to be taken to manage and mitigate the identified risks and report any significant issues to the Board.

During the financial year 2023, the Risk Management Committee held four (4) meetings on 21 February 2023, 23 May 2023, 22 August 2023 and 23 November 2023.

The attendance of the members of the Risk Management Committee is as follows:

Meeting attendance in 2023

Tan Chee Hau (Chairman)	4/4
Andy Liew Hock Sim	4/4
Dato' Seri Ir Mohamad Othman bin Zainal Azim	3/4

The Board is of the view that the current system of risk management and internal control in place throughout the Group is sufficient to safeguard the Group's assets and shareholders' investment.

The Statement on Risk Management and Internal Control, as set out on pages 71 to 79 in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

Internal Audit Function

The Board recognises that effective monitoring on a continuous basis through the internal audit function is a vital component of a sound internal control system. The Company has established an adequately resourced internal audit department, which is independent of the activities of the Group it audits, to conduct regular reviews of the internal controls and report to the Audit Committee.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Shareholders and other Stakeholders

The Board acknowledges the importance of effective, transparent and timely dissemination of material information and has in place internal corporate disclosure procedures which enable comprehensive, accurate and timely disclosures relating to the Company to the shareholders, regulators and other stakeholders. These procedures also set out the authority and responsibility to approve such disclosure. In formulating these procedures, the Board is guided by the Corporate Disclosure Guide issued by Bursa Securities whilst adhering to the corporate disclosure requirements set out in the Listing Requirements.

Announcements via Bursa LINK of Annual Reports, which include the audited financial statements, quarterly interim financial reports, business acquisitions and disposals and other material information provide the shareholders and investing public with an overview of the Group's performance, operations and directions. Members of the public can also obtain the Annual Reports, notices of meetings of members and minutes of meetings of members on the Company's website at www.perakcorp.com.my.

Conduct Meetings of Members

The meetings of members of the Company, including the AGM, are the principal forum for dialogue with the shareholders. Notice of AGM is sent out to shareholders at least twenty-eight (28) days before the date of the meeting. The Annual Report and other accompanying documents are also made available to shareholders at least twenty-eight (28) days before the date of the AGM.

The Board encourages participation from the shareholders by having a question and answer session during the meetings of members of the Company, including the AGM. The directors and key senior management are available to provide clarifications and responses to the questions raised by the shareholders during the meetings.

All resolutions set out in the notice of meetings of members of the Company, including the AGM, are to be conducted by poll and an independent scrutineer is appointed to monitor the conduct of polling for each meeting of members.

The Company conducted a fully virtual Thirty-Second (32nd) AGM on 7 June 2023, which is in compliance with the Constitution of the Company which provides that meetings of members of the Company may be held using any technology or electronic means.

At the 32nd AGM, poll voting was conducted in respect of all resolutions using the Remote Participation and Voting Facilities provided by Tricor Investor & Issuing House Services Sdn Bhd to enable shareholders to participate and exercise their rights to speak and vote at the AGM and Scrutineer Solutions Sdn Bhd were appointed as Scrutineers to verify the poll results. The outcome of the poll in relation to the resolutions was announced at the same meeting, and detailed results stating the votes cast were subsequently announced via Bursa LINK.

Compliance Statement

The Board is satisfied that the Group has substantially complied with the practices of the MCGG throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26 (b) of the MMLR, the board is pleased to provide the statement on risk management and internal control for FY 2023 which was prepared in accordance with practice 10.1 and 10.2 of the Malaysian Code on Corporate Governance (“MCCG”) and the “statement of risk management and internal control - guidelines for directors of listed issuers”.

ROLES AND RESPONSIBILITIES

The Board acknowledges the importance of maintaining a sound framework in managing risks to safeguard the shareholders’ investments and the Group’s assets. The Board is constantly and actively identifying the Group’s level of risk tolerance, assessing and monitoring the key business risks. These include updating the group’s internal control systems. The Board however, acknowledges that the system of internal control is designed to identify, evaluate, mitigate and monitor key risks associated with the Group. As such, it provides reasonable but not absolute assurance of effectiveness against material misstatement of management and financial information and records or against financial losses or fraud. The Board is satisfied that the risk management policies and procedures developed and implemented by the management through the Risk Management Committee are prudent in ensuring that efficient internal control and risk management systems are in place to make it possible to assess and manage risk.

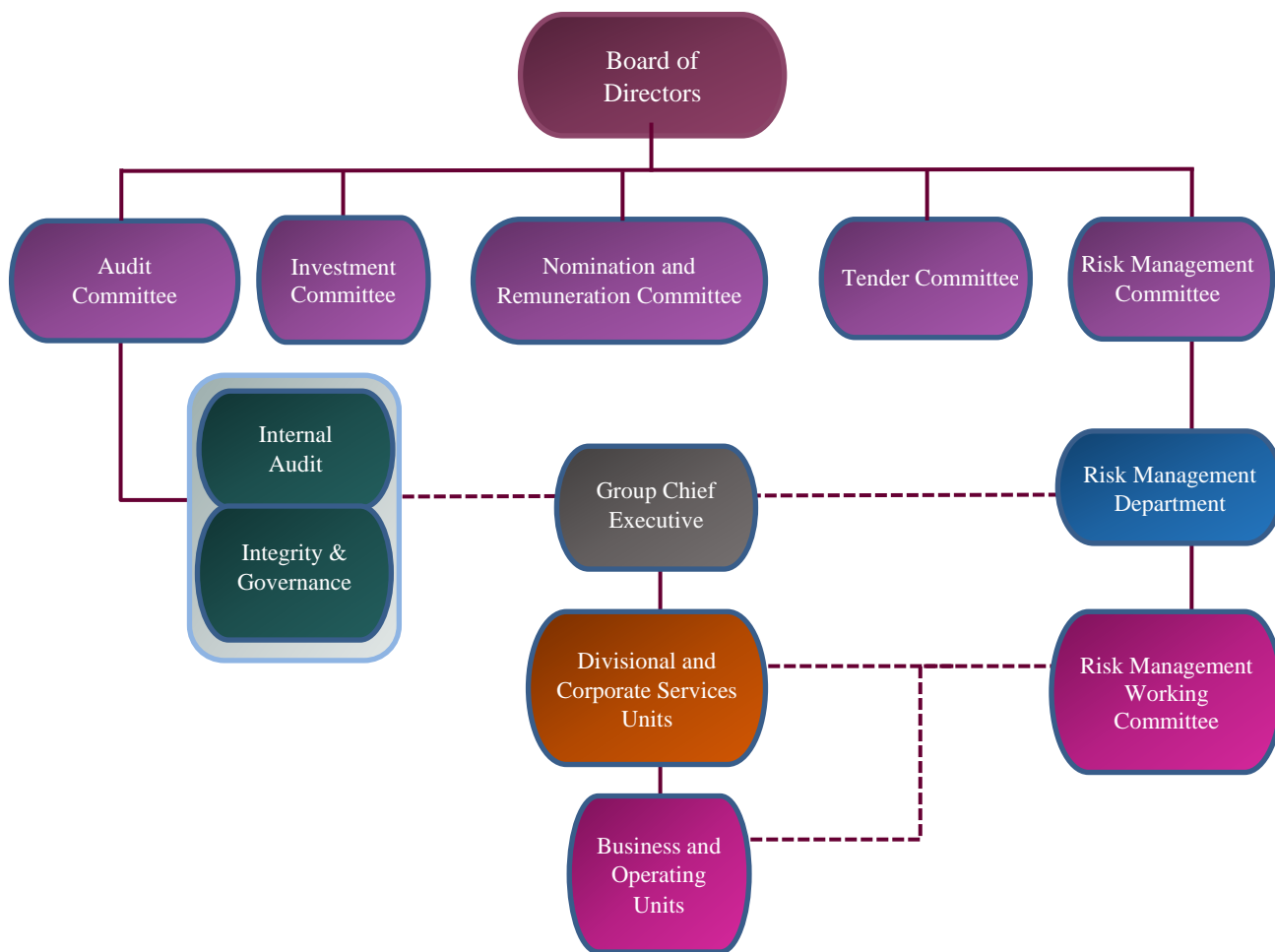
The Group’s internal control system covers risk management, as well as financial, operational and compliance controls. The Board does not regularly review internal control systems of associates as the Board does not have direct control over their operations. Notwithstanding the above, the Group’s interests are served through representation at the boards of the respective associates and the receipt of management reports upon queries. Such representation also provides the Board with information for timely decision-making on the continuity of the Group’s investments based on the performance of the associates.

Other than insurable risks where insurance covers are purchased, other significant risks faced by the Group (excluding associates and joint operations, wherever applicable) are reported to and managed by the respective boards within the Group.

MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The internal control framework is structured in such a manner that it provides reasonable assurance that the likelihood of a significant adverse impact on business objectives arising from an event is at a level acceptable to the Group.

The internal control system of the Group is supported by an appropriate organisational structure with clear reporting lines, defined lines of responsibilities, and authorities from respective business units up to the Board level, as follows:



The Board recognises the importance of key risk management and internal control systems that set the tone for the Group. In recognising the importance of risk management and internal control system in the overall governance process, the Board has instituted the following:

Board and Board Committees:

As at date of issuance of the annual report, there are eight (8) directors on the Board comprising one (1) non-independent and non-executive director, and seven (7) independent and non-executive directors.

The Board has established the Audit Committee (“AC”), Investment Committee (“IC”), Nomination and Remuneration Committee (“NRC”), Tender Committee (“TC”) and Risk Management Committee (“RMC”) with specific terms of reference, which have the authority to examine all matters within its scope of responsibilities and report to the Board with its recommendations for the Board’s decision.

Risk Management Committee:

RMC assists the Board in ensuring a sound and robust Risk Management Policy (“RMP”) to achieve the Group’s strategic objectives, safeguard shareholder’s investments and its assets.

The terms of reference were established and endorsed by the Board to govern its responsibilities and activities.

An independent and non-executive director chairs the RMC, and the majority of members are independent and non-executive directors. Details of the composition of the Committee and attendance by each member of the Committee covering the period during the financial year and the period up to the date of the authorisation of the annual report are set below:

The RMC undertakes the following responsibilities:

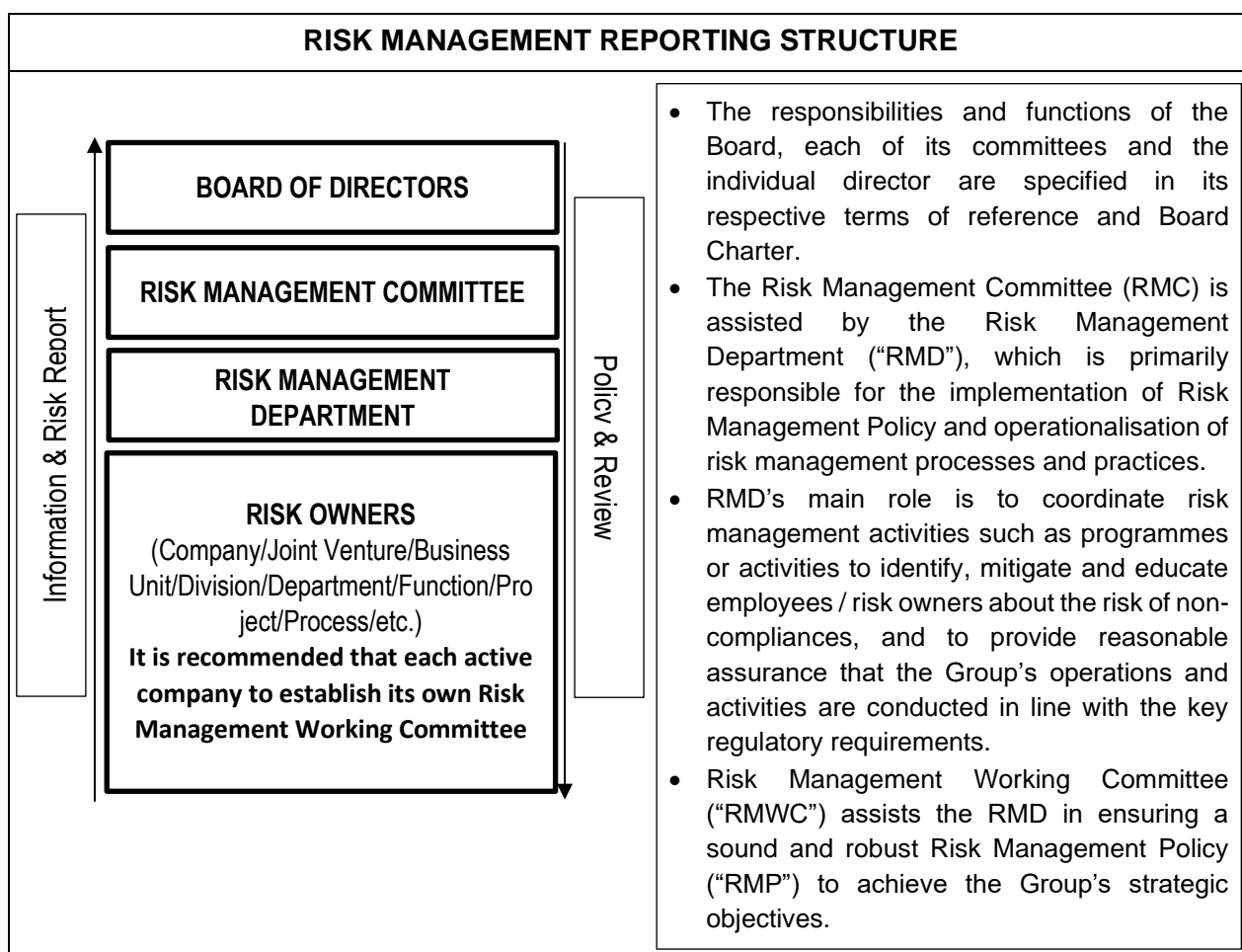
- (a) Review and recommend risk management policies and procedures for the approval or acknowledgement of the Board;
- (b) Act as Primary Champion of risk management at strategic and operational levels;
- (c) Review the ongoing adequacy and effectiveness of the risk management process;
- (d) Review the consolidated risk registers to identify significant risks and whether these are adequately managed;
- (e) Ensure that the Board receive adequate and appropriate information for review and decision - making respectively.

The RMC convenes four (4) times for the year to review the key risk profiles and submit a summary report to the Board. Amidst delivering growth for its stakeholders, the Group will continue its focus on sound risk assessment practices and internal control to ensure that the Group is well-equipped to manage the various challenges arising from the dynamic business and competitive environment.

Members	Status of Directorship	Date of Appointment	Attendance of Meetings
Tan Chee Hau (Chairman)	Independent and non-executive	23 February 2022	4/4
Andy Liew Hock Sim	Independent and non-executive	6 October 2020 (as Chairman)	4/4
		23 February 2022 (Re-designated from chairman to member)	
Dato' Seri Ir. Mohamad Othman bin Zainal Azim	Independent and non-executive	30 September 2022	3/4

Risk Management Reporting Structure

The risk management system of the Group is supported by an appropriate organisation structure with clear reporting lines, defined lines of responsibilities and authorities from respective business units up to the Board level as follows:



Risk Management Policy

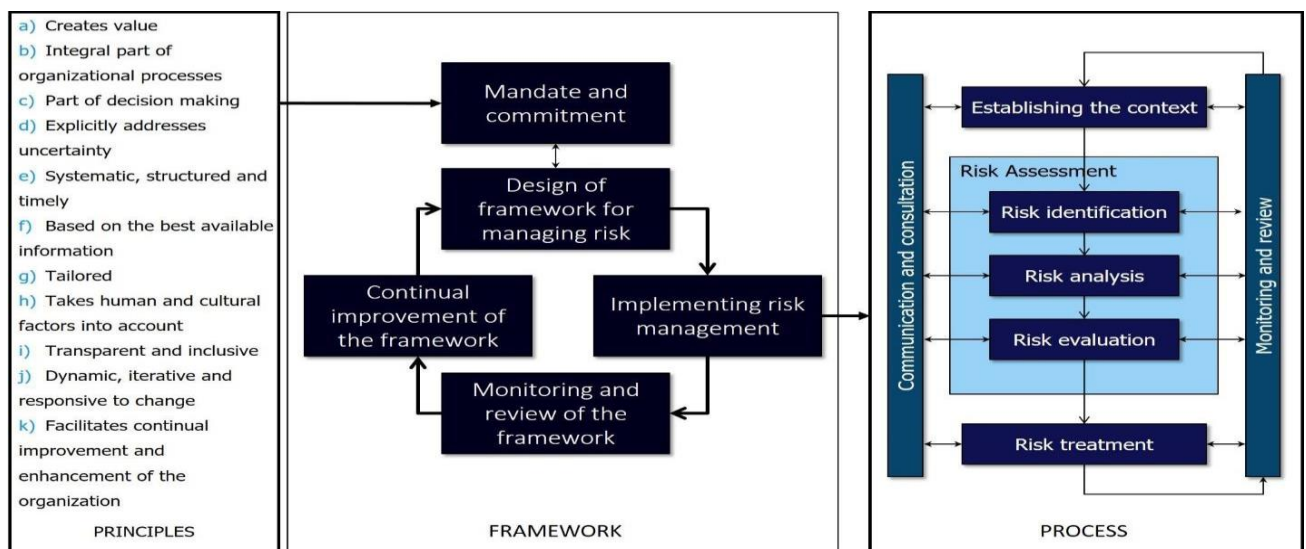
The RMP provides the foundation and organisational arrangement for managing risk across the Group. It illustrates how risk management is embedded in the organisational systems and integrated at all levels and work contexts, making risk consideration part of day-to-day decision-making and business practices.

The RMP include scope and objectives, emphasis on enterprise-wide risk assessment and management, and key risk indicators, which measure the appropriateness and effectiveness of risk countermeasures based on demonstrated/observed improvements on key business, operating and financial parameters.

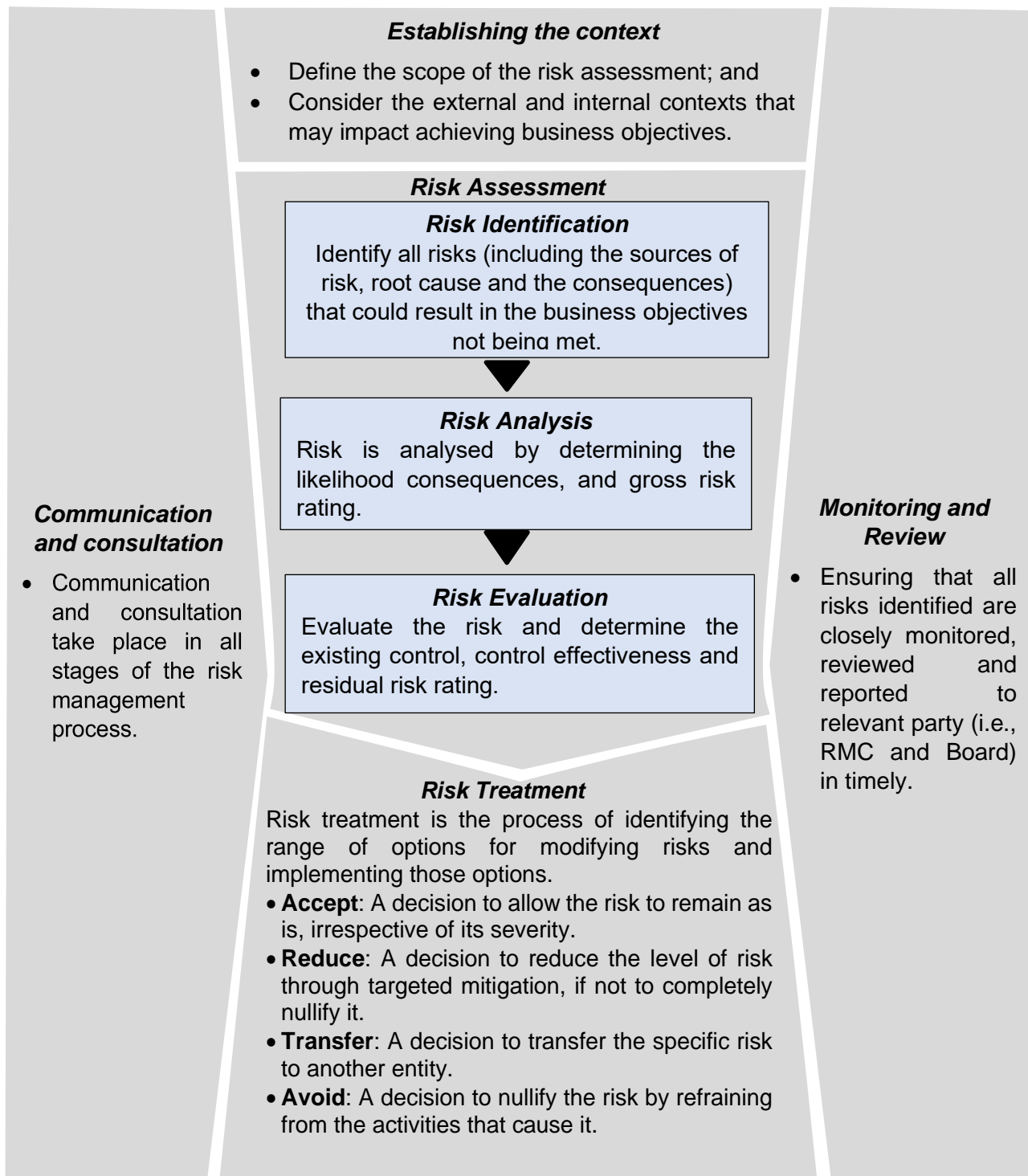
The RMP aims to:

- (a) Establish common risk language, modus operandi and direction with regard to risk management;
- (b) Convey the Group policy and attitude toward risk management;
- (c) Set the policy, methodology, scope and application of risk management;
- (d) Detail the process for escalating and reporting risks;
- (e) Establish the roles and responsibilities for managing risk;
- (f) Facilitate open communication between management and the Board with respect to risk; encourage proactive decision-making; and
- (g) Build an appropriate culture of integrity and risk awareness.

Risk Management Principles, Framework and Process



Risk Management Process



Summary of Risk Management Activities:

- (a) Assessed and strengthened the enterprise risk management framework for further standardisation of risk identification, assessment and governance of risks across the organisation.
- (b) Assessment of business momentum relative to competition and competitive position in key market segments comprising geographies, industries and service lines were conducted and measured.
- (c) Periodic risk awareness briefing, risk identification and mitigating action plans workshops are conducted as continuous efforts to inculcate a proactive risk-aware culture within the Group.
- (d) Presentation of risk management reports, produced four (4) times for the year and presented to the RMC and the Board for deliberation and approval. The four (4) RMC meetings were carried out on 21 February, 23 May, 22 August and 22 November 2023.
- (e) Quarterly review and monitoring implementation of risk action plans by the Risk Management Department and risk owners.
- (f) Provides risk management consultation and advisory services to projects, investment and potential business leads.

Risk Management Highlights for the Year

During the year, the Board has been informed by RMC on strategic and operational risks affecting the Group. Four (4) RMC meetings were held for the year and risk management reports which were presented at every quarter Board Meeting were duly noted by the Board. The Group's practice in mitigating risk affecting the Group focuses primarily on creating and enhancing the effectiveness of strategic programs in improving the Group's competitive position and differentiation in market segments. The Group also ensures that new initiatives are developed to enable it to achieve its long-term business aspirations. This displays the Group's preparedness to address incidents which may cause disruption to business operations. Moving forward, the Group also focuses on ensuring adequate systems i.e.: physical and technological infrastructure and internal controls, are in place to enable the Group to detect fraudulent activities and other activities that may pose a threat and/or risk to the Group.

KEY ELEMENTS OF INTERNAL CONTROL

Internal control is embedded in the Group's operations as follows:

<p>Organisational Structure and Reporting Lines</p>	<ul style="list-style-type: none"> • There is a clear organisational structure with defined reporting lines within the Group with each division having its roles and responsibilities, levels of authority and lines of accountability. • Defined level of authority and lines of responsibilities from the operating unit up to the Board level to ensure accountabilities for risk management and control activities. • The Group has various support functions comprising Internal Audit, Risk Management, Integrity & Governance, Corporate Advisory, Human Resources & Administration, Strategic Communication & Branding, Account & Finance, Safety & Sustainability, Implementation & Coordination Unit, Human Capital Development, Digital Information & Technology, Planning & Development and Strategic Planning & Implementation. • Each operating unit is responsible for the conduct and performance of business units, including identifying and evaluating significant risks applicable to them respective business areas, designing and operating suitable internal control, and ensuring that an effective internal control system is in place. • The code of Conduct was endorsed by the Board and communicated to all employees in the Group to ensure high standards of conduct and ethical values in all business practices. • The Board is supported by a qualified Company secretary. The Company secretary plays an advisory role to the Board, particularly on issues relating to compliance with the MMLR, the Companies Act 2016 and other relevant laws and regulations.
<p>Anti-Corruption, Integrity and Governance</p>	<ul style="list-style-type: none"> • The Integrity and Governance Department ensures all matters relating to anti-corruption, integrity and governance are integrated under one specific unit so that any plan, module, program and strategy can be implemented in a focused and organised manner in order to ensure that institutionalisation of integrity, preventive measure, compliance and detection of misconduct can be enforced in an efficient and effective way. • The Group Whistleblowing Policy provides an avenue for potential whistle-blowers to act appropriately without fear of reprisal or retaliation. • The Group Organisational Anti-Corruption Plan ("OACP") is focused on corruption risks in the Group. Initiatives or action plans are identified as controls based on the corruption risk assessment across the Group in managing any corruption or integrity-related matters. • The confidentiality policy protects sensitive or confidential information of the Group. Notwithstanding, in order for the Group to be effective, the employees must be able to share information and knowledge, and therefore confidentiality is necessary as a condition of trust. • The establishment of SOP for every unit/division as guidelines to ensure adequate procedures are in place. It is crucial for the Group to have dedicated SOPs and policies in place to help the company minimise errors, enhance efficiencies and profitability, create a safe work environment, and develop rules for resolving problems and overcoming obstacles. • The Company had participated in the Corporate Integrity System Malaysia Programme, one of the initiatives identified in the OACP, and obtained certification in 2023. This will further elevate the Company's effort to fight corruption and instil good governance, while at the same time taking the appropriate and adequate measures under the provisions of Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Internal Audit	<ul style="list-style-type: none"> • The Internal Audit function provides reasonable assurance on the effectiveness of the internal control system within the Group. The internal audit activities are carried out according to the internal audit plan based on a risk-based approach, which has been approved by the Board on the recommendation of the Audit Committee. • The internal audit reports are deliberated by the Audit Committee and are subsequently presented to the Board on a quarterly basis or earlier, as and when appropriate.
Account & Finance	<ul style="list-style-type: none"> • Strategic planning, target setting and detailed budgeting process for each area of business which are approved both at the operating level and by the Board. • Consolidated quarterly management accounts and forecast performance which allow the management to focus on areas of concern.
Risk Management	<ul style="list-style-type: none"> • RMC is chaired by an independent and non-executive director to review and recommend the risk management policies, strategies, major risks review and risk mitigation actions for the Group as well as reporting to the Board. • The Group has a formal risk management policy that describes the risk management framework and supporting processes that have been approved by the RMC. Supporting policies, standards and guidelines are also available to guide decision making.

CONCLUSION

For the financial year under review and up to the date of issuance of the audited financial statements, the Board is satisfied that the system of risk management introduced Group-wide during the year is adequate in order to capture and assess the risks within the context of the Group's business environment. The risk management system will also assess the adequacy of the internal controls that are in place to mitigate the identified risks to acceptable levels.

The Board has received assurance from the Group Chief Executive Officer who have informed the Board that they are satisfied with the adequacy, integrity and effectiveness of the Group's system of internal controls in place and will ensure the completion of the implementation of the risk management throughout the Group.

In addition, the Audit Committee holds meetings to deliberate on the findings and recommendations for improvement presented by both the internal and external auditors on the state of the internal controls system and reports to the Board. As part of the ongoing control improvement process, the management will take the appropriate action to address the control recommendations made by the internal and external auditors.

No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's system of internal control for the year ended 2023 that are required to be disclosed in the Annual Report.

This statement is made in accordance with a resolution of the Board of Directors dated 30 April 2024.

AUDIT COMMITTEE REPORT

Pursuant to Paragraph 15.15 of MMLR, the Board is pleased to provide the Audit Committee Report for the financial year ended 31 December 2023.

The Audit Committee is a committee of the Board responsible for the oversight of financial reporting including the adequacy of related disclosures, review of conflict of interest situations and related party transactions as well as corporate governance and overseeing responsibilities about the Group's internal control and evaluate the internal and external audit processes.

The detailed Terms of Reference of the Audit Committee are made available on the Company's website at www.perakcorp.com.my.

MEMBERS AND MEETING

The Audit Committee comprises three (3) independent and non-executive directors.

The terms of reference of the Audit Committee require it to meet at least four (4) times a year, although additional meetings may be called at any time at the Chairman's discretion and if requested by any member of the Audit Committee or internal or external auditors. The Audit Committee may meet with the external auditors, internal auditors, or both without the attendance of other directors and employees of the Company, whenever deemed necessary. The Audit Committee may invite any person to be in attendance at each meeting.

A total of six (6) meetings were held on 21 February 2023, 23 March 2023, 23 May 2023, 22 August 2023, 26 September 2023, and 23 November 2023, during the financial year and the period up to the date of the authorisation of the annual report. Details of the composition of the Audit Committee and attendance by each member of the Audit Committee covering the period during the financial year and the period up to the date of the authorisation of the annual report are set below:

Name	Status of Directorship	Date of Appointment	Attendance of Meetings
Andy Liew Hock Sim (Chairman)	Independent and non-executive	6 August 2020	6/6
Datuk Seri Dr. Hj. Hasim bin Hasan	Independent and non-executive	30 September 2022	4/6
Tan Chee Hau	Independent and non-executive	30 September 2022	6/6

The meetings have been appropriately and adequately structured with each member of the Audit Committee receiving notices, agendas, and papers sufficiently in advance prior to the meetings.

The Chairman of the Audit Committee reports to the Board on principal matters deliberated at Audit Committee meetings. The Chairman of the Audit Committee also deliberates with the Board on matters of significant concern as and when reported by the external auditors and internal auditors.

ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the Audit Committee carried out its duties as set out in its terms of reference. The summary of key activities is as follows:

Financial Reporting

In its oversight of the financial reporting process, for the financial year under review, the Audit Committee obtained assurance from the Group Chief Financial Officer during the course of its review, amongst others, on the following:

- (a) Reviewed the quarterly unaudited financial results of the Group to ensure compliance with applicable accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board.
- (b) Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.
- (c) Reviewed the annual audited financial statements prepared by management and the audit report thereon as presented by the external auditors covering the following areas with the management prior to submission with its recommendation to the Board for approval:
 - i. Appropriate accounting policies that have
 - ii. been adopted and applied consistently;
 - iii. Key audit issues that arose during the audit and their subsequent resolution; and
- (d) External auditors' management letter and management's response thereto.

External Audit

During the financial year, the Audit Committee together with the external auditors have:

- (a) Reviewed the audit plan in respect of the audit for FY 2023, outlining the nature and scope of the audit work and the proposed fees for the statutory audit, as well as the audit procedures to be undertaken.
- (b) Reviewed the resource capacity and effectiveness as well as the suitability, objectivity, and independence of the external auditors.
- (c) Reviewed major audit findings and observations arising from the interim and final audits, significant accounting issues, and any other matters.

The amount of audit fees and non-audit fees payable to Crowe Malaysia PLT for the FY 2023, are as follows:

	Audit fees (RM'000)	Non-Audit fees (RM'000)
Company	180	186
Group	615	186

The non-audit fees included assurance services rendered for the annual review of the Statement on Risk Management and Internal Control.

Internal Audit

During the financial year, the Audit Committee together with the internal auditors have:

- (a) Reviewed and recommended the annual internal audit plan for Board approval based on a risk-based approach as presented by the internal auditors and discussed with them the scope of work, adequacy of resources, and coordination with the external auditors.
- (b) Reviewed and deliberated internal audit reports and corrective actions taken by the management in order to resolve the issues highlighted in the internal audit reports.
- (c) Reviewed the adequacy of the internal audit process and resources allocated to the Group Internal Audit.

Related Party Transactions

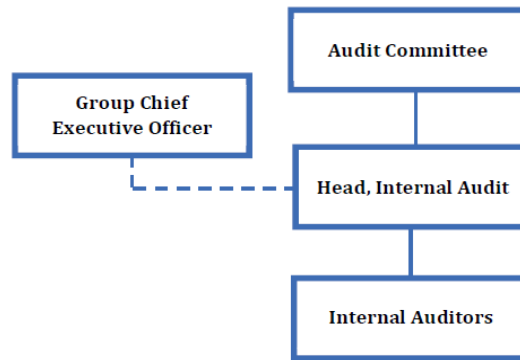
During the financial year, the Audit Committee has reviewed the related party transactions entered by the Company and the Group as well as the disclosure and the procedures relating to related party transactions.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the internal auditors in discharging its duties and responsibilities. The internal audit authority, responsibilities, and scope of work are defined in the internal audit charter as approved by the Audit Committee.

The main role of the internal auditors is to review the effectiveness of internal control, and this is performed with impartiality, proficiency, and due professional care. In determining the priorities for internal audit activities, the internal auditors apply a risk-based approach, and the annual audit plan is reviewed periodically, taking into consideration changes in risk exposure and operating environment.

The Head of Internal Audit, who is a member of the Institute of Internal Auditors Malaysia ("IIAM"), reports functionally to the Audit Committee on audit matters and administratively to the Group Chief Executive Officer. The structure of the Internal Audit Department is as follows:

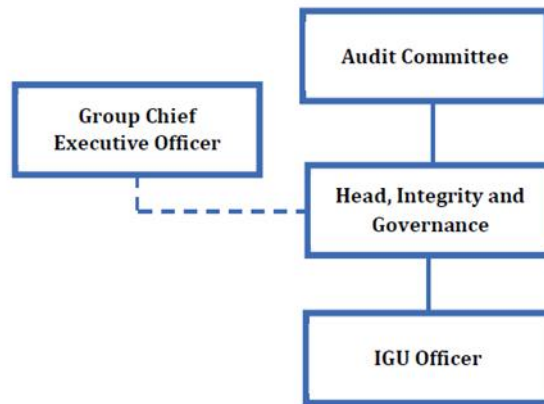


The annual internal audit plan has been reviewed and recommended by the Audit Committee and approved by the Board, taking into consideration the results of previous audits, both external and internal, the views of executive management, adequacy of the scope, functions, competency, and resources of the internal auditors during the year, emphasising on the hiring of internal audit staff with sustainability background to ensure uninterrupted operations and high quality of service.

The internal audit activities have been carried out according to the internal audit plan. During the financial year, the internal auditors conducted a series of audit reviews on the operating units including subsidiaries of the Group. The internal auditors ensured, on a follow-up basis, that recommendations to improve internal controls were implemented by the management. These initiatives, together with the management’s adoption of the external audit’s recommendations for the improvement of internal control noted during their annual audit, provide reasonable assurance that control procedures are in place.

INTEGRITY AND GOVERNANCE FUNCTION

Integrity and Governance Unit (“IGU”) ensures all matters relating to anti-corruption, integrity, and governance are integrated under one specific unit so that any plan, module, program, and strategy can be implemented in a focused and organised manner to ensure that institutionalisation of integrity, preventive measure, compliance and detection of misconduct can be enforced efficiently and effectively. Functionally, IGU reports directly to the Audit Committee on integrity and governance matters and administratively to the Group Chief Executive Officer. The structure of IGU is as follows:



The establishment of the IGU also helps to ensure that all employees practice a positive work culture with strong morals and ethics as well as incorporate ethical practices and good governance within the company in order to be in line with Strategy 6 of the National Anti-Corruption Plan (“NACP”) 2019-2023, Inculcating Good Governance in Corporate Entity.

In the financial year ended 2023, the Company participated in the Corporate Integrity System Malaysia (“CISM”) Programme and successfully obtained certification on 30 October 2023. This achievement signifies significant steps are in place toward fulfilling adequate procedures through the emergence of a corporate liability principle through the provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009. By adhering to the CISM programme, the Company demonstrates its commitment to upholding ethical standards and transparency within its operations, aligning with regulatory frameworks aimed at combating corporate misconduct and corruption.

Furthermore, IGU continued its comprehensive training sessions to ensure employee compliance with procedures and policies across the Group, including refreshing courses on implemented policies within the Group. Additionally, the Board approved improvements to the Group's Anti-Corruption and Bribery policies on 24 August 2023, as part of the initiative to enhance corporate governance robustness. These efforts highlight the Company's dedication to fostering a culture of integrity and accountability while strengthening its corporate governance framework.

ADDITIONAL

COMPLIANCE INFORMATION

Recurrent Related Party Transactions (“RRPT”) of Revenue Nature

The RRPT of revenue nature conducted during the financial year is as follows:

Type of RRPT	Name of related party	Relations with the Company	Actual value 1/1/2023 – 31/12/2023 (RM)
Operation and maintenance contract provided by Lumut Maritime Terminal Sdn Bhd (“LMTSB”)	Lekir Bulk Terminal Sdn Bhd (“LBTSB”)	See Note 1	48,195,480
Rental of office premises from PCB Taipan Sdn Bhd (“PCBTSB”)	Perbadanan Kemajuan Negeri Perak (“PKNPk”)	Ultimate holding corporation	1,843,903

Note 1:

Integrax Berhad holds 100% equity interest in Pelabuhan Lumut Sdn Bhd, which in turn holds 50% minus 1 share equity interest in LMTSB and 100% equity interest in LBTSB.

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate exercise during the financial year that ended on 31 December 2023.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiary involving the interest of the directors and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year, except as disclosed in Note 33 of the financial statements of the Company for the financial year ended 31 December 2023:

- (i) On 31 March 2023, the Company has entered into a Master Development Agreement (“MDA”) with PKNPk to define the general and overarching terms and conditions governing the development initiatives to be undertaken by the Company and PKNPk
- (ii) On 8 January 2024, the Company has entered into a Joint Venture Agreement with PKNPk to establish a synergistic collaboration and to jointly carry out the development of Silver Valley Technology Park 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. PKNPk is entitled to basic revenue share of RM9.70 per square foot of each industrial plot sold.

- (iii) On 8 March 2024, the Company has entered into a joint development agreement (“**JDA**”) with PKNPk to collaborate with each other to jointly carry out the development of the land alienated by the State Authority of Perak (“**State**”) to PKNPk 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 PKNPk 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.

ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2024

Total number of issued shares	:	100,000,000
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote per ordinary share held

DISTRIBUTION OF SHAREHOLDERS

Size of shareholdings	No. of holders	%	Total shareholdings	%
Less than 100	266	14.04	11,554	0.01
100 to 1,000	203	10.71	117,544	0.12
1,001 to 10,000	1,099	57.99	3,727,115	3.73
10,001 to 100,000	268	14.14	8,477,834	8.48
100,001 to 4,999,999	57	3.01	30,034,703	30.03
5,000,000* and above	2	0.11	57,631,250	57.63
	1,895	100.00	100,000,000	100.00

Note :

* Denotes 5% of the issued shares

SUBSTANTIAL SHAREHOLDERS

No.	Name of holders	----- No. of shares held -----			
		Direct	%	Indirect	%
1	Perbadanan Kemajuan Negeri Perak	52,271,253 ^{*1}	52.27	627,150 ^{*2}	0.63
2	Sime Darby Property Berhad	6,125,000	6.13	-	-

Note :

*1 Including 51,506,250 shares held under CIMB Group Nominees (Tempatan) Sdn Bhd

*2 Deemed interested through its direct and indirect wholly owned subsidiaries, namely Fast Continent Sdn Bhd, Cherry Blossom Sdn Bhd and Perak Equity Sdn Bhd

DIRECTORS' SHAREHOLDINGS

No.	Name of holder	----- No. of shares held -----			
		Direct	%	Indirect	%
1	Datuk Redza Rafiq bin Abdul Razak	-	-	-	-
2	Dato' Seri Ir Mohamad Othman bin Zainal Azim	-	-	-	-
3	Datuk Seri Dr Hj Hasim bin Hasan	-	-	-	-
4	Andy Liew Hock Sim	-	-	-	-
5	Tan Chee Hau	-	-	-	-
6	Ahmad Yani bin Aminuddin	-	-	-	-
7	Faizul Hilmy bin Ahmad Zamri	-	-	-	-
8	Noor Azlin binti Zainal Abidin	-	-	-	-

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of shares held	%
1	CIMB Group Nominees (Tempatan) Sdn Bhd • CIMB Bank Bhd for Perbadanan Kemajuan Negeri Perak (CBD-NR-PERAKCB)	51,506,250	51.51
2	Sime Darby Property Berhad	6,125,000	6.13
3	Chua Sim Neo @ Diana Chua	4,914,300	4.91
4	KAF Trustee Berhad • KIFB for KAF Seagroatt & Campbell Berhad	3,912,000	3.91
5	Kenanga Nominees (Tempatan) Sdn Bhd • Rakuten Trade Sdn Bhd for Pui Cheng Wui	3,905,600	3.91
6	Alliancegroup Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Lai Cheng Kuan (8058893)	3,700,000	3.70
7	Pui Cheng Wui	1,054,600	1.05
8	Kenanga Nominees (Asing) Sdn Bhd • Cantal Capital Inc.	1,000,000	1.00
9	Perbadanan Kemajuan Negeri Perak	765,003	0.76
10	Public Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Tam Seng @ Tam Seng Sen (E-PTS)	500,000	0.50
11	Tharumanathan a/l S. Eliathamby	463,000	0.46
12	Pong Hee Kit	440,400	0.44
13	Public Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Law Yoong Kent (E-TMM)	420,500	0.42
14	Cherry Blossom Sdn Bhd	367,150	0.37
15	KAF Trustee Berhad • KIFB for Yayasan Istana Abdul Aziz	360,000	0.36
16	KAF Trustee Berhad • KIFB for DYMM Tuanku Bainun Mohd Ali	351,000	0.35
17	Vasan a/l P. Sinnadurai	338,200	0.34
18	Kenanga Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Chin Kiam Hsung	319,700	0.32
19	Ng Poh Cheng	302,200	0.30
20	Law Yoong Kent	279,000	0.28
21	Toh Ah Hai	275,000	0.27
22	Yam Poh Chi	266,000	0.27
23	Maybank Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Tay Ong Ngo @ Tay Boon Fang	260,000	0.26
24	Cheong Yoke Choy	250,000	0.25
25	Lim Soo Hien	250,000	0.25
26	Fast Continent Sdn Bhd	247,500	0.25
27	Wong Soo Chai @ Wong Chick Wai	235,400	0.24
28	Pui Boon Hean	232,000	0.23
29	Pui Cheng Tiong	231,400	0.23
30	UOB Kay Hian Nominees (Asing) Sdn Bhd • Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	230,350	0.23
		83,501,553	83.50

LIST OF MATERIAL PROPERTIES AS AT 31 DECEMBER 2023

Locations	Approximate Land Area (acres)	Tenure	Descriptions	Date of Acquisitions/ Net Book Value/ Approx. Age (Building)	Existing Use
PT 16661, 16662, 16838 & 16839, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan. (purchase vacant land in YR 2017)	125.88	Leasehold (99 years) expiring year 2114	Port Land	31.05.2017 RM94,691,022	Port Operation
Lot PT 6973, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan.	72.54	Leasehold (99 years) expiring year 2094	Warehouse & office complex building	10.04.1997 RM79,685,039 26 years	Port Operation
GRN 404949, Lot 403194 (formerly known as H.S(D) 204383 PT 245010), Mukim Ulu Kinta, District Of Kinta, Perak Darul Ridzuan.	7.34	Freehold	Hotel, convention centre & 2-office towers	30.08.2013 RM44,185,855 10 Years	Hotel and office operation
Lot 20402, PN 394961 Negeri Perak, Mukim Hulu Bernam Timor, District Of Mualim, Perak Darul Ridzuan.	247.85	Leasehold (99 years) expiring year 2108	Residential land	29.11.1997 RM25,813,235	Vacant
Lot 517373, GRN 154028 Negeri Perak, Mukim Ulu Kinta, District Of Kinta, Perak Darul Ridzuan.	50.00	Freehold	Commercial land	31.01.2004 RM14,429,626	Vacant
PT 10445 and PT10447, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan. (purchase vacant land in YR 2017)	13.30	Leasehold (99 years) expiring year 2105	Open Stockyard	31.01.2017 RM11,653,187	Port Operation
Lot 20403, PN 394962 Negeri Perak, Mukim Hulu Bernam Timor, District Of Mualim, Perak Darul Ridzuan.	103.71	Leasehold (99 years) expiring year 2108	Residential land	29.11.1997 RM11,127,699	Vacant
Lot 20571, PN 394965 Negeri Perak, Mukim Hulu Bernam Timor, District Of Mualim, Perak Darul Ridzuan.	45.94	Leasehold (99 years) expiring year 2108	Commercial land	29.11.1997 RM6,311,130	Vacant
Lot 20570, PN 394964 Negeri Perak, Mukim Hulu Bernam Timor, District Of Mualim, Perak Darul Ridzuan.	27.21	Leasehold (99 years) expiring year 2108	Commercial land	29.11.1997 RM3,741,547	Vacant
Lot 516687, GRN 151067 Negeri Perak, Mukim Ulu Kinta, District Of Kinta, Perak Darul Ridzuan.	11.38	Freehold	Mixed Development	31.01.2004 RM3,623,046	Vacant

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE **AUDITED FINANCIAL STATEMENTS**

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and their results and cash flows for the financial year.

In preparing the financial statements, the Directors have:

- (a) Complied with the applicable Malaysian Financial Reporting Standards in Malaysia;
- (b) Adopted and consistently applied appropriate accounting policies; and
- (c) Made judgements and estimates that are prudent and reasonableS

The Directors have the responsibility to ensure that the Group and the Company keep accounting records, which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the MMLR, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Directors have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company. The Directors acknowledge their overall responsibility for maintaining a system of internal controls that provides assurance of effective and efficient operations and compliance with laws and regulations and also its internal procedures and guidelines. The system of internal controls is designed to provide reasonable assurance against the risk of material errors, fraud or other irregularities.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

REPORTS AND STATUTORY FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

REPORTS AND STATUTORY FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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PERAK CORPORATION BERHAD
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(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are as follows:

Datuk Redza Rafiq Bin Abdul Razak
Andy Liew Hock Sim
Tan Chee Hau
Ahmad Yani Bin Aminuddin
Faizul Hilmy Bin Ahmad Zamri
Dato' Seri Ir Mohamad Othman Bin Zainal Azim
Datuk Seri Dr. Hj Hasim Bin Hasan
Noor Azlin Binti Zainal Abidin (appointed on 30 August 2023)

The names of directors of the Company's subsidiaries who served during the financial year and during the period from the end of the financial year to the date of the report are as follows:

Directors of PCB Equity Sdn. Bhd.

Rosmin Bin Mohamed (appointed on 26 April 2023)
Mukhriz Bin Che Murad (appointed on 26 April 2023)
Sharifah Nor Hashimah Binti Syed Kamaruddin (resigned on 26 April 2023)
Janardhane a/p Muniandy (resigned on 26 April 2023)

Directors of PCB Taipan Sdn. Bhd.

Datuk Redza Rafiq Bin Abdul Razak
Dato' Mohd Azmi Bin Hj Othman

Directors of Casuarina Meru Sdn. Bhd.

Dato' Mohd Azhar Bin Jamaluddin
Dato' Mohd Azmi Bin Hj Othman
Datuk Redza Rafiq Bin Abdul Razak (appointed on 26 April 2023)
Rosmin Bin Mohamed (appointed on 17 August 2023)
Lee Kah Jin

Directors of Lumut Maritime Terminal Sdn. Bhd.

Tn Hj Zainal Abidin Shah Bin Mahamood @ Yahya
YB Dato' Hj Samsudin Bin Abu Hassan
Dato' Mohd Azmi Bin Hj Othman
Datuk Mohd Hisham Bin Ab Halim
Datuk Redza Rafiq Bin Abdul Razak (appointed on 8 August 2023)
Dato' Azian Bin Osman (appointed on 20 November 2023)
Mohammad Zahir Bin Ismail (resigned on 1 August 2023)
YB Dato' Abd Manaf Bin Hashim (resigned on 20 November 2023)
Dato' Ir. Roslan Bin Abd Rahman

PERAK CORPORATION BERHAD
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DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

DIRECTORS (CONTINUED)

The names of directors of the Company's subsidiaries who served during the financial year and during the period from the end of the financial year to the date of the report are as follows (continued):

Directors of PCB Leisure Sdn. Bhd., Casuarina Teluk Intan Sdn. Bhd., Casuarina Boathouse Sdn. Bhd., Lanai Casuarina Sdn. Bhd. and Labu Sayong Cafe Sdn. Bhd.

Wan Mahathir Bin Mohamad Esa
Rosmin Bin Mohamed (appointed on 8 March 2024)
Rusnidar Binti Samsudin (resigned on 8 March 2024)

Directors of Casuarina Taiping Sdn. Bhd.

Wan Mahathir Bin Mohamad Esa
Chew Jia Yieng

Directors of Meru Raya Park Sdn. Bhd.

Mat Radzi Bin Awang @ Hanafiah
Wan Mahathir Bin Mohamad Esa

Directors of BioD Leisure & Recreation Sdn. Bhd.

Rosmin Bin Mohamed (appointed on 26 April 2023)
Mukhriz Bin Che Murad (appointed on 26 April 2023)
Rusnidar Binti Samsudin (resigned on 8 March 2024)
Sharifah Nor Hashimah Binti Syed Kamaruddin (resigned on 26 April 2023)

Directors of Rungkup Port Sdn. Bhd.

Datuk Redza Rafiq Bin Abdul Razak
Rosmin Bin Mohamed (appointed on 26 April 2023)
Sharifah Nor Hashimah Binti Syed Kamaruddin (resigned on 26 April 2023)

Directors of LMT Capital Sdn. Bhd.

Tn Hj Zainal Abidin Shah Bin Mahmood @ Yahya
Datuk Redza Rafiq Bin Abdul Razak

Directors of Silveritage Corporation Sdn. Bhd. and Cash Complex Sdn. Bhd.

Rosmin Bin Mohamed (appointed on 26 April 2023)
Mukhriz Bin Che Murad (appointed on 26 April 2023)
Rusnidar Binti Samsudin (resigned on 8 March 2024)
Janardhane a/p Muniandy (resigned on 26 April 2023)

Directors of PCB Land Sdn. Bhd. (formerly known as Casuarina Pangkor Sdn Bhd)

Datuk Redza Rafiq Bin Abdul Razak
Rosmin Bin Mohamed (appointed on 26 April 2023)
Sharifah Nor Hashimah Binti Syed Kamaruddin (resigned on 26 April 2023)

PERAK CORPORATION BERHAD
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of property and investment holding, real property development and provision of management services. The principal activities of the subsidiaries and associates are shown in Notes 15 and 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
Net profit/(loss) for the financial year	<u>19,389</u>	<u>(11,621)</u>
Attributable to:		
Owners of the Company	2,859	(11,621)
Non-controlling interests	<u>16,530</u>	<u>0</u>
	<u>19,389</u>	<u>(11,621)</u>

DIVIDENDS

No dividend has been paid or declared since the end of the Company's previous financial year. The directors do not recommend the payment of any dividend for the financial year ended 31 December 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, none of the directors who held office at the end of the financial year held any interest in shares in, or debentures of, the Company or every other body corporate, being the Company's subsidiary or holding company or a subsidiary of the Company's holding company during the financial year.

PERAK CORPORATION BERHAD
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiaries are a party, being arrangements with the objects of enabling the directors of the Company or its subsidiaries to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 26(c) to the financial statements.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	GROUP RM'000	COMPANY RM'000
Fees	976	402
Salaries, bonuses and other benefits	194	141
	<u>1,170</u>	<u>543</u>

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

A subsidiary maintains a Directors' and Officers' Liability Insurance which provides appropriate insurance cover for the directors and key management personnel of the said subsidiary. The amount of insurance premium paid by the said subsidiary for the financial year ended 31 December 2023 amounted to approximately RM20,670.

The Company provides a Directors' and Officers' Liability Insurance for its directors and key management personnel effective August 2023. The amount of insurance premium paid by the Company for the said insurance for the financial year ended 31 December 2023 amounted to approximately RM20,835. Other than as disclosed above, there are no other indemnities have been given to or insurance effected for any other directors, officers or auditors of the Company and its subsidiaries during the financial year and during the period from the end of the financial year to the date of this report.

PERAK CORPORATION BERHAD
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

ULTIMATE HOLDING CORPORATION

The ultimate holding corporation is Perbadanan Kemajuan Negeri Perak, a body corporate established under Perak Enactment No. 3, 1967.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of allowance for doubtful debts inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

PERAK CORPORATION BERHAD
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**DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

OTHER STATUTORY INFORMATION (CONTINUED)

In the opinion of the directors:

- (a) except as disclosed in Note 32 to the financial statements, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made other than the event occurring subsequent to the financial year as disclosed in Note 33 to the financial statements.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in Note 15 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events occurred during the financial year are disclosed in Note 32 to the financial statements.

MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL YEAR

Material events subsequent to the financial year end are disclosed in Note 33 to the financial statements.

PERAK CORPORATION BERHAD
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DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:

	GROUP RM'000	COMPANY RM'000
Audit fees	615	180
Non-audit fees	<u>186</u>	<u>186</u>
	<u>801</u>	<u>366</u>

This report was approved by the Board of Directors on 30 April 2024. Signed on behalf of the Board of Directors.

DATUK REDZA RAFIQ BIN ABDUL RAZAK
DIRECTOR

DATUK SERI DR HJ HASIM BIN HASAN
DIRECTOR

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS PURSUANT TO
SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Datuk Redza Rafiq Bin Abdul Razak and Datuk Seri Dr Hj Hasim Bin Hasan, being two of the directors of Perak Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 18 to 117 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 April 2024.

DATUK REDZA RAFIQ BIN ABDUL RAZAK
DIRECTOR

DATUK SERI DR HJ HASIM BIN HASAN
DIRECTOR

**STATUTORY DECLARATION PURSUANT TO
SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Chew Jia Yieng, being the officer primarily responsible for the financial management of Perak Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 18 to 117 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

CHEW JIA YIENG

Subscribed and solemnly declared by the abovenamed, Chew Jia Yieng (NRIC No.: 771023-08-7248) before me at Ipoh, in the State of Perak Darul Ridzuan, Malaysia on 30 April 2024.

COMMISSIONER FOR OATHS

AZNOL RIZAL BIN FATAHAL KARIM
License Number: A264

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERAK CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Perak Corporation Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 18 to 117.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERAK CORPORATION BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. The liquidity position and the implications to going concern	
(Refer to Note 2 - Basis of preparation, Note 23 - Loans and borrowings, Note 28.2(d) - Liquidity risk, Note 32 - Significant events during the financial year and Note 33 - Material events subsequent to the end of the current financial year)	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>As disclosed in Note 2 to the financial statements - Basis of Preparation, certain lenders of the Group had declared events of default and cross default on certain loans and borrowings following the failure of the Group in making principal loan repayment in the previous financial years. As a result, loans and borrowings with default and cross default clauses were reclassified from non-current liabilities to current liabilities since the previous financial year.</p> <p>These loans and borrowings were classified as current liabilities and are repayable on demand or within 1 year as at 31 December 2023. The carrying amounts of these loans and borrowings as at 31 December 2023 amounted to approximately RM65.8 million (2022: RM94.2 million) for the Group and RM0.9 million (2022: RM25.3 million) for the Company respectively.</p> <p>As at 31 December 2023, the Group's and the Company's current liabilities exceeded their current assets by RM30.7 million (2022: RM62.3 million) and RM134.3 million (2022: RM146.4 million) respectively. This indicated that the Group and the Company do not have sufficient liquidity to meet their obligations and commitments as and when they fall due and when they become repayable over the next 12 months from the reporting date.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Reviewed and evaluated the appropriateness of management's basis to prepare the Group and the Company's financial statements on a non-going concern; and • Reviewed and assessed the appropriateness of disclosure in the financial statements especially on matters which require the exercise of judgements and use of estimates when preparing the financial statements on a non-going concern basis; <p>Based on the work performed, we concurred with the directors' conclusion that the basis of preparation for the financial statements of the Group and the Company is on a non-going concern basis.</p> <p>No other material exception was noted.</p>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PERAK CORPORATION BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

Key Audit Matters (Cont'd)

1. The liquidity position and the implications to going concern (Cont'd)	
(Refer to Note 2 - Basis of preparation, Note 23 - Loans and borrowings, Note 28.2(d) - Liquidity risk, Note 32 - Significant events during the financial year and Note 33 - Material events subsequent to the end of the current financial year)	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>The Directors determined that the Group and the Company were unable to declare that they were solvent pursuant to paragraph 9.19A of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements. The trigger of the prescribed criteria under paragraph 2.1 (f) of the Practice Note 17 ("PN 17") where the Company was declared a PN 17 company on 11 February 2020 remains valid as at 31 December 2023. The Group's submission of its regularisation plan to Bursa Malaysia was due on 10 February 2024. On 9 February 2024, the Company submitted a further extension of time application to Bursa Malaysia of twelve (12) months i.e. up to 9 February 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. The 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 shareholders' equity, gearing, net asset position, cash flow position, and address its accumulated losses position.</p> <p>The Directors prepared the financial statements of the Group and of the Company as a non-going concern. The basis of preparation on non-going concern is described in Note 2 to the financial statements along with the resultant impacts to the respective financial statements' line items.</p> <p>This is considered a key audit matter as the assessment of the Group's liquidity position and its ability to continue as a going concern affect the basis of preparation of the financial statements.</p>	

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PERAK CORPORATION BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

Key Audit Matters (Cont'd)

2. The carrying amounts of non-financial assets	
(Refer to Note 11 - Property, plant and equipment, Note 12 - Right-of-use assets, Note 13 - Port facilities, Note 14 - Investment properties and Note 18 - Intangible assets)	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>As at 31 December 2023, the carrying amounts of non-financial assets are as follows:</p> <ul style="list-style-type: none"> - property, plant and equipment: RM73.0 million; - right-of-use assets: RM88.8 million; - port facilities: RM151.6 million; - investment properties: RM7.0 million; and - intangible assets: RM24.4 million <p>The management carried out an impairment assessment on the above mentioned non-financial assets. The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the recoverable amount which is the higher of fair value less cost of disposal ("FVLCD") or forced sale value ("FSV"), where appropriate and value-in-use ("VIU"), taking into consideration the basis of preparation as a non-going concern.</p> <p>This is considered a key audit matter due to the significant carrying amounts and the inherent subjectivity that is involved in making judgement in relation to the impairment assessment.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Assessed the objectivity, competence and experience of the independent professional valuers; • Obtained an understanding of the methodology adopted by the independent professional valuers and assessed if the methodology used is consistent with industry practices; • Reviewed management's estimate of the recoverable amounts and tested the cash flow forecasts for their accuracy; • Evaluated the appropriateness and reasonableness of the key assumptions by taking into consideration the past performances; • Performed sensitivity analysis over the key assumptions to understand the impact of changes over the recoverable amounts; and • Reviewed the adequacy of disclosure in the financial statements. <p>Based on the work performed, no material exception noted.</p>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PERAK CORPORATION BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

Key Audit Matters (Cont'd)

3. Recoverable amounts for property development costs (Refer to Note 19 - Inventories)	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>As at 31 December 2023, the carrying amounts of property development costs of the Group and of the Company included as part of inventories amounted to RM93.7 million and RM75.5 million respectively.</p> <p>The management performed an assessment to establish the lower of cost and net realisable value for the property development costs. The assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the net realisable value.</p> <p>This is considered a key audit matter due to its significant balance and the inherent subjectivity that is involved in making judgement in relation to the assessment.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Assessed the objectivity, competence and experience of the independent professional valuers; • Obtained an understanding of the methodology adopted by the independent professional valuers and assessed if the methodology used is consistent with industry practices; and • Reviewed the adequacy of disclosure in the financial statements. <p>Based on the work performed, no material exception noted.</p>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PERAK CORPORATION BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

Key Audit Matters (Cont'd)

4. Adequacy of expected credit loss allowance for doubtful debts and financial guarantee contracts	
(Refer to Note 20 - Receivables, deposits and prepayments, Note 24 - Payables and accrued liabilities and Note 31 - Financial guarantee contracts)	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>As at 31 December 2023, third party trade receivables, other receivables and other related parties of the Group and of the Company amounted to approximately RM34.6 million and RM0.02 million respectively.</p> <p>As at 31 December 2023, the values of corporate guarantees issued to associated companies and subsidiaries amounted to approximately RM24.7 million and RM72.8 million respectively.</p> <p>The management applied the expected credit loss ("ECL") model to determine the extent of ECL allowance required as at 31 December 2023.</p> <p>This is considered a key audit matter due to the inherent subjectivity that is involved in making significant judgements and critical estimates made by the management to determine the level of ECL allowance.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Enquired management's inputs and assumptions used when determining the ECL allowance; • Verified loan repayments by associated companies and subsidiaries in respect of financial guarantee contracts; • Evaluated the appropriateness and reasonableness of the key assumptions used in the ECL model and tested its mathematical accuracy; • Tested the accuracy of the ageing profiles against supporting documents on a sample basis; • Evaluated the adequacy of impairment losses provided; and • Reviewed the adequacy of disclosure in the financial statements. <p>Based on the work performed, no material exception noted.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERAK CORPORATION BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PERAK CORPORATION BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PERAK CORPORATION BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 199101000605 (210915-U)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

30 April 2024

Chan Kuan Chee
02271/10/2025 J
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE	4	160,651	149,001	0	0
COST OF SALES		(70,316)	(65,332)	0	0
GROSS PROFIT		90,335	83,669	0	0
Administrative expenses		(59,760)	(56,869)	(12,581)	(11,746)
Other income		10,238	68,846	4,225	59,919
Other expenses		(79)	(31,995)	0	(10,238)
(Net impairment losses)/Reversal of impairment losses on:					
- receivables		(789)	(10,850)	(4,029)	(3,400)
- financial guarantee contracts		247	1,271	3,611	1,271
OPERATING PROFIT/(LOSS)	5	40,192	54,072	(8,774)	35,806
Finance costs	8	(8,139)	(12,245)	(2,847)	(6,059)
PROFIT/(LOSS) BEFORE TAX		32,053	41,827	(11,621)	29,747
Tax expense	9	(12,664)	(12,167)	0	0
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR		19,389	29,660	(11,621)	29,747
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR, NET OF TAX		0	0	0	0
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		19,389	29,660	(11,621)	29,747
NET PROFIT/(LOSS)/TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:					
Owners of the Company		2,859	13,359	(11,621)	29,747
Non-controlling interests		16,530	16,301	0	0
		19,389	29,660	(11,621)	29,747
Profit per share attributable to equity holders of the parent (sen)					
Basic/Diluted	10	2.86	13.36		

The accompanying notes form an integral part of these financial statements.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	72,957	75,151	51	13
Right-of-use assets	12	88,771	89,994	3,771	4,714
Port facilities	13	151,567	144,154	0	0
Investment properties	14	7,022	7,305	0	0
Investments in subsidiaries	15	0	0	98,099	98,099
Other investments	17	25	25	0	0
Intangible assets	18	24,433	25,107	0	0
Inventories	19	10,428	10,428	0	0
		<u>355,203</u>	<u>352,164</u>	<u>101,921</u>	<u>102,826</u>
CURRENT ASSETS					
Inventories	19	95,813	97,009	75,522	75,314
Receivables, deposits and prepayments	20	47,651	25,906	368	2,267
Current tax assets		131	78	128	75
Other investments	17	126	121	45	43
Deposits, cash and bank balances	21	41,260	51,381	142	422
		<u>184,981</u>	<u>174,495</u>	<u>76,205</u>	<u>78,121</u>
TOTAL ASSETS		<u><u>540,184</u></u>	<u><u>526,659</u></u>	<u><u>178,126</u></u>	<u><u>180,947</u></u>
EQUITY					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	22	272,770	272,770	272,770	272,770
Accumulated losses		(177,703)	(180,562)	(347,540)	(335,919)
		<u>95,067</u>	<u>92,208</u>	<u>(74,770)</u>	<u>(63,149)</u>
Non-controlling interests		162,112	150,582	0	0
TOTAL EQUITY		<u><u>257,179</u></u>	<u><u>242,790</u></u>	<u><u>(74,770)</u></u>	<u><u>(63,149)</u></u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans and borrowings	23	54,119	33,769	42,402	19,584
Deferred tax liabilities	25	13,211	13,263	7	7
		<u>67,330</u>	<u>47,032</u>	<u>42,409</u>	<u>19,591</u>
CURRENT LIABILITIES					
Loans and borrowings	23	65,834	94,186	911	25,335
Payables and accrued liabilities	24	146,872	139,626	209,576	199,170
Current tax liabilities		2,969	3,025	0	0
		<u>215,675</u>	<u>236,837</u>	<u>210,487</u>	<u>224,505</u>
TOTAL LIABILITIES		<u><u>283,005</u></u>	<u><u>283,869</u></u>	<u><u>252,896</u></u>	<u><u>244,096</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>540,184</u></u>	<u><u>526,659</u></u>	<u><u>178,126</u></u>	<u><u>180,947</u></u>

The accompanying notes form an integral part of these financial statements.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Issued and fully paid share capital RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
<u>GROUP</u>					
At 1.1.2023	272,770	(180,562)	92,208	150,582	242,790
<u>Total comprehensive income for the financial year</u>					
Net profit for the financial year	0	2,859	2,859	16,530	19,389
<u>Total transactions with owners, recognised directly in equity</u>					
Dividends paid by a subsidiary to non-controlling interests	0	0	0	(5,000)	(5,000)
At 31.12.2023	<u>272,770</u>	<u>(177,703)</u>	<u>95,067</u>	<u>162,112</u>	<u>257,179</u>
At 1.1.2022	272,770	(193,921)	78,849	139,281	218,130
<u>Total comprehensive income for the financial year</u>					
Net profit for the financial year	0	13,359	13,359	16,301	29,660
<u>Total transactions with owners, recognised directly in equity</u>					
Dividends paid by a subsidiary to non-controlling interests	0	0	0	(5,000)	(5,000)
At 31.12.2022	<u>272,770</u>	<u>(180,562)</u>	<u>92,208</u>	<u>150,582</u>	<u>242,790</u>

The accompanying notes form an integral part of these financial statements.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Issued and fully paid <u>share capital</u> RM'000	Accumulated <u>losses</u> RM'000	<u>Total</u> RM'000
<u>COMPANY</u>			
At 1.1.2023	272,770	(335,919)	(63,149)
<u>Total comprehensive expenses for the financial year</u>			
Net loss for the financial year	0	(11,621)	(11,621)
At 31.12.2023	<u>272,770</u>	<u>(347,540)</u>	<u>(74,770)</u>
At 1.1.2022	272,770	(365,666)	(92,896)
<u>Total comprehensive income for the financial year</u>			
Net profit for the financial year	0	29,747	29,747
At 31.12.2022	<u>272,770</u>	<u>(335,919)</u>	<u>(63,149)</u>

The accompanying notes form an integral part of these financial statements.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
OPERATING CASH FLOWS				
Net profit/(loss) for the financial year	19,389	29,660	(11,621)	29,747
Adjustments for:				
Amortisation of computer software	911	1,121	0	0
Depreciation				
- property, plant and equipment	4,706	5,707	13	12
- right-of-use assets	1,155	1,198	943	943
- port facilities	5,848	5,890	0	0
- investment properties	283	283	0	0
Bad debt written off	0	27	0	0
Property, plant and equipment written off	325	2	0	0
Port facilities written off	0	202	0	0
Inventories written down	25	747	0	0
Impairment losses				
- property, plant and equipment	24	17,641	0	0
- right-of-use assets	0	3,147	0	0
- amount due from ultimate holding corporation	920	307	6	145
- amount due from subsidiaries	0	0	4,044	2,523
- amount due from former subsidiaries	0	10,703	0	348
- amount due from fellow subsidiaries	22	62	1	0
- amount due from associates	0	671	0	638
- amount due from related parties	645	0	0	0
- other receivables	278	328	0	0
- trade receivables	314	1,000	0	0
- financial guarantee contracts	0	195	0	195
Operating cash flows carried forward	<u>34,845</u>	<u>78,891</u>	<u>(6,614)</u>	<u>34,551</u>

The accompanying notes form an integral part of these financial statements.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
OPERATING CASH FLOWS (CONTINUED)				
Operating cash flows brought forward	34,845	78,891	(6,614)	34,551
Adjustments for:				
Dividend income	(1)	(2)	0	0
Fair value gain on financial assets measured at fair value at profit or loss				
- other investment	(5)	(60)	(2)	(1)
Gain on disposal of property, plant and equipment	(72)	0	0	0
Gain on disposal of a leasehold land held for development	(2,244)	0	0	0
Gain on lease modification	(3)	0	0	(168)
Interest income	(945)	(677)	(18)	(53)
Reversal of allowance for impairment losses				
- property, plant and equipment	0	(4,308)	0	0
- amount due from ultimate holding corporation	(42)	(1,164)	0	0
- amount due from subsidiaries	0	0	0	(254)
- amount due from a former subsidiary	(156)	0	(22)	0
- amount due from a fellow subsidiary	(111)	0	0	0
- amount due from associates	0	(711)	0	0
- trade receivables	(1,037)	(208)	0	0
- other receivables	(44)	(138)	0	0
- financial guarantee contracts	(247)	(1,466)	(3,611)	(1,466)
Reversal of inventories previously written down	0	(270)	0	0
Waiver of interest expense	(1,461)	0	0	0
Waiver of penalty	(4,199)	0	(4,199)	0
Finance costs	8,139	12,245	2,847	6,059
Tax expense	12,664	12,167	0	0
	<u>45,081</u>	<u>94,299</u>	<u>(11,619)</u>	<u>38,668</u>
Changes in working capital:				
Inventories	(636)	(989)	(210)	9,998
Receivables	(10,927)	(3,206)	331	(422)
Related parties	906	(708)	0	0
Finance lease receivable	0	57	0	0
Payables	8,898	4,897	4,898	(413)
	<u>(1,759)</u>	<u>51</u>	<u>5,019</u>	<u>9,163</u>
Cash flows generated from/(for) operation	43,322	94,350	(6,600)	47,831
Tax paid	(12,825)	(11,685)	(53)	(75)
Tax refunded	0	1,038	0	0
Net operating cash flow carried forward	<u>30,497</u>	<u>83,703</u>	<u>(6,653)</u>	<u>47,756</u>

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Net operating cash flow carried forward	30,497	83,703	(6,653)	47,756
INVESTING CASH FLOWS				
Purchase of property, plant and equipment	(2,529)	(1,077)	(51)	0
Purchase of right-of-use asset	0	(1,309)	0	0
Purchase of port facilities	(13,261)	(9,662)	0	0
Purchase of intangible assets	(237)	(122)	0	0
Proceeds from disposals				
- other investments	0	4,232	0	0
- property, plant and equipment	100	0	0	0
- leasehold land held for development	4,051	0	0	0
Advances to related parties	(11,180)	(1,210)	(2,460)	(2,692)
Dividend income received	1	2	0	0
Interest received	795	466	18	53
Net investing cash flow	(22,260)	(8,680)	(2,493)	(2,639)
FINANCING CASH FLOWS				
Dividends paid to non-controlling interests	(5,000)	(5,000)	0	0
Placement of deposits with licensed banks with maturity of more than 3 months	(5,389)	(275)	0	0
Placement of pledged deposits with licensed banks	(5)	(5)	0	0
Drawdown of business financing-i and cash line-i	51	0	0	0
Repayment of hire purchase and finance lease liabilities	(696)	(66)	0	0
Repayment of term financing	(5,720)	(5,720)	0	0
Repayment of revolving credits	(91)	(39,647)	(89)	(39,647)
Interest paid	(6,727)	(19,883)	(261)	(13,334)
(Repayment to)/Advances from related parties	(171)	773	9,216	5,474
Net financing cash flow	(23,748)	(69,823)	8,866	(47,507)
Net change in cash and cash equivalents	(15,511)	5,200	(280)	(2,390)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	30,169	24,969	416	2,806
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (Note 21)	14,658	30,169	136	416

The accompanying notes form an integral part of these financial statements.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Changes in liabilities arising from financing activities

	<u>As at</u> <u>1 January</u> RM'000	<u>Proceeds</u> <u>from</u> <u>drawdown</u> RM'000	<u>Repayments</u> RM'000	<u>Changes in</u> <u>overdraft</u> RM'000	<u>Non-cash</u> <u>changes</u> RM'000	<u>Penalty</u> <u>and other</u> <u>charges</u> RM'000	<u>Interest</u> <u>expense</u> RM'000	<u>Interest</u> <u>paid</u> RM'000	<u>Waiver of</u> <u>penalty</u> RM'000	<u>As at 31</u> <u>December</u> RM'000
<u>2023</u>										
GROUP										
Loans and borrowings	127,955	51	(6,507)	(4)	885	2,699	5,440	(6,727)	(4,199)	119,593
<u>COMPANY</u>										
Loans and borrowings	44,919	0	(89)	0	97	0	2,846	(261)	(4,199)	43,313
<u>2022</u>										
GROUP										
Loans and borrowings	183,212	0	(45,433)	4	(873)	5,284	5,644	(19,883)	0	127,955
<u>COMPANY</u>										
Loans and borrowings	90,711	0	(39,647)	0	2,087	2,398	2,704	(13,334)	0	44,919

The accompanying notes form an integral part of these financial statements.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

The principal activities of the Company are that of property and investment holding, real property development and provision of management services. The principal activities of the subsidiaries and associates are shown in Notes 15 and 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is as follows:

Registered office
No. 1 Jalan Lasam
30350 Ipoh
Perak Darul Ridzuan

The address of the principal place of business of the Company is as follows:

No. 1-A, Blok B, Menara PKNP
Jalan Meru Casuarina
Bandar Meru Raya
30020 Ipoh
Perak Darul Ridzuan

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

The Group reported profit after tax of RM19.4 million (2022: RM29.7 million) for the financial year ended 31 December 2023 and as at that date, the Group's and the Company's current liabilities exceeded its current assets by RM30.7 million (2022: RM62.3 million) and RM134.3 million (2022: RM146.4 million) respectively. As at 31 December 2023, deposits, cash and bank balances of the Group and the Company totalled RM41.3 million and RM0.1 million and borrowing due repayment over the next 12 months after reporting date totalled RM65.8 million and RM0.9 million respectively.

The financial statements of the Group and the Company are prepared on a non-going concern basis. There has been no change in the basis of preparation since the previous financial year. As part of the regularisation efforts, management have initiated a private debt settlement arrangement and has executed debt settlement agreements with bankers. At the date of this report, certain terms and conditions precedent of the debt settlements are pending fulfillment.

On 6 November 2023, Bursa Malaysia Securities Berhad ("Bursa Malaysia") extended the regularisation plan submission dateline to 10 February 2024. On 9 February 2024, the Company submitted a further extension of time application to Bursa Malaysia of twelve (12) months up to 9 February 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. As of the date of authorisation of the financial statements, this extension is pending approval from Bursa Malaysia and 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 is 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

Key chronological events (continued)

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. On 28 February 2022, Bursa Malaysia had decided to grant the Company an extension of time up to 10 August 2022 to submit its regularisation plan. On 2 September 2022, Bursa Malaysia had decided to grant the Company an extension of time up to 10 February 2023 to submit its regularisation plan to the relevant regulatory authorities. On 13 April 2023, Bursa Malaysia extended the regularisation plan submission dateline to 9 August 2023. At the date of the authorisation of the financial statement for financial year 2022, management is in the midst of formulating a proposed regularisation plan.

Cross defaults declared on the Company and PCB Taipan Sdn. Bhd.

Following the declaration of an event of default by AIB for the credit facilities extended to the Company and the Company's declaration being a PN 17 company, CIMB Bank Berhad ("CIMB") had on 28 February 2020 declared an event of cross default in respect of the Revolving Credit Facilities of RM60.0 million and RM30.0 million granted to the Company and its subsidiary, PCB Taipan Sdn. Bhd. ("PCB Taipan") respectively and demanded full payment of RM91.3 million representing the principal amount drawn down and interest due as at the date of the event of default within 14 days from 28 February 2020.

Proposed Scheme of Arrangement with Non-Financial Institutions creditors

On 23 July 2020, the High Court of Malaya in Ipoh, Perak Darul Ridzuan granted the Company and its wholly owned subsidiary, PCB Development (collectively "the Scheme Companies") to convene a Secured Creditor's Meeting (hereinafter "the Court Convened Creditors' Meeting") pursuant to Section 366 of the Companies Act 2016 (hereinafter "the Act") for the purpose of taking into account and if deemed appropriate, to approve with or without modification, a proposed scheme of arrangement and compromise between the Applicant and its Secured Creditors ("the Scheme Creditors") within ninety (90) days from 23 July 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

Key chronological events (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

Key chronological events (continued)

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 cash settlement to AIB and CIMB as per the debt settlement agreements.

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 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 terms and conditions precedent outlined in the Company's supplemental agreement to the CIMB debt settlement agreement and PCB Taipan's debt settlement agreement with CIMB are pending fulfilment.

PERAK CORPORATION BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

Key chronological events (continued)

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. The appeal is fixed for case management on 20 May 2024.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

Regularisation Plan

The submission of its regularisation plan to Bursa Malaysia was due on 10 February 2023. The Company had on 9 February 2023 submitted an application to Bursa Malaysia for an extension of time for a period of 12 months up to 9 February 2024. 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 for a period of ten (10) months 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 to submit its regularisation plan to the relevant regulatory authorities.

On 9 February 2024, the Company submitted a further extension of time application to Bursa Malaysia for a period twelve (12) months up to 9 February 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. As of the date of authorisation of the financial statements, this extension is pending approval from Bursa Malaysia and the regularisation plan is still being formulated.

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

- (a) repayment of the Group's future debt obligations via the redemption of RPS to be issued to the financial institutions and New Scheme Creditors as well as the settlement to the New Scheme Creditors in the ordinary course of business;
- (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 and of the Company to repay their loans and borrowings with the financial institutions. As at 31 December 2023, the total loans and borrowings of the Group and of the Company amounted to RM120.0 million (2022: RM127.9 million) and RM43.3 million (2022: RM44.9 million) respectively, constituted about 42.4% and 17.1% of the total liabilities of the Group and of the Company.

In addition, out of the total loans and borrowings of the Group and of the Company, RM65.8 million (2022: RM94.2 million) and RM0.9 million (2022: RM25.3 million) are due repayable on demand or within 1 year respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

Key determinants in arriving at the basis of preparation of the financial statements on a non-going concern basis (continued)

The bank and cash position of the Group and of the Company as at 31 December 2023 of RM41.3 million and RM0.1 million respectively, 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 shareholders' 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. The directors are of the view that the Group's and the Company's ability to continue its operations and business had been significantly curtailed since the previous financial year and continued to be curtailed up to the date of this report. In view of this, the directors continued to prepare the consolidated financial statements of the Group and the financial statements of the Company for the financial year ended 31 December 2023 on a non-going concern basis. Consequently, the directors applied the requirements of paragraph 25 of MFRS 101 "Presentation of Financial Statements" which states that *"...When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern."*

Basis of measurement

Accordingly, the effect of this is as follows:

- Assets are written down to their recoverable amounts based on conditions existing at the reporting date, taking into consideration the specific circumstances affecting the Group and the Company as disclosed above. This includes realisation of assets through forced sale transactions, where applicable;
- Assets are classified as current when these are expected to be recovered within twelve months from the reporting period, considering the liquidity constraints and obligations of the Group and of the Company that would fall due within the next twelve months;
- Liabilities are recorded in accordance with the accounting policies. Provision for future restructuring costs are recognised only when the Group and the Company have a present obligation that is evidenced by a detailed formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring; and
- Liabilities are classified as current if the liability is due to be settled within twelve months after the reporting period of the Group and the Company do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

- 2.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 3 to the financial statements in line with the amendments.

- 2.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Impairment of Property, Plant and Equipment, Right-of-use Assets, Port Facilities, Investment Properties and Intangible Assets

The Group and the Company determine whether an item of its property, plant and equipment, right-of-use assets, port facilities, investment properties and intangible is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows, if required. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key Sources of Estimation Uncertainty (Continued)

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(f) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical Judgements Made in Applying Accounting Policies (Continued)

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(c) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

3.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

3.5 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the separate financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the consolidated financial statements.

3.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

	%
Buildings and improvements	2 - 10
Equipment, furniture and fittings	5 - 33.33
Computers	20
Motor vehicles	10 - 25
Refurbishment and renovations	10

Assets under construction are carried as 'capital work in progress' and depreciation only commences when the assets are ready for their intended use.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.7 PORT FACILITIES

Port facilities are stated at cost less accumulated depreciation and accumulated impairment losses, if applicable.

All expenditure incurred, associated with development of port facilities inclusive of interest cost capitalised in accordance with MFRS 123 are amortised on a straight-line basis to write off the cost of the assets over their estimated useful lives.

The principal annual rates of depreciation are as follows:

	%
Port structure	2
Port equipment	10 - 20

Leasehold port land is presented as 'right-of-use assets' in the statements of financial position. This right-of-use asset is amortised over the lease periods of 80 and 99 years.

Assets under construction are carried as 'capital work in progress' and depreciation only commences when assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.8 INVESTMENT PROPERTIES

Investment properties, comprising principally land and office buildings are held for long term rental yields or for capital appreciation or both, and are not substantially occupied by the Group. Building fittings that are attached to the buildings are also classified as investment properties. Cost also includes professional fees for legal services, property transfer taxes and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses.

Freehold land is not depreciated as it has an infinite life. Investment properties are depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

	Years
Commercial property - Freehold property	50

3.9 INTANGIBLE ASSETS

Computer software license

Acquired computer software license is initially stated at cost. The cost of computer software license initially recognised includes its purchase price and any cost that is directly attributable to bringing the software to the location and condition necessary for it to be capable of operating in the manner intended by management. The purchase price is amortised from the point at which the asset is ready for use on a straight line basis over the useful life of 5 years.

After initial recognition, computer software license is stated at cost less accumulated depreciation and accumulated impairment losses, if applicable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities’ incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

3.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

(a) Completed properties

The cost of completed properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to present location and condition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.11 INVENTORIES (CONTINUED)

(b) Land held for property development

The cost of land held for property development is stated at the lower of cost and net realisable value. It consists of the purchase price of the land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where development activities can be completed within the Group's normal operating cycle.

(c) Property development costs

Cost is determined based on a specific identification basis. Property development costs comprising costs of land, land enhancement costs, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value.

The property development costs are subsequently recognised as an expense in the statements of comprehensive income when or as the control of the asset is transferred to the customer.

Property development costs for which work has been undertaken and development activities are expected to be completed within the Group's normal operating cycle, is classified as current asset.

(d) Hotel operating supplies

Cost is determined using the first-in, first-out method and comprises food and beverage, printing and stationeries and guestroom supplies.

(e) Other inventories

Other inventories comprise tools, spares and supplies and the cost is determined using the first-in, first-out method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.12 REVENUE RECOGNITION

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of estimated returns, discounts, commissions, rebates and taxes. Discounts and rebates are measured using the most likely amount method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

When the Group has performed by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a receivable. A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on future performance other than the passage of time. The Group's obligation to transfer goods or services to a customer for which the Group has received consideration in advance from customer is presented as contract liability.

Costs that are incremental to obtaining a contract shall be recognised as an asset if the Group expects to recover those costs. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.12 REVENUE RECOGNITION (CONTINUED)

Specific revenue recognition criteria for each of the Group's activities are as described below:

(a) Hotel operations

Revenue from hotel operations comprising rental of hotel rooms, hall and office, sale of food and beverages and other related income are recognised when the services are provided.

(b) Port services

Revenue from port services (including operations and maintenance services) is recognised in profit or loss as and when services are rendered.

(c) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Sale of land/completed properties

Revenue from sales of land/completed properties is recognised at the point in time when the control of the land/properties is transferred to the buyers without any significant contractual acts to complete.

(e) Revenue from restaurant operations

Revenue from restaurant operations comprising sale of food and beverages. The revenue is recognised upon delivery of the food and beverages to the customers.

(f) Management fees

Management fees in respect of the management services provided by the Group are recognised when the services are provided.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.12 REVENUE RECOGNITION (CONTINUED)

(g) Sale of properties under development

For sale of properties under development, the directors consider whether the contract comprises a contract to construct a property or a contract for the sale of a completed property and whether the financial outcome of the development activity can be reliably estimated.

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the control of the property is transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses.

Continuous transfer of work in progress is applied when:

- (i) The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer; and
- (ii) All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

3.13 OTHER INCOME

(a) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4 REVENUE

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Revenue from contracts with customers:</u>				
Hotel revenue - rooms and halls	10,626	9,418	0	0
Restaurants, food and beverages	11,447	9,834	0	0
Port services	136,627	127,777	0	0
Management services	404	406	0	0
	<u>159,104</u>	<u>147,435</u>	<u>0</u>	<u>0</u>
<u>Revenue from other sources:</u>				
Rental income - premises	1,547	1,566	0	0
Total revenue	<u>160,651</u>	<u>149,001</u>	<u>0</u>	<u>0</u>
<u>Timing of revenue recognition:</u>				
Goods sold at a point in time	15,024	11,539	0	0
Services rendered over time	145,627	137,462	0	0
	<u>160,651</u>	<u>149,001</u>	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 OPERATING PROFIT/(LOSS)

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit/(loss) is stated after charging/(crediting):				
Auditors' remuneration paid/payable:				
- Statutory audit				
- current year	615	603	180	172
- underprovision in prior year	0	15	0	0
- Non-statutory audit fees				
- assurance related	186	15	186	15
Amortisation of intangible assets	911	1,121	0	0
Bad debts written off	0	27	0	0
Depreciation:				
- Property, plant and equipment	4,706	5,707	13	12
- Port facilities	5,848	5,890	0	0
- Investment properties	283	283	0	0
- Right-of-use assets	1,155	1,198	943	943
Directors' fees and remuneration (Note 7)	1,170	1,873	543	1,275
Employee benefits expense (Note 6)	45,709	41,705	7,857	6,943
Impairment losses:				
- Property, plant and equipment	24	17,641	0	0
- Right-of-use assets	0	3,147	0	0
- Financial guarantee contracts	0	195	0	195
Land cost in relation to compulsory acquisition of land	0	10,238	0	10,238
Lease expenses for short term leases and low value assets	136	173	0	14
Loss on foreign exchange (realised)	5	0	0	0
Port facilities written off	0	202	0	0
Property, plant and equipment written off	325	2	0	0
Inventories written down	25	747	0	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 OPERATING PROFIT/(LOSS) (CONTINUED)

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Operating profit/(loss) is stated after charging/(crediting): (continued)				
Interest income from:				
- Amount due from associates	(150)	(211)	0	0
- Fixed deposits	(795)	(466)	(18)	(53)
Compensation received from compulsory acquisition of land	0	(59,691)	0	(59,691)
Dividend income	(1)	(2)	0	0
Gain on disposal of a leasehold land held for development	(2,244)	0	0	0
Gain on disposal of property, plant and equipment	(72)	0	0	0
Gain on foreign exchange (realised)	0	(4)	0	0
Gain on lease modification	(3)	0	0	0
Fair value gain on financial assets measured at fair value through profit or loss	(5)	(60)	(2)	(1)
Government wages subsidy	0	(428)	0	0
Rental income from leasing of buildings	(168)	(168)	0	0
Reversal of impairment loss on property, plant and equipment	0	(4,308)	0	0
Reversal of inventories previously written down	0	(270)	0	0
Reversal of impairment loss on financial guarantee contracts	(247)	(1,466)	(3,611)	(1,466)
Waiver of interest expense	(1,461)	0	0	0
Waiver of penalty	(4,199)	0	(4,199)	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 OPERATING PROFIT/(LOSS) (CONTINUED)

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit/(loss) is stated after charging/(crediting): (continued)				
Included in net impairment losses/ (reversal of impairment losses) of receivables are:				
Impairment losses:				
- Trade receivables	314	1,000	0	0
- Other receivables	278	328	0	0
- Amount due from ultimate holding corporation	920	307	6	145
- Amount due from subsidiaries	0	0	4,044	2,523
- Amount due from former subsidiaries	0	10,703	0	348
- Amount due from fellow subsidiaries	22	62	1	0
- Amount due from associates	0	671	0	638
- Amount due from related parties	645	0	0	0
Reversal of impairment losses:				
- Trade receivables	(1,037)	(208)	0	0
- Other receivables	(44)	(138)	0	0
- Amount due from ultimate holding corporation	(42)	(1,164)	0	0
- Amount due from subsidiaries	0	0	0	(254)
- Amount due from fellow subsidiaries	(111)	0	0	0
- Amount due from a former subsidiary	(156)	0	(22)	0
- Amount due from associates	0	(711)	0	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

6 EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Salaries and wages	34,343	31,783	6,764	5,428
Employees Provident Fund contributions	4,015	3,765	910	824
Social security contributions and employment insurance systems contributions	449	402	74	68
Other staff related expenses	6,902	5,755	109	623
	<u>45,709</u>	<u>41,705</u>	<u>7,857</u>	<u>6,943</u>

7 DIRECTORS' FEES AND REMUNERATION

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Directors of the Company:				
- salaries and other emoluments	141	868	141	868
- fees	402	407	402	407
	<u>543</u>	<u>1,275</u>	<u>543</u>	<u>1,275</u>
Directors of the subsidiaries:				
- salaries and other emoluments	53	62	0	0
- fees	574	536	0	0
	<u>627</u>	<u>598</u>	<u>0</u>	<u>0</u>
	<u>1,170</u>	<u>1,873</u>	<u>543</u>	<u>1,275</u>

There is no monetary value of benefits-in-kind given to the directors of the Group and of the Company during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8 FINANCE COSTS

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Interest expenses				
- penalty from revolving credit	2,699	5,284	0	2,398
- advances from ultimate holding corporation	0	360	0	0
- finance lease liabilities	245	223	261	310
- revolving credits	2,200	3,193	713	1,709
- term loans	1,079	1,260	0	3
- redeemable cumulative preference shares	1,873	1,639	1,873	1,639
- payables	0	0	0	0
- overdraft and other borrowings	403	646	0	0
	<u>8,499</u>	<u>12,605</u>	<u>2,847</u>	<u>6,059</u>
Recognised in profit or loss	8,139	12,245	2,847	6,059
Capitalised in qualifying assets				
- property, plant and equipment	360	360	0	0
	<u>8,499</u>	<u>12,605</u>	<u>2,847</u>	<u>6,059</u>

The average capitalisation rate for borrowing costs of the Group is 6.72% (2022: 5.47%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

9 TAX EXPENSE

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Current tax expense	12,371	11,640	0	0
Under/(Over)provision of Malaysian income tax in prior year	108	(162)	0	0
	<u>12,479</u>	<u>11,478</u>	<u>0</u>	<u>0</u>
Real Property Gain Tax	237	0	0	0
	<u>12,716</u>	<u>11,478</u>	<u>0</u>	<u>0</u>
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	(68)	187	0	0
Underprovision of deferred tax in prior year	16	502	0	0
	<u>(52)</u>	<u>689</u>	<u>0</u>	<u>0</u>
Tax expense	<u>12,664</u>	<u>12,167</u>	<u>0</u>	<u>0</u>

The explanation of the relationship between tax expense and profit/(loss) before tax is as follows:

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Profit/(Loss) before tax	<u>32,053</u>	<u>41,827</u>	<u>(11,621)</u>	<u>29,747</u>
Tax calculated at the Malaysian income tax rate of 24% (2022: 24%)	7,693	10,038	(2,789)	7,139
Tax effects of:				
- expenses not deductible for tax purposes	4,815	15,023	1,058	4,266
- income not subject to tax	(2,293)	(17,780)	(1,876)	(14,718)
- deferred tax assets not recognised	3,077	4,721	3,607	3,313
- utilisation of deferred tax assets previously not recognised	(989)	(172)	0	0
- effect of controlled transfer assets	0	(3)	0	0
- real property gain tax	237	0	0	0
- under/(over)provision of Malaysian income tax in prior year	108	(162)	0	0
- underprovision of deferred tax in prior year	16	502	0	0
Tax expense	<u>12,664</u>	<u>12,167</u>	<u>0</u>	<u>0</u>

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10 PROFIT PER SHARE

Basic profit per share of the Group is calculated by dividing the net profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	<u>2023</u>	<u>2022</u>
Net profit for the financial year attributable to owners of the Company (RM'000)	2,859	13,359
Weighted average number of ordinary shares in issue during the financial year ('000)	100,000	100,000
Basic profit per share (sen)	<u>2.86</u>	<u>13.36</u>

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

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11 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM'000	Buildings and improvements RM'000	Equipment, furniture and fittings and computers RM'000	Motor vehicles RM'000	Refurbishment and renovations RM'000	Capital work-in- progress RM'000	Total RM'000
<u>COST</u>							
At 1.1.2023	8,305	84,910	45,554	3,571	5,332	20,116	167,788
Additions	0	53	661	1,343	0	832	2,889
Disposal	0	0	0	(205)	0	0	(205)
Written off	0	(325)	(448)	(97)	0	0	(870)
At 31.12.2023	8,305	84,638	45,767	4,612	5,332	20,948	169,602
<u>ACCUMULATED DEPRECIATION</u>							
At 1.1.2023	0	11,662	33,943	2,737	3,784	0	52,126
Depreciation for the financial year	0	1,285	2,277	346	798	0	4,706
Disposal	0	0	0	(177)	0	0	(177)
Written off	0	0	(448)	(97)	0	0	(545)
At 31.12.2023	0	12,947	35,772	2,809	4,582	0	56,110

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11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings and improvements RM'000	Equipment, furniture and fittings and computers RM'000	Motor vehicles RM'000	Refurbishment and renovations RM'000	Capital work-in- progress RM'000	Total RM'000
<u>GROUP</u>							
<u>ACCUMULATED IMPAIRMENT</u>							
<u>LOSSES</u>							
At 1.1.2023	0	22,430	4,658	0	128	13,295	40,511
Impairment loss for the financial year	0	0	24	0	0	0	24
At 31.12.2023	0	22,430	4,682	0	128	13,295	40,535
<u>CARRYING AMOUNT</u>							
At 31.12.2023	8,305	49,261	5,313	1,803	622	7,653	72,957

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11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Freehold land RM'000	Buildings and improvements RM'000	Equipment, furniture and fittings and computers RM'000	Motor vehicles RM'000	Refurbishment and renovations RM'000	Capital work-in- progress RM'000	Total RM'000
<u>COST</u>							
At 1.1.2022	8,305	84,953	45,878	3,268	5,406	19,675	167,485
Additions	0	0	550	379	0	508	1,437
Disposals	0	(41)	0	0	0	0	(41)
Written off	0	(2)	(885)	(76)	(63)	(19)	(1,045)
Reclassification	0	0	11	0	(11)	0	0
Transfer to intangible assets	0	0	0	0	0	(48)	(48)
At 31.12.2022	8,305	84,910	45,554	3,571	5,332	20,116	167,788
<u>ACCUMULATED DEPRECIATION</u>							
At 1.1.2022	0	10,173	31,722	2,493	3,032	0	47,420
Depreciation for the financial year	0	1,489	3,100	320	798	0	5,707
Disposal	0	0	0	0	0	0	0
Written off	0	0	(879)	(76)	(46)	0	(1,001)
At 31.12.2022	0	11,662	33,943	2,737	3,784	0	52,126

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11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings and improvements RM'000	Equipment, furniture and fittings and computers RM'000	Motor vehicles RM'000	Refurbishment and renovations RM'000	Capital work-in- progress RM'000	Total RM'000
<u>GROUP</u>							
<u>ACCUMULATED IMPAIRMENT</u>							
<u>LOSSES</u>							
At 1.1.2022	0	12,927	982	0	143	13,168	27,220
Impairment loss for the financial year	0	13,813	3,682	0	0	146	17,641
Reversal of impairment loss for the financial year	0	(4,308)	0	0	0	0	(4,308)
Written off	0	(2)	(6)	0	(15)	(19)	(42)
At 31.12.2022	0	22,430	4,658	0	128	13,295	40,511
<u>CARRYING AMOUNT</u>							
At 31.12.2022	8,305	50,818	6,953	834	1,420	6,821	75,151

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
<u>COST</u>			
At 1.1.2023	865	268	1,133
Additions for the financial year	51	0	51
At 31.12.2023	916	268	1,184
<u>ACCUMULATED DEPRECIATION</u>			
At 1.1.2023	852	268	1,120
Depreciation for the financial year	13	0	13
At 31.12.2023	865	268	1,133
<u>CARRYING AMOUNT</u>			
At 31.12.2023	51	0	51
<u>COST</u>			
At 1.1.2022/31.12.2022	865	268	1,133
<u>ACCUMULATED DEPRECIATION</u>			
At 1.1.2022	840	268	1,108
Depreciation for the financial year	12	0	12
At 31.12.2022	852	268	1,120
<u>CARRYING AMOUNT</u>			
At 31.12.2022	13	0	13

NOTES TO THE FINANCIAL STATEMENTS
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11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) During the financial year, property, plant and equipment of the Group and of the Company were acquired by means of:

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Property, plant and equipment additions during the financial year	2,889	1,437	51	0
Less:				
Borrowing costs capitalised	<u>(360)</u>	<u>(360)</u>	<u>0</u>	<u>0</u>
Cash payments	<u>2,529</u>	<u>1,077</u>	<u>51</u>	<u>0</u>

- (b) At 31 December 2023, certain freehold and buildings of the Group with a total carrying amounts of RM59,078,000 (2022: RM60,308,000) is charged to secure bank loans granted to the Group (see Note 23).

NOTES TO THE FINANCIAL STATEMENTS
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12 RIGHT-OF-USE ASSETS

GROUP	Leasehold port land RM'000	Leasehold land RM'000	Buildings and improvement RM'000	Motor vehicle RM'000	Total RM'000
<u>COST</u>					
At 1.1.2023	90,182	12,150	1,709	204	104,245
Derecognition due to lease modification	0	0	0	(204)	(204)
At 31.12.2023	90,182	12,150	1,709	0	104,041
<u>ACCUMULATED DEPRECIATION</u>					
At 1.1.2023	7,152	893	274	85	8,404
Depreciation for the financial year	995	102	7	51	1,155
Derecognition due to lease modification	0	0	0	(136)	(136)
At 31.12.2023	8,147	995	281	0	9,423
<u>ACCUMULATED IMPAIRMENT LOSSES</u>					
At 1.1.2023/31.12.2023	0	4,911	936	0	5,847
<u>CARRYING AMOUNT</u>					
At 31.12.2023	82,035	6,244	492	0	88,771
<u>COST</u>					
At 1.1.2022	88,873	12,150	1,709	204	102,936
Additions	1,309	0	0	0	1,309
At 31.12.2022	90,182	12,150	1,709	204	104,245
<u>ACCUMULATED DEPRECIATION</u>					
At 1.1.2022	6,160	771	258	17	7,206
Depreciation for the financial year	992	122	16	68	1,198
At 31.12.2022	7,152	893	274	85	8,404
<u>ACCUMULATED IMPAIRMENT LOSSES</u>					
At 1.1.2022	0	2,675	25	0	2,700
Impairment loss for the financial year	0	2,236	911	0	3,147
At 31.12.2022	0	4,911	936	0	5,847
<u>CARRYING AMOUNT</u>					
At 31.12.2022	83,030	6,346	499	119	89,994

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

12 RIGHT-OF-USE ASSETS (CONTINUED)

COMPANY	<u>Buildings</u> RM'000
<u>COST</u>	
At 1.1.2023/31.12.2023	<u>5,657</u>
 <u>ACCUMULATED DEPRECIATION</u>	
At 1.1.2023	943
Depreciation for the financial year	943
At 31.12.2023	<u>1,886</u>
 <u>CARRYING AMOUNT</u>	
At 31.12.2023	<u><u>3,771</u></u>
 <u>COST</u>	
At 1.1.2022	1,895
Addition	5,657
Modification of lease liability	(1,895)
At 31.12.2022	<u>5,657</u>
 <u>ACCUMULATED DEPRECIATION</u>	
At 1.1.2022	948
Depreciation for the financial year	943
Modification of lease liability	(948)
At 31.12.2022	<u>943</u>
 <u>CARRYING AMOUNT</u>	
At 31.12.2022	<u>4,714</u>

The full lease rental of the leasehold port land of the Group has been prepaid at the inception of the lease with no outstanding lease liability as at 31 December 2023 and 31 December 2022. The plots of leasehold port land are amortised over the lease periods of 80 and 99 years.

At 31 December 2023, certain leasehold port land with a carrying amount RM54,601,000 (2022: RM55,206,000) and leasehold land of RM6,244,000 (2022: RM6,346,000) of the Group are charged to secured term loans granted to the subsidiaries (see Note 23(b) and (c)).

NOTES TO THE FINANCIAL STATEMENTS
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13 PORT FACILITIES

GROUP	Port <u>structure</u> RM'000	Port <u>equipment</u> RM'000	Capital work- <u>in-progress</u> RM'000	<u>Total</u> RM'000
<u>COST</u>				
At 1.1.2023	148,966	47,611	10,257	206,834
Additions	1,794	1,354	10,113	13,261
Written off	0	(15)	0	(15)
At 31.12.2023	150,760	48,950	20,370	220,080
<u>ACCUMULATED DEPRECIATION</u>				
At 1.1.2023	38,961	23,719	0	62,680
Depreciation for the financial year	2,820	3,028	0	5,848
Written off	0	(15)	0	(15)
At 31.12.2023	41,781	26,732	0	68,513
<u>CARRYING AMOUNT</u>				
At 31.12.2023	108,979	22,218	20,370	151,567
<u>COST</u>				
At 1.1.2022	147,802	47,385	2,232	197,419
Additions	1,363	274	8,025	9,662
Transfer	(199)	(48)	0	(247)
At 31.12.2022	148,966	47,611	10,257	206,834
<u>ACCUMULATED DEPRECIATION</u>				
At 1.1.2022	36,107	20,728	0	56,835
Depreciation for the financial year	2,883	3,007	0	5,890
Written off	(29)	(16)	0	(45)
At 31.12.2022	38,961	23,719	0	62,680
<u>CARRYING AMOUNT</u>				
At 31.12.2022	110,005	23,892	10,257	144,154

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14 INVESTMENT PROPERTIES

	<u>Freehold land</u>	<u>Buildings</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<u>GROUP</u>			
<u>COST</u>			
At 1.1.2023/31.12.2023	1,815	7,068	8,883
<u>ACCUMULATED DEPRECIATION</u>			
At 1.1.2023	0	1,578	1,578
Depreciation for the financial year	0	283	283
At 31.12.2023	0	1,861	1,861
<u>CARRYING AMOUNT</u>			
At 31.12.2023	1,815	5,207	7,022
<u>GROUP</u>			
<u>COST</u>			
At 1.1.2022/31.12.2022	1,815	7,068	8,883
<u>ACCUMULATED DEPRECIATION</u>			
At 1.1.2022	0	1,295	1,295
Depreciation for the financial year	0	283	283
At 31.12.2022	0	1,578	1,578
<u>CARRYING AMOUNT</u>			
At 31.12.2022	1,815	5,490	7,305

The above properties are not occupied by the Group and are used to either earn rentals or for capital appreciation, or both. As at 31 December 2023, the forced sale values of the properties of the Group was estimated at RM36,800,000 (2022: RM35,800,000) respectively based on valuations by independent professionally qualified valuers using market approach by reference to open market of properties in the vicinity and cost approach. The most significant input in the valuation approach adopted by the Group is price per square foot with adjustment made for size, shape of lot, tenure and time element.

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15 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Unquoted shares, at cost	602	602
Equity loans to subsidiaries	97,997	97,997
	<u>98,599</u>	<u>98,599</u>
Less: Accumulated impairment losses	(500)	(500)
Carrying amount	<u>98,099</u>	<u>98,099</u>

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15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Detail of the subsidiaries which are incorporated in Malaysia, are as follows:

<u>Name of subsidiaries</u>	<u>Effective interest held by the Company</u>		<u>Principal activities</u>
	<u>2023</u> %	<u>2022</u> %	
PCB Equity Sdn. Bhd.	100	100	Property development and project management.
PCB Leisure Sdn. Bhd.	100	100	Property investment and investment holding.
PCB Taipan Sdn. Bhd.	100	100	Investment holding.
Rungkup Port Sdn. Bhd.	70	70	Dormant.
PCB Land Sdn Bhd (formerly known as Casuarina Pangkor Sdn. Bhd.)	100	100	Dormant.
<u>Held by PCB Leisure Sdn. Bhd.</u>			
Casuarina Teluk Intan Sdn. Bhd.	100	100	Operation and management of hotel.
Casuarina Boathouse Sdn. Bhd.	100	100	Provision of accommodation facilities.
Casuarina Taiping Sdn. Bhd.	100	100	Operation and management of rest house.
Lanai Casuarina Sdn. Bhd.	100	100	Operation and management of hotel.
Meru Raya Park Sdn. Bhd.	100	100	Provision of maintenance and management services.
BioD Leisure & Recreation Sdn. Bhd.	100	100	Provision of transportation and travel services.
Labu Sayong Cafe Sdn. Bhd.	100	100	Was involved in operation and management of restaurant and cafe. Ceased operations.
<u>Held by PCB Taipan Sdn. Bhd.</u>			
Lumut Maritime Terminal Sdn. Bhd.	50 plus 1 share	50 plus 1 share	Development of an integrated privatised project encompassing ownership and operations of multi-purpose port facilities, operation and maintenance of a bulk terminal, sales and rental of port related land and other ancillary activities.
Casuarina Meru Sdn. Bhd.	89.54	89.54	Hotelier, restaurateur and property developer.
<u>Held by Lumut Maritime Terminal Sdn. Bhd.</u>			
LMT Capital Sdn. Bhd. *	50 plus 1 share	50 plus 1 share	Dormant.

NOTES TO THE FINANCIAL STATEMENTS
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15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

<u>Name of subsidiaries</u>	<u>Effective interest held by the Company</u>		<u>Principal activities</u>
	<u>2023</u> %	<u>2022</u> %	
<u>Held by Casuarina Meru Sdn. Bhd.</u>			
Silveritage Corporation Sdn. Bhd.	89.54	89.54	Development of tourism projects. Dormant.
<u>Held by Silveritage Corporation Sdn. Bhd.</u>			
Cash Complex Sdn. Bhd.	66.18	66.18	Investment holding. It has not commenced operation since its incorporation.

* Although the Group has 50% effective ownership interest, the directors have determined that the Group controls LMT Capital Sdn. Bhd. as Lumut Maritime Terminal Sdn. Bhd. has 100% voting interest in LMT Capital Sdn. Bhd.

All subsidiaries are incorporated in Malaysia. The principal place of business of these subsidiaries is in Malaysia.

As at 31 December 2023, the total non-controlling interests are RM150,582,000 (2022: RM139,281,000), mainly attributed by the 2 (2022: 2) subsidiaries listed below. The other non-controlling interests are individually insignificant.

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15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before intercompany eliminations.

(a) Summarised statements of financial position

	Lumut Maritime Terminal Sdn. Bhd.		Casuarina Meru Sdn. Bhd.	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Non-current assets	249,324	242,995	60,268	62,465
Current assets	101,951	90,341	6,227	4,992
Total assets	<u>351,275</u>	<u>333,336</u>	<u>66,495</u>	<u>67,457</u>
Non-current liabilities	13,204	16,029	0	0
Current liabilities	18,760	20,682	12,909	15,723
Total liabilities	<u>31,964</u>	<u>36,711</u>	<u>12,909</u>	<u>15,723</u>
Net assets	<u>319,311</u>	<u>296,625</u>	<u>53,586</u>	<u>51,734</u>
Equity attributable to:				
Owners of the Company	159,656	148,313	47,981	46,323
Non-controlling interests	159,655	148,312	5,605	5,411
	<u>319,311</u>	<u>296,625</u>	<u>53,586</u>	<u>51,734</u>

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15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Summarised statements of comprehensive income

	Continuing operations			
	Lumut Maritime Terminal Sdn. Bhd.		Casuarina Meru Sdn. Bhd.	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	136,627	127,777	20,640	17,853
Profit for the financial year	32,686	31,202	1,852	2,238
Total comprehensive income	<u>32,686</u>	<u>31,202</u>	<u>1,852</u>	<u>2,238</u>
Profit attributable to:				
Owners of the Company	16,343	15,601	1,658	2,005
Non-controlling interests	16,343	15,601	194	233
	<u>32,686</u>	<u>31,202</u>	<u>1,852</u>	<u>2,238</u>
Total comprehensive income attributable to:				
Owners of the Company	16,343	15,601	1,658	2,005
Non-controlling interests	16,343	15,601	194	233
	<u>32,686</u>	<u>31,202</u>	<u>1,852</u>	<u>2,238</u>
Dividend paid to non-controlling interests	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>0</u>

(c) Summarised statements of cash flows

	Lumut Maritime Terminal Sdn. Bhd.		Casuarina Meru Sdn. Bhd.	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Net cash flows generated from/(used in):				
Operating activities	22,048	29,645	(2,650)	2,196
Investing activities	(20,007)	(8,193)	3,923	(222)
Financing activities	(16,166)	(16,383)	(418)	(548)
	<u>(14,125)</u>	<u>5,069</u>	<u>855</u>	<u>1,426</u>
Net (decrease)/increase in cash and cash equivalents				
Cash and cash equivalents at:				
Beginning of the financial year	<u>30,401</u>	<u>25,332</u>	<u>(3,008)</u>	<u>(4,434)</u>
End of the financial year	<u>16,276</u>	<u>30,401</u>	<u>(2,153)</u>	<u>(3,008)</u>

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16 INVESTMENTS IN ASSOCIATES

	GROUP	
	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Unquoted shares</u>		
Ordinary shares, at cost	6,100	6,100
Less: Accumulated impairment losses	<u>(6,100)</u>	<u>(6,100)</u>
	<u>0</u>	<u>0</u>

Details of the associates are as follows:

<u>Name of associates</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Percentage of ownership held through subsidiary</u>	
			<u>2023</u> %	<u>2022</u> %
<u>Held by PCB Equity Sdn. Bhd.</u>				
VC Telecoms Sdn. Bhd. *	Malaysia	Network facilities provider	49	49
Unified Million (M) Sdn. Bhd. *	Malaysia	Resort operator for Pangkor Village Resort	30	30

* Not audited by Crowe Malaysia PLT

The principal place of these associates is in Malaysia.

Summarised financial information has not been presented as the associates are not individually material to the Group.

17 OTHER INVESTMENTS

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Non-current</u>				
Unquoted shares in Malaysia				
- Financial assets measured at fair value through profit or loss	<u>25</u>	<u>25</u>	<u>0</u>	<u>0</u>
<u>Current</u>				
Unit trust fund (quoted in Malaysia)				
- Financial assets measured at fair value through profit or loss	<u>126</u>	<u>121</u>	<u>45</u>	<u>43</u>
Market value of quoted investments	<u>126</u>	<u>121</u>	<u>45</u>	<u>43</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

18 INTANGIBLE ASSETS

	<u>Goodwill</u> RM'000	<u>Computer software</u> RM'000	<u>Total</u> RM'000
<u>GROUP COST</u>			
At 1.1.2023	24,746	5,636	30,382
Additions	0	237	237
At 31.12.2023	<u>24,746</u>	<u>5,873</u>	<u>30,619</u>
<u>ACCUMULATED AMORTISATION</u>			
At 1.1.2023	0	4,340	4,340
Amortisation	0	911	911
At 31.12.2023	<u>0</u>	<u>5,251</u>	<u>5,251</u>
<u>ACCUMULATED IMPAIRMENT LOSSES</u>			
At 1.1.2023/31.12.2023	<u>935</u>	<u>0</u>	<u>935</u>
<u>CARRYING AMOUNT</u>			
At 31.12.2023	<u>23,811</u>	<u>622</u>	<u>24,433</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

18 INTANGIBLE ASSETS (CONTINUED)

	<u>Goodwill</u> RM'000	<u>Computer software</u> RM'000	<u>Total</u> RM'000
<u>GROUP</u>			
<u>COST</u>			
At 1.1.2022	24,772	5,466	30,238
Additions	0	122	122
Transfer from property, plant and equipment	0	48	48
Derecognition of subsidiaries	(26)	0	(26)
At 31.12.2022	<u>24,746</u>	<u>5,636</u>	<u>30,382</u>
<u>ACCUMULATED AMORTISATION</u>			
At 1.1.2022	0	3,219	3,219
Amortisation	0	1,121	1,121
At 31.12.2022	<u>0</u>	<u>4,340</u>	<u>4,340</u>
<u>ACCUMULATED IMPAIRMENT LOSSES</u>			
At 1.1.2022	961	0	961
Derecognition of subsidiaries	(26)	0	(26)
At 31.12.2022	<u>935</u>	<u>0</u>	<u>935</u>
<u>CARRYING AMOUNT</u>			
At 31.12.2022	<u>23,811</u>	<u>1,296</u>	<u>25,107</u>

Goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The goodwill of RM23,811,000 as at 31 December 2023 (2022: RM23,811,000) is related to Lumut Maritime Terminal Sdn. Bhd.

The Group has assessed the recoverable amounts of goodwill allocated and determined that no additional impairment is required. The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows expected to be generated from the continuing use of the division and was based on the following key assumptions.

- Cash flow were projected based on actual operating results and a 5 years projection (2022: 5 years).
- Revenue was projected at anticipated annual growth of 2.0% (2022: 2.0%) per annum.
- A pre-tax discount rate for 8.7% (2022: 12.8%) was applied in determining the recoverable amount of the division. The discount rate was estimated based on the industry average weighted average cost of capital.
- Terminal growth rate is projected at 0% (2022: 0%).

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources. Any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the goodwill to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19 INVENTORIES

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Non-current</u>				
Leasehold land held for development	10,428	10,428	0	0
<u>Current</u>				
Properties under development				
- Freehold land	24,758	24,677	24,153	24,072
- Leasehold land with unexpired lease period of more than 50 years	50,528	52,008	51,338	51,218
- Development costs	7,997	7,840	31	24
Property development costs	83,283	84,525	75,522	75,314
Food and beverages	83	78	0	0
Other supplies	134	130	0	0
Tools and spares	12,313	12,276	0	0
	<u>95,813</u>	<u>97,009</u>	<u>75,522</u>	<u>75,314</u>
	<u>106,241</u>	<u>107,437</u>	<u>75,522</u>	<u>75,314</u>
<u>Recognised in profit or loss</u>				
Inventories recognised as cost of sales	16,303	15,125	0	0
Inventories recognised as other expenses	0	10,238	0	10,238
Inventories written down	25	747	0	0
Gain on disposal of a leasehold land held for development	(2,244)	0	0	0
Reversal of inventories previously written down	0	(270)	0	0

Freehold land under development with carrying amounts totalling RM3,623,000 (2022: RM3,593,000) of the Group have been pledged to financial institutions as security for banking facilities as disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Current</u>				
Trade receivables, gross	12,067	10,345	0	0
Less: Allowance for impairment loss	(1,882)	(2,605)	0	0
Trade receivables, net	10,185	7,740	0	0
Other receivables	2,594	2,286	20	391
Less: Allowance for impairment loss	(1,204)	(970)	0	0
	1,390	1,316	20	391
Deposits	1,701	1,555	117	117
Prepayments	11,292	2,541	181	141
Goods and Services Tax receivable	50	50	50	50
	24,618	13,202	368	699
Amounts due from related parties (trade):				
Ultimate holding corporation	4,303	3,429	0	0
Former subsidiaries	2,317	2,318	0	0
Associate	33	33	0	0
Fellow subsidiaries	1,326	1,303	0	0
Related parties	11,053	11,673	0	0
	19,032	18,756	0	0
Less: Allowance for impairment loss				
Ultimate holding corporation	(4,299)	(3,427)	0	0
Former subsidiaries	(2,317)	(2,318)	0	0
Associate	(33)	(33)	0	0
Fellow subsidiaries	(1,320)	(1,298)	0	0
	(7,969)	(7,076)	0	0
	11,063	11,680	0	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Amounts due from related parties (non-trade):				
Ultimate holding corporation	3,552	1,314	1,306	1,300
Subsidiaries	0	0	40,277	37,800
Former subsidiaries	202,593	202,748	159,224	159,247
Associates	8,586	8,586	8,500	8,500
Fellow subsidiaries	8,960	9,071	2,343	2,342
Related parties	10,383	1,024	0	0
	234,074	222,743	211,650	209,189
Less: Allowance for impairment losses				
Ultimate holding corporation	(1,320)	(1,314)	(1,306)	(1,300)
Subsidiaries	0	0	(40,277)	(36,232)
Former subsidiaries	(202,593)	(202,748)	(159,224)	(159,247)
Associates	(8,586)	(8,586)	(8,500)	(8,500)
Fellow subsidiaries	(8,960)	(9,071)	(2,343)	(2,342)
Related parties	(645)	0	0	0
	(222,104)	(221,719)	(211,650)	(207,621)
	11,970	1,024	0	1,568
Total amounts due from related parties	23,033	12,704	0	1,568
Total receivables, deposits and prepayments	47,651	25,906	368	2,267

- (a) Trade receivables are non-interest bearing and are generally on 30 to 60 days (2022: 30 to 60 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

	GROUP	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Movements in allowance accounts		
At 1 January	2,605	1,813
Impairment charge for the financial year	314	1,000
Reversal of impairment losses	(1,037)	(208)
At 31 December	1,882	2,605

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

- (a) The allowance amount in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Trade receivables that are individually determined to be impaired at the reporting date related to debtors that are in significant financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Related parties

The trade amounts due from related parties are non-interest bearing and are generally on 30 to 60 days (2022: 30 to 60 days) terms.

The non-trade amounts due from related parties are unsecured and interest-free as at 31 December 2023 and 31 December 2022.

The amount due from an associate are unsecured and subject to interest of 0% (2022: 7.5%) per annum.

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Movements in allowance accounts				
At 1 January	228,795	218,927	207,621	204,221
Impairment charge for the financial year	1,587	11,743	4,051	3,654
Reversal of impairment losses	(309)	(1,875)	(22)	(254)
At 31 December	<u>230,073</u>	<u>228,795</u>	<u>211,650</u>	<u>207,621</u>

(c) Other receivables

	GROUP	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Movements in allowance accounts		
At 1 January	970	780
Impairment charge for the financial year	278	328
Reversal of impairment losses	(44)	(138)
At 31 December	<u>1,204</u>	<u>970</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

21 DEPOSITS, CASH AND BANK BALANCES

Cash and cash equivalents included in the statements of cash flows comprise the following:

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Deposits with licensed banks	25,913	20,419	6	6
Cash and bank balances	15,347	30,962	136	416
	<u>41,260</u>	<u>51,381</u>	<u>142</u>	<u>422</u>
Deposits, cash and bank balances	41,260	51,381	142	422
Less:				
Deposits pledged with banks	(2,335)	(2,330)	0	0
Fixed deposits with maturity of more than 3 months	(19,242)	(13,853)	(6)	(6)
Overdraft (Note 23)	(5,025)	(5,029)	0	0
Cash and cash equivalents	<u>14,658</u>	<u>30,169</u>	<u>136</u>	<u>416</u>
	%	%	%	%
Weighted average effective interest rate at the reporting date is as follows:				
Deposits with licensed banks	<u>2.25 – 3.15</u>	<u>2.25 - 2.57</u>	<u>2.25</u>	<u>2.25</u>
	Days	Days	Days	Days
The range of maturity periods of the deposits with licensed banks are as follows:				
- unencumbered	363 - 367	364 - 366	365	365
- encumbered	<u>90 - 366</u>	<u>90 - 212</u>	<u>N/A</u>	<u>N/A</u>

Included in the deposits with licensed banks of the Group are RM2,335,000 (2022: RM2,330,000) pledged as securities for bank facilities granted.

22 SHARE CAPITAL

	Number of Ordinary Shares		Share Capital	
	<u>2023</u> '000	<u>2022</u> '000	<u>2023</u> RM'000	<u>2022</u> RM'000
Issued and fully paid ordinary shares At 1 January/31 December	<u>100,000</u>	<u>100,000</u>	<u>272,770</u>	<u>272,770</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

22 SHARE CAPITAL (CONTINUED)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

23 LOANS AND BORROWINGS

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Secured</u>				
<u>Current</u>				
Hire purchase and finance lease liabilities	606	715	911	859
Term financing-i	2,720	5,720	0	0
Business financing-i and cash line-i **	28,994	28,942	0	0
Revolving credits **	28,489	53,780	0	24,476
Overdraft	5,025	5,029	0	0
	<u>65,834</u>	<u>94,186</u>	<u>911</u>	<u>25,335</u>
<u>Non-current</u>				
Hire purchase and finance lease liabilities	14,793	15,452	3,076	3,987
Term financing-i	0	2,720	0	0
Redeemable cumulative preference shares	39,326	15,597	39,326	15,597
	<u>54,119</u>	<u>33,769</u>	<u>42,402</u>	<u>19,584</u>
<u>Total borrowings</u>				
Hire purchase and finance lease liabilities	15,399	16,167	3,987	4,846
Term financing-i	2,720	8,440	0	0
Business financing-i and cash line-i **	28,994	28,942	0	0
Revolving credits **	28,489	53,780	0	24,476
Overdraft	5,025	5,029	0	0
Redeemable cumulative preference shares	39,326	15,597	39,326	15,597
	<u>119,953</u>	<u>127,955</u>	<u>43,313</u>	<u>44,919</u>

** Loans and borrowings with cross default clauses

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

23 LOANS AND BORROWINGS (CONTINUED)

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Maturity of borrowings</u>				
On demand or within one year	65,834	94,186	911	25,335
More than 1 year and less than 2 years	597	3,379	966	911
More than 2 years and less than 5 years	40,986	17,280	41,436	18,673
More than 5 years	12,536	13,110	0	0
	<u>119,953</u>	<u>127,955</u>	<u>43,313</u>	<u>44,919</u>

The plan relating to the private debts settlement arrangement between the Company and affected subsidiaries with the banks which is currently under discussion covers borrowings related to Note 23(e)(ii) & (iii) disclosed below.

(a) Hire purchase and finance lease liabilities

The hire purchase and finance leases of the Group bear interest rates ranging from 3.91% to 4.19% (2022: 3.91% to 6.85%) per annum.

(b) Term financing-i granted to a subsidiary

The term financing-i carries cost of fund ("COF") plus 1.25% and is secured by the following:

- Registered first party fixed legal charge in favour of the bank over 4 lots of leasehold land of the subsidiary;
- Debenture by way of registered first fixed and floating charge over all the present and future assets of the subsidiary; and
- First party assignment and charge over financing payment reserve account.

This term financing-i is repayable by 28 quarterly instalments effective May 2017.

(c) Business Financing-i and Business Cash Line-i granted to subsidiaries

The 2 loan facilities of the subsidiaries are secured by:

- Third party first and second legal charges over 3.782 acres of commercial land in Bandar Baru Teluk Intan, Daerah Hilir Perak, Perak;
- Third party first and second legal charges over 2 acres of commercial land in Bandar Kuala Kangsar, Mukim Sayong, Daerah Kuala Kangsar, Perak; and
- Corporate guarantee of the Company.

The term loans bear interest rate at 6.72% (2022: 5.47%) per annum and are repayable by 180 monthly instalments starting from July 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

23 LOANS AND BORROWINGS (CONTINUED)

(c) Business Financing-i and Business Cash Line-i granted to subsidiaries (continued)

In the previous financial years, there was moratorium period from July 2021 to December 2021 in which the affected subsidiaries did not make any repayments.

(d) Term loans

Musharakah Mutanaqisah Term Financing-i granted to the Company

The term loan granted to the Company carries COF plus 1.5% and is secured by a charge over a hotel and office blocks of a subsidiary. The Company defaulted the scheduled principal repayment due on 31 January 2020 and the lender has declared an event of default for this facility on 6 February 2020.

(e) Revolving credits

The revolving credits of the Group are as follows:

(i) Tawarruq Revolving Credit-i granted to the Company

The Tawarruq Revolving Credit-i facility is secured by third party first legal charge over a hotel and office blocks of the Group.

(ii) Revolving credit (secured) granted to the Company

The revolving credit of the Company bears interest rates of 5.86% (2022: 5.86%) per annum and is secured by way of third party second fixed legal charged over a parcel of freehold commercial land of a former subsidiary.

(iii) Revolving credit (secured) granted to a subsidiary

The revolving credit of a subsidiary bears interest rates ranging from 5.36% to 5.61% (2022: 5.36% to 5.61%) per annum and is secured by way of:

- Third party second fixed legal charge over a parcel of freehold commercial land of a former subsidiary;
- Third party first fixed legal charge over a piece of leasehold land in Mukim Hulu Bernam Timur, Perak; and
- Corporate guarantee of the Company.

With Musharakah Mutanaqisah Term Financing-i loan as stated under Note 23(d) defaulted in January 2020 and the bank called for an event of default on 6 February 2020, the bank for revolving credit under Note 23(e)(i), (ii) and (iii) has 28 February 2020 declared an event of cross default for the said revolving credits granted to the Company and its subsidiary respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

23 LOANS AND BORROWINGS (CONTINUED)

(f) Overdraft

The overdraft of a subsidiary, bears interest rate of 6.90% (2022: 5.90%) per annum and is secured by way of a registered third party legal charge over parcels of land held under the title No. Geran 173661 - 173664, Lot 530695 - 530698 in Mukim Hulu Kinta, Daerah Kinta, Perak.

(g) Redeemable cumulative preference shares (“RPS”) of the Group and of the Company

	Number of shares		Amount	
	<u>2023</u>	<u>2022</u>	<u>2023</u> RM'000	<u>2022</u> RM'000
Issued and fully paid shares classified as debt instruments:				
At 1 January	14,915	0	15,597	0
Issued during the financial year	20,900	14,915	21,856	14,915
Interest expenses charged during the financial year	<u>0</u>	<u>0</u>	<u>1,873</u>	<u>682</u>
As 31 December	<u>35,815</u>	<u>14,915</u>	<u>39,326</u>	<u>15,597</u>

The RPS comprised 35,814,980 shares issued by the Company as part settlement pursuant to the debt settlement agreement with the banks.

The salient features of the RPS are as follows:

- The RPS shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 5.0% per annum, calculated based on the issue price of RM1.00 each and on the basis of the actual number of days lapsed in a 365-day year;
- The dividend shall be paid from the distributable reserves of the Company. No dividend shall be paid in respect of any other securities ranking junior to RPS and ordinary shares in the Company unless the dividends, including accumulated dividends, on the RPS have first been paid;
- The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS. Any dividend that is not paid on the relevant dividend payment date shall continue to accumulate and to be compounded for the next dividend payment and in any case no later than the RPS’s maturity date;
- The RPS may at the option of the Company be redeemed on the 1st anniversary and 2nd anniversary of the RPS’s issue date but subject always to a mandatory full redemption on the 3rd anniversary of the RPS’s issue date;
- Any RPS that is not redeemed on the relevant redemption date shall continue to be carried forward but all RPS shall be fully redeemed by the Company and all outstanding accrued dividends shall be paid to the RPS holders on the maturity date without the requirement of any notice;
- In the event that an event of default as defined in the debt settlement agreement, the Company shall redeem the RPS and pay all outstanding accrued dividends within 30 days upon notice in writing issued by RPS holder;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

23 LOANS AND BORROWINGS (CONTINUED)

(g) Redeemable cumulative preference shares ("RPS") (continued)

- Redemption Price of RPS is equivalent to the RPS's issue price together with accrued dividends up to and including the date of redemption;
- The RPS shall rank pari-passu without any preference or priority among themselves and other preference shares issued by the Company but shall otherwise rank in priority to all other shares or securities of the Company;
- The RPS shall carry only the rights to dividends and the security charge and shall not confer on the RPS holder the right to participate in any profits of the Company;
- The RPS is secured by third party second fixed legal charge over a hotel and office blocks of the Group;
- The RPS is not convertible into ordinary shares of the Company;
- Every RPS holder shall be entitled to the same rights as an ordinary shareholder with regard to receiving notices of general meetings, reports and audited financial statements of the Company, and to attend and speak at all general meetings or any other meeting of any class of members of the Company but without voting rights other than as permitted therein;
- The RPS holder shall carry no right to receive notice of or to attend or vote at any general meeting of the Company, save as follows:
 - (a) any resolution is proposed for the winding-up of the Company; or
 - (b) the meeting is convened for the purpose of considering a reduction of the redeemable preference shares in the capital of the Company, other than for the purpose of redeeming the RPS or repayment of the RPS issue price and accrued unpaid dividends; or
 - (c) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS; and
- In the event of the commencement of any winding up or liquidation of the Company, the RPS shall be redeemed in priority from the proceeds from the disposal of the security charge and shall, save and except for any preference shares issued by the Company, rank:
 - (a) senior to all other creditors (including the holders of subordinated debts); and
 - (b) senior to the ordinary shares and any other securities or obligations of the Company that are subordinated to the RPS.

The outstanding RPS is immediately due and repayable, and the RPS then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24 PAYABLES AND ACCRUED LIABILITIES

	GROUP		COMPANY	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
<u>Current</u>				
Trade payables	11,568	11,265	7,107	6,607
Other payables	26,508	22,561	11,714	11,406
Financial guarantee contracts	21,752	21,999	48,389	51,999
Deposits received	18,191	8,975	4,085	0
Accruals	25,023	30,825	198	1,149
	<u>103,042</u>	<u>95,625</u>	<u>71,493</u>	<u>71,161</u>
Amounts due to related parties (non-trade):				
Ultimate holding corporation	38,007	38,294	28,592	28,567
Fellow subsidiaries	1,793	1,692	1,373	1,282
A former subsidiary	3,498	3,483	231	231
Subsidiaries	0	0	107,887	97,929
An associate	532	532	0	0
Total amounts due to related parties	<u>43,830</u>	<u>44,001</u>	<u>138,083</u>	<u>128,009</u>
Total payables and accrued liabilities	<u>146,872</u>	<u>139,626</u>	<u>209,576</u>	<u>199,170</u>

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled within 7 to 90 days (2022: 7 to 90 days).

(b) Related parties balances

The amounts due to related parties are non-trade in nature, unsecured and interest free.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

25 DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax liabilities				
- subject to income tax	<u>(13,211)</u>	<u>(13,263)</u>	<u>(7)</u>	<u>(7)</u>

The movements in deferred tax assets/(liabilities) during the financial year comprise the following:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	(13,263)	(12,574)	(7)	(7)
Credited/(Charged) to profit or loss (Note 9)				
- property, plant and equipment and port facilities	(479)	(846)	0	0
- provisions and allowances	531	157	0	0
	52	(689)	0	0
At 31 December	<u>(13,211)</u>	<u>(13,263)</u>	<u>(7)</u>	<u>(7)</u>
<u>Subject to income tax:</u>				
Deferred tax assets (before offsetting)				
- provisions and allowances	2,977	2,764	0	0
- property, plant and equipment	32	0	0	0
	3,009	2,764	0	0
Offsetting	(3,009)	(2,764)	0	0
Deferred tax assets (after offsetting)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred tax liabilities (before offsetting)				
- property, plant and equipment and port facilities	(16,220)	(16,027)	(7)	(7)
Offsetting	3,009	2,764	0	0
Deferred tax liabilities (after offsetting)	<u>(13,211)</u>	<u>(13,263)</u>	<u>(7)</u>	<u>(7)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

25 DEFERRED TAX LIABILITIES (CONTINUED)

The analysis of deferred tax assets/(liabilities) is as follows:

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Deferred tax liabilities				
- to be settled within 12 months	0	0	0	0
- to be settled after 12 months	(16,220)	(16,027)	(7)	(7)
	<u>(16,220)</u>	<u>(16,027)</u>	<u>(7)</u>	<u>(7)</u>
Deferred tax assets				
- to be settled within 12 months	0	0	0	0
- to be settled after 12 months	3,009	2,764	0	0
	<u>3,009</u>	<u>2,764</u>	<u>0</u>	<u>0</u>

As at the reporting date, the Group and the Company have the following unused tax losses and unabsorbed capital allowances that are available to offset against future taxable profits of the respective entities in which these unused tax losses and unabsorbed capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

While unabsorbed capital allowances do not have any expiry date, the unused tax losses have an expiry of 10 years with substantial portion of the unused tax losses expire in year of assessment 2028. Any amount not utilised at the end of expiry date will be disregarded.

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Unused tax losses	41,319	29,593	21,025	10,038
Unabsorbed capital allowances	<u>13,319</u>	<u>18,006</u>	<u>36</u>	<u>20</u>

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Unused tax losses	41,319	29,593	21,025	10,038
Unabsorbed capital allowances	13,319	18,006	36	20
Other deductible temporary differences	217,531	215,868	211,637	207,611
	<u>272,169</u>	<u>263,467</u>	<u>232,698</u>	<u>217,669</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

26 RELATED PARTY DISCLOSURES

(a) Related parties and relationship

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. Remuneration of the directors of the Group and of the Company are disclosed in Note 7.

The Group has related party relationship and transactions with its holding corporation, Perbadanan Kemajuan Negeri Perak ("PKNP"), Majuperak Holdings Berhad ("MHB"), a subsidiary of PKNP and a company listed on the Main Market of Bursa Malaysia Securities Berhad.

The Group is related to the Perak State Government as it is controlled by agency of the Perak State Government.

The holding company is PKNP.

The subsidiaries are disclosed in Note 15 to the financial statements.

(b) Related party balances

Related party balances have been disclosed in Notes 20 and 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

26 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
<u>PKNP – Holding corporation</u>				
Advances paid	0	(136)	0	(136)
Advances received	0	489	0	0
Management fee paid/ payable	(81)	0	0	0
Recharge of admin expenses received/receivable	6	0	6	0
Recharge of admin expenses paid/payable	(25)	0	(25)	
Rental income	1,844	1,844	0	0
Interest expenses	0	(360)	0	0
Waiver of interest expenses	1,183	0	0	0
Sales income	138	88	0	0
Lease rental paid/payable	(872)	(872)	0	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

26 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Significant related party transactions (continued)

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Subsidiaries</u>				
Advances paid	0	0	(2,476)	(2,541)
Advances received	0	0	8,343	5,174
Set off of debts	0	0	0	711
Rental services	0	0	(1,201)	0
Shared service charges	0	0	(415)	(388)
<u>Former subsidiaries</u>				
Advances paid	0	(420)	0	(420)
Sales	0	8	0	0
Set off of debts	(155)	0	(22)	0
<u>Other related parties</u>				
Sales	43	134	0	0
Purchase of goods	(4)	0	0	0
Rendering of services	(147)	0	(91)	0
<u>Associate</u>				
Set off of debts	0	0	0	(711)
Discount given	0	(73)	0	(73)
Rendering of internet services	(106)	0	(106)	0
Sales & rental income	0	11	0	0
<u>Government related entity – Lekir Bulk Terminal Sdn. Bhd.</u>				
Revenue from operation and maintenance	48,195	47,395	0	0
Purchase of goods	(2,331)	(2,313)	0	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

26 RELATED PARTY DISCLOSURES (CONTINUED)

(d) Key management compensation

	GROUP		COMPANY	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Salaries and other short term employee benefits	3,954	2,311	1,368	1,430
Post-employment benefits	464	230	128	124
	<u>4,418</u>	<u>2,541</u>	<u>1,496</u>	<u>1,554</u>
Included herein are directors' remuneration disclosed in Note 7 to the financial statements	<u>1,191</u>	<u>1,873</u>	<u>564</u>	<u>1,275</u>

27 CAPITAL COMMITMENTS

Capital commitments in respect of property, plant and equipment, port facilities and intangible assets not provided for in the financial statements are as follows:

	GROUP		COMPANY	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
- property, plant and equipment	12,016	17,221	0	0
- port facilities	180,554	25,538	0	0
- intangible assets - computer software	52	85	0	0
	<u>192,622</u>	<u>42,844</u>	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS

28.1 Classification of financial instruments

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Financial assets</u>				
Financial asset measured at fair value through profit or loss:				
- Other investments	151	146	45	43
Financial assets at amortised cost:				
- Receivables and deposits	13,276	10,611	137	508
- Amount due from ultimate holding corporation	2,236	2	0	0
- Amount due from subsidiaries	0	0	0	1,568
- Amount due from other related parties	20,797	12,702	0	0
- Deposits, cash and bank balances	41,260	51,381	142	422
Total	<u>77,720</u>	<u>74,842</u>	<u>324</u>	<u>2,541</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost:				
- Payables and accrued liabilities	84,851	86,650	67,408	71,161
- Amount due to ultimate holding corporation	38,007	38,294	28,592	28,567
- Amount due to subsidiaries	0	0	107,887	97,929
- Amount due to a former subsidiary	3,498	3,483	231	231
- Amounts due to other related parties	1,793	1,692	1,373	1,282
- Amounts due to an associate	532	532	0	0
- Loans and borrowings	119,953	127,955	43,313	44,919
Total	<u>248,634</u>	<u>258,606</u>	<u>248,804</u>	<u>244,089</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management

The activities of the Group and of the Company are exposed to a variety of market risk (including interest rate risk and price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

The nature of these risks and the Group's and the Company's approaches in managing these risks are listed below:

(a) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to changes in interest rates relates mainly to bank borrowings contracted on variable terms.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 23 to the financial statements.

Sensitivity analysis for interest rate risk

Assuming all variables remain constant, an increase in interest rate by 0.5% (2022: 0.5%) on financial liabilities of the Group and of the Company which have variable interest rates would have an impact on the Group's and the Company's profit or loss as shown below:

	GROUP		COMPANY	
	Impact on profit or loss (Unfavourable)/Favourable		Impact on profit or loss (Unfavourable)/Favourable	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Increase in interest rate				
- bank borrowings	(326)	(481)	0	(122)

Conversely, a decrease in interest rate by 0.5% on financial liabilities of the Group and the Company would have had equal but opposite effect on the amounts shown above on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(b) Price risk

Price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or foreign currency exchange rates).

The Group and the Company are exposed to price risk arising from its short term investments in unit trust fund. The short term investments are classified as fair value through profit or loss.

Any reasonably possible change in the prices of investments classified as fair value through profit or loss at the end of the reporting period does not have a material impact on the profit after taxation of the Group and of the Company and hence, no sensitivity analysis is presented. There is no impact on the equity of the Group and of the Company.

(c) Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

The Group's major concentration credit risk relates to the amounts owing by 1 (2022: 1) customer which constituted approximately 52% (2022: 60%) of its trade receivables (including related parties) at the end of the reporting period.

Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(c) Credit risk (continued)

Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(c) Credit risk (continued)

Assessment of Impairment Losses (continued)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2022 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates, unless there is correlation between the forward-looking information and the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(c) Credit risk (continued)

Assessment of Impairment Losses (continued)

Allowance for Impairment Losses

The reconciliation of allowance for impairment are disclosed in Note 20 to the financial statements.

	<u>Performing</u> RM'000	<u>Under- performing</u> RM'000	<u>Not performing</u> RM'000	<u>Total</u> RM'000
<u>GROUP</u>				
2023				
<u>Trade receivables</u>				
Gross carrying amount	9,176	1,348	1,543	12,067
Accumulated impairment loss	(188)	(151)	(1,543)	(1,882)
Net carrying amount	<u>8,988</u>	<u>1,197</u>	<u>0</u>	<u>10,185</u>
	<u>Performing</u> RM'000	<u>Under- performing</u> RM'000	<u>Not performing</u> RM'000	<u>Total</u> RM'000
<u>GROUP</u>				
2022				
<u>Trade receivables</u>				
Gross carrying amount	7,740	0	2,605	10,345
Accumulated impairment loss	0	0	(2,605)	(2,605)
Net carrying amount	<u>7,740</u>	<u>0</u>	<u>0</u>	<u>7,740</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(c) Credit risk (continued)

Assessment of Impairment Losses (continued)

Other Receivables and Amount Owing by Related Parties

The Group and the Company applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assesses whether there is a significant increase in credit risk for receivables by comparing the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group and the Company uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group and the Company measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(c) Credit risk (continued)

Assessment of Impairment Losses (continued)

Other Receivables and Amount Owing by Related Parties (continued)

Allowance for Impairment Losses

<u>GROUP</u>	<u>Performing</u>	<u>Under-</u>	<u>Not</u>	<u>Total</u>
	RM'000	performing	performing	RM'000
		RM'000	RM'000	RM'000
2023				
<u>Other receivables</u>				
Gross carrying amount	1,390	0	1,204	2,594
Accumulated impairment loss	0	0	(1,204)	(1,204)
Net carrying amount	<u>1,390</u>	<u>0</u>	<u>0</u>	<u>1,390</u>
 <u>Amounts due from related parties</u>				
Gross carrying amount	23,023	10	230,073	253,106
Accumulated impairment loss	0	0	(230,073)	(230,073)
Net carrying amount	<u>23,023</u>	<u>10</u>	<u>0</u>	<u>23,033</u>
 <u>Deposits and bank balances</u>				
Gross/Net carrying amount	<u>41,260</u>	<u>0</u>	<u>0</u>	<u>41,260</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(c) Credit risk (continued)

Assessment of Impairment Losses (continued)

Other Receivables and Amount Owing by Related Parties (continued)

Allowance for Impairment Losses (continued)

	<u>Performing</u> RM'000	<u>Under- performing</u> RM'000	<u>Not performing</u> RM'000	<u>Total</u> RM'000
<u>GROUP</u>				
2022				
<u>Other receivables</u>				
Gross carrying amount	1,316	0	970	2,286
Accumulated impairment loss	0	0	(970)	(970)
Net carrying amount	<u>1,316</u>	<u>0</u>	<u>0</u>	<u>1,316</u>
<u>Amounts due from related parties</u>				
Gross carrying amount	12,701	347	228,451	241,499
Accumulated impairment loss	0	(344)	(228,451)	(228,795)
Net carrying amount	<u>12,701</u>	<u>3</u>	<u>0</u>	<u>12,704</u>
<u>Deposits and bank balances</u>				
Gross/Net carrying amount	<u>51,381</u>	<u>0</u>	<u>0</u>	<u>51,381</u>
<u>COMPANY</u>				
2023				
<u>Other receivables</u>				
Gross/Net carrying amount	<u>20</u>	<u>0</u>	<u>0</u>	<u>20</u>
<u>Amounts due from related parties</u>				
Gross carrying amount	0	192,008	19,642	211,650
Accumulated impairment loss	0	(192,008)	(19,642)	(211,650)
Net carrying amount	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Deposits and bank balances</u>				
Gross/Net carrying amount	<u>142</u>	<u>0</u>	<u>0</u>	<u>142</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(c) Credit risk (continued)

Assessment of Impairment Losses (continued)

Other Receivables and Amount Owing by Related Parties (continued)

Allowance for Impairment Losses (continued)

<u>COMPANY</u>	<u>Performing</u> RM'000	<u>Under- performing</u> RM'000	<u>Not performing</u> RM'000	<u>Total</u> RM'000
2022				
<u>Other receivables</u>				
Gross/Net carrying amount	391	0	0	391
<u>Amounts due from related parties</u>				
Gross carrying amount	0	37,800	171,389	209,189
Accumulated impairment loss	0	(36,232)	(171,389)	(207,621)
Net carrying amount	0	1,568	0	1,568
<u>Deposits and bank balances</u>				
Gross/Net carrying amount	422	0	0	422

Deposits, cash and bank balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(c) Credit risk (continued)

Assessment of Impairment Losses (continued)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries and associates are financial guarantee contract.

The Company closely monitors the subsidiaries' and associates' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's and an associate's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary and the associate is unlikely to repay its obligation to the bank in full; or
- The subsidiary and the associate is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position except for the financial guarantee contracts applicable to the Group. The maximum exposure for financial guarantee contracts are as disclosed in Note 31 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(d) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

<u>GROUP</u>	2023				<u>Total</u> RM'000
	<u>On demand</u> RM'000	<u>Within one year</u> RM'000	<u>Two to five years</u> RM'000	<u>More than five years</u> RM'000	
Financial liabilities:					
Payables and accrued liabilities	0	63,099	0	0	63,099
Amounts due to related parties	0	43,830	0	0	43,830
Loans and borrowings	96,600	7,745	39,326	0	143,671
Hire purchase and finance lease liabilities	0	872	3,488	75,292	79,652
Financial guarantee contracts	23,164	0	0	0	23,164
Total undiscounted financial obligations	119,764	115,546	42,814	75,292	353,416
	2022				
<u>GROUP</u>	<u>On demand</u> RM'000	<u>Within one year</u> RM'000	<u>Two to five years</u> RM'000	<u>More than five years</u> RM'000	<u>Total</u> RM'000
Financial liabilities:					
Payables and accrued liabilities	0	64,651	0	0	64,651
Amounts due to related parties	0	44,001	0	0	44,001
Loans and borrowings	122,611	11,006	18,358	0	151,975
Hire purchase and finance lease liabilities	0	944	3,542	75,614	80,100
Financial guarantee contracts	23,134	0	0	0	23,134
Total undiscounted financial obligations	145,745	120,602	21,900	75,614	363,861

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(d) Liquidity risk (continued)

<u>COMPANY</u>	2023				<u>Total</u> RM'000
	<u>On demand</u> RM'000	<u>Within one year</u> RM'000	<u>Two to five years</u> RM'000	<u>More than five years</u> RM'000	
Financial liabilities:					
Payables and accrued liabilities	0	19,019	0	0	19,019
Amounts due to related parties	0	138,083	0	0	138,083
Loans and borrowings	0	0	39,326	0	39,326
Hire purchase and finance lease liabilities	0	1,121	3,361	0	4,482
Financial guarantee contracts	80,646	0	0	0	80,646
Total undiscounted financial obligations	80,646	158,223	42,687	0	281,556

<u>COMPANY</u>	2022				<u>Total</u> RM'000
	<u>On demand</u> RM'000	<u>Within one year</u> RM'000	<u>Two to five years</u> RM'000	<u>More than five years</u> RM'000	
Financial liabilities:					
Payables and accrued liabilities	0	19,162	0	0	19,162
Amounts due to related parties	0	128,009	0	0	128,009
Loans and borrowings	24,476	0	15,597	0	40,073
Hire purchase and finance lease liabilities	0	1,121	4,482	0	5,603
Financial guarantee contracts	81,380	0	0	0	81,380
Total undiscounted financial obligations	105,856	148,292	20,079	0	274,227

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries and associates at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Financial risk management (continued)

(e) Capital risk management

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

Management monitors capital based on shareholders' equity attributable to the owners of the Company as stated in the statements of financial position. The capital structure of the Group and of the Company consists of net debt and net equity of the Group and of the Company.

The Company was declared a PN 17 company after triggering the prescribed criteria under paragraph 2.1(f) of the Practice Note 17 on 11 February 2020. This was after taking into consideration of the Group's and the Company's current cash flow position vis-a-vis its debts obligations payable where the Group and the Company have defaulted on certain of their loans during the financial year as well as subsequent to the financial year end. The original objective of safeguard the Group and the Company to continue as a going concern could not be met. The Group and the Company is working on formulating the regularisation plan to address the Group's and the Company's financial condition as at the date of this report.

	GROUP	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Loans and borrowings	119,953	127,955
Payables and accrued liabilities	146,872	139,626
Less: Cash and bank balances and deposits with licensed banks	(41,260)	(51,381)
Net debt	<u>225,565</u>	<u>216,200</u>
Equity attributable to the owners of the Company	<u>95,067</u>	<u>92,208</u>
Capital and net debt	<u>320,632</u>	<u>308,408</u>
Gearing ratio	<u>70%</u>	<u>70%</u>

There were no changes in the approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

28 FINANCIAL INSTRUMENTS (CONTINUED)

GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	5	60	2	1
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	404	(8,510)	(400)	(2,076)
Financial liabilities				
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	2,479	(12,245)	1,352	(6,059)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

29 FAIR VALUE ESTIMATION

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables.

The fair value of the floating interest rate borrowings approximates the carrying value as at the reporting date.

The disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table sets out the fair value profile of financial instruments that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>At 31 December 2023</u>				
GROUP				
<u>Asset</u>				
Other investments	126	0	25	151
COMPANY				
<u>Asset</u>				
Other investments	45	0	0	45
<u>At 31 December 2022</u>				
GROUP				
<u>Asset</u>				
Other investments	121	0	25	146
COMPANY				
<u>Asset</u>				
Other investments	43	0	0	43

The fair values of the short term investments of the Group and of the Company are based on quoted market prices in active market and are therefore classified in Level 1.

The fair value of unquoted equity investment of the Group and of the Company is determined to approximate the net assets value of the investee as it is immaterial in the context of the financial statements.

There were no transfers between Levels 1, 2 and 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

30 SEGMENT REPORTING

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their services provided.

The Group operates in Malaysia under four business segments:

- Ports and logistics - maritime services in respect of the development of an integrated privatised project and encompassing operations of multipurpose port facilities, operation and maintenance of a bulk terminal, sales and rental of port related land and other ancillary activities.
- Property development - township development of real property and ancillary services.
- Hospitality and tourism - hotelier, restaurateur and theme park.
- Management services and others - provision of management services and other business segments which include property investment and distribution, none of which are of a sufficient size to be reported separately.

Intersegment revenue comprises rental and food and beverages earned by the hotel operator and rental of office premises to entities with the Group. These transactions are transacted at terms agreed between the segments.

Unallocated assets include current tax assets. Unallocated liabilities include current tax liabilities and deferred tax liabilities.

The chief operating decision makers assesses the performance of the reportable segments based on their operating income. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets. Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

All revenue of the Group are generated in Malaysia and all non-current assets of the Group are located in Malaysia. For the current financial year, the revenue of 2 (2022: 2) customers contributed more than 10% of the total revenue of the Group amounted to RM48,195,480 and RM18,549,311 (2022: RM47,394,000 and RM18,425,000) respectively.

The basis of measurement of reported segment profit or loss, segment assets and segment liabilities is consistent with the basis used for the statements of comprehensive income of the Group for the financial year ended 31 December 2023 and the statements of financial position as at 31 December 2023. The components of the segment assets and liabilities include classes of assets and liabilities disclosed in the statements of financial position.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

30 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position

	<u>Ports and logistics</u>	<u>Property development</u>	<u>Hospitality and tourism</u>	<u>Management services and others</u>	<u>Total</u>
<u>2023</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:					
Total revenue	136,627	0	24,729	8,664	170,020
Less: Inter-segment revenue	0	0	(2,549)	(6,820)	(9,369)
Revenue from external customers	<u>136,627</u>	<u>0</u>	<u>22,180</u>	<u>1,844</u>	<u>160,651</u>
Revenue from contracts with customers:					
Timing of revenue recognition					
- At a point in time	3,582	0	11,442	0	15,024
- Over time	<u>133,045</u>	<u>0</u>	<u>10,738</u>	<u>1,844</u>	<u>145,627</u>
Results:					
Profit/(Loss) from operations	44,916	(2,200)	3,002	(5,526)	40,192
Finance costs	(412)	0	(955)	(6,772)	(8,139)
Profit/(Loss) before tax	<u>44,504</u>	<u>(2,200)</u>	<u>2,047</u>	<u>(12,298)</u>	<u>32,053</u>
Tax expense	(11,709)	0	(809)	(146)	(12,664)
Net profit/(loss) for the financial year	<u>32,795</u>	<u>(2,200)</u>	<u>1,238</u>	<u>(12,444)</u>	<u>19,389</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

30 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

	<u>Ports and logistics</u> RM'000	<u>Property development</u> RM'000	<u>Hospitality and tourism</u> RM'000	<u>Management services and others</u> RM'000	<u>Total</u> RM'000
<u>2023</u>					
Included in profit/(loss) from operations are:					
- interest income	(726)	0	(2)	(217)	(945)
- fair value gain on other investments	0	0	0	(5)	(5)
- gain on lease modification	(3)	0	0	0	(3)
- reversal of impairment losses on trade and other receivables	(1,069)	0	(12)	0	(1,081)
- reversal of impairment losses on amount due from related parties	0	0	(42)	(267)	(309)
- reversal of impairment losses on financial guarantee contracts	0	0	0	(247)	(247)
- waiver of interest expense and penalty	0	0	(1,461)	(4,199)	(5,660)
- gain on disposal of a leasehold land held for development	0	0	(2,244)	0	(2,244)
- gain on disposal of property, plant and equipment	(72)	0	0	0	(72)
- amortisation of intangible assets	911	0	0	0	911
- depreciation of property, plant and equipment, port facilities, investment properties and right-of-use assets	8,004	0	3,220	768	11,992
- impairment losses on trade and other receivables	278	0	103	211	592
- impairment losses on amounts due from related parties	645	0	18	924	1,587
- impairment losses of property, plant and equipment	0	0	24	0	24

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

30 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

<u>2023</u>	<u>Ports and logistics</u> RM'000	<u>Property development</u> RM'000	<u>Hospitality and tourism</u> RM'000	<u>Management services and others</u> RM'000	<u>Total</u> RM'000
Included in profit/(loss) from operations are: (continued)					
- property, plant and equipment written off	325	0	0	0	325
- inventories written down	25	0	0	0	25
Segment assets	374,164	74,712	88,797	2,380	540,053
Unallocated assets	0	0	3	128	131
Total assets	374,164	74,712	88,800	2,508	540,184
Segment liabilities	18,152	18	75,084	173,571	266,825
Unallocated liabilities	13,822	0	1,329	1,029	16,180
Total liabilities	31,974	18	76,413	174,600	283,005
Capital expenditure	15,340	0	996	51	16,387

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30 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

	<u>Ports and logistics</u> RM'000	<u>Property development</u> RM'000	<u>Hospitality and tourism</u> RM'000	<u>Management services and others</u> RM'000	<u>Total</u> RM'000
<u>2022</u>					
Revenue:					
Total revenue	127,777	0	21,769	11,621	161,167
Less: Inter-segment revenue	0	0	(2,391)	(9,775)	(12,166)
Revenue from external customers	<u>127,777</u>	<u>0</u>	<u>19,378</u>	<u>1,846</u>	<u>149,001</u>
Revenue from contracts with customers:					
Timing of revenue recognition					
- At a point in time	1,705	0	9,834	0	11,539
- Over time	<u>126,072</u>	<u>0</u>	<u>9,544</u>	<u>1,846</u>	<u>137,462</u>
Results:					
Profit/(Loss) from operations	46,083	47,327	(19,209)	(20,129)	54,072
Finance costs	(596)	0	(1,530)	(10,119)	(12,245)
Profit/(Loss) before tax	<u>45,487</u>	<u>47,327</u>	<u>(20,739)</u>	<u>(30,248)</u>	<u>41,827</u>
Tax (expense)/credit	(11,397)	0	(653)	(117)	(12,167)
Net profit/(loss) for the financial year	<u>34,090</u>	<u>47,327</u>	<u>(21,392)</u>	<u>(30,365)</u>	<u>29,660</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

30 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

	<u>Ports and logistics</u> RM'000	<u>Property development</u> RM'000	<u>Hospitality and tourism</u> RM'000	<u>Management services and others</u> RM'000	<u>Total</u> RM'000
<u>2022</u>					
Included in profit/(loss) from operations are:					
- interest income	409	0	1	267	677
- fair value gain on other investments	57	0	0	3	60
- reversal of impairment losses on trade and other receivables	342	0	1	3	346
- reversal of impairment losses on amount due from related parties	0	0	0	1,875	1,875
- reversal of impairment losses on property, plant and equipment	0	0	4,308	0	4,308
- reversal of inventories previously written down	0	0	270	0	270
- reversal of impairment losses on financial guarantee contracts	0	0	0	1,466	1,466
- compensation received from compulsory acquisition of land	0	59,691	0	0	59,691
- amortisation of intangible assets	(1,121)	0	0	0	(1,121)
- depreciation of property, plant and equipment, port facilities, investment properties and right-of-use assets	(8,111)	0	(4,154)	(813)	(13,078)
- impairment losses on trade and other receivables	(600)	0	(543)	(185)	(1,328)
- impairment losses on amounts due from related parties	0	0	(152)	(11,591)	(11,743)
- impairment losses of property, plant and equipment and right-of-use assets	0	0	(20,788)	0	(20,788)
- impairment losses on financial guarantee contracts	0	0	0	(195)	(195)

NOTES TO THE FINANCIAL STATEMENTS
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30 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

	<u>Ports and logistics</u> RM'000	<u>Property development</u> RM'000	<u>Hospitality and tourism</u> RM'000	<u>Management services and others</u> RM'000	<u>Total</u> RM'000
<u>2022</u>					
Included in profit/(loss) from operations are:					
- interest income	333	1,086	7	1,401	2,827
- gain on derecognition of subsidiaries	0	0	0	183,849	183,849
- fair value gain on other investments	46	0	0	0	46
- reversal of impairment losses on trade and other receivables	121	250	1	0	372
- reversal of impairment losses on amount due from related parties	0	480	0	1,227	1,707
- allowance for write down of inventories to net realisable value	0	(1,669)	0	0	(1,669)
- amortisation of intangible assets	(1,078)	0	0	0	(1,078)
- depreciation of property, plant and equipment, port facilities, investment properties and right-of-use assets	(7,641)	(148)	(7,759)	(983)	(16,531)
- impairment losses on trade and other receivables	(1,024)	0	(260)	(216)	(1,500)
- impairment losses on amounts due from related parties	0	(36)	(36)	(197,986)	(198,058)
- impairment losses of property, plant and equipment, right-of-use assets, investment properties and intangible assets	0	(118)	(12,448)	(923)	(13,489)
- impairment losses on financial guarantee contracts	0	0	0	(6,189)	(6,189)

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30 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

<u>2022</u>	<u>Ports and logistics</u> RM'000	<u>Property development</u> RM'000	<u>Hospitality and tourism</u> RM'000	<u>Management services and others</u> RM'000	<u>Total</u> RM'000
Included in profit/(loss) from operations are: (continued)					
- port facilities written off	(202)	0	0	0	(202)
- property, plant and equipment written off	(2)	0	0	0	(2)
- inventories written down	(747)	0	0	0	(747)
- land cost in relation to compulsory acquisition of land	0	(10,238)	0	0	(10,238)
Segment assets	356,225	74,504	90,180	5,672	526,581
Unallocated assets	0	0	3	75	78
Total assets	356,225	74,504	90,183	5,747	526,659
Segment liabilities	23,152	6,626	79,746	158,057	267,581
Unallocated liabilities	13,542	0	1,057	1,689	16,288
Total liabilities	36,694	6,626	80,803	159,746	283,869
Capital expenditure	11,755	0	653	0	12,408

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

31 FINANCIAL GUARANTEE CONTRACTS

	GROUP		COMPANY	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
<u>Corporate guarantees given to banks for credit facilities granted to:</u>				
Amount guaranteed				
Subsidiaries	0	0	72,766	72,766
Associates	24,697	24,697	24,697	24,697
A former subsidiary	963	963	963	963
	<u>25,660</u>	<u>25,660</u>	<u>98,426</u>	<u>98,426</u>

For corporate guarantees granted to associates and its subsidiaries, the Group and the Company have performed the assessment on the risk of defaults and have made the necessary loss allowance on the financial guarantee contracts as disclosed in Note 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

32 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 9 February 2023, the Company submitted a further extension of time application to Bursa Malaysia for a period of 12 months up to 9 February 2024 to submit the Company's regularisation plan to the relevant regulatory authorities. On 13 April 2023, Bursa Malaysia extended the regularisation plan submission dateline to 9 August 2023.
- (b) On 31 March 2023, the Company has entered into a Master Development Agreement ("MDA") with PKNP to define the general and overarching terms and conditions governing the development initiatives to be undertaken by the Company and PKNP.
- (c) On 9 August 2023, the Company has entered into a Sale and Purchase Agreement with Kim Poh Sitt Tat Feedmill Sdn Bhd to dispose of a piece of agriculture land held under H.S (D) 13618 PT 32665 Mukim Kampar, Daerah Kampar, Negeri Perak for a total cash consideration of RM5,500,000.00.
- (d) On 16 August 2023, the Company has entered into a supplemental agreement to the joint venture agreement ("JVA") dated 10 September 2019 with ARX-YSC Sdn Bhd to vary, amend and/or to supplement certain terms of the JVA. The JVA was in relation to the proposed joint development of four (4) pieces of lands held under PN 394964, Lot 20570, PN 394965, Lot 20571, PN 394961, Lot 20402 and PN 394962, Lot 20403, all in Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak.
- (e) On 17 August 2023, the Company has entered into a supplemental agreement to sale and purchase agreement ("SPA") dated 10 September 2019 with Makmur Impian Property Sdn Bhd to vary the terms of the conditions precedent, payment terms and to extend the time period for the fulfilment of the conditions precedent in the SPA. The supplemental agreement to SPA is in relation to the disposal of two (2) pieces of land held under PN 394964, Lot 20570 and PN 394965, Lot 20571, both at Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak for a revised consideration of RM23,256,259.07.
- (f) On 11 September 2023, the Company 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. In conjunction with supplemental agreement to the CIMB debt settlement agreement, the Company also proposes to amend the provisions of the Constitution of the Company to facilitate the substitution of the security documents provided under the supplemental agreement to the CIMB debt settlement agreement to secure the RPS, issued to CIMB.
- (g) On 15 September 2023, PCB Taipan entered into a debt settlement agreement with CIMB to settle the amount outstanding due and payable by PCB Taipan to CIMB which stood at RM29,303,617.18 based on the amount outstanding as at 31 December 2022 and includes continuing interest, costs, charges and expenses under the Facility Agreement dated 23 July 2012 from 1 January 2023 to full payment and/or repayment of all amounts due and owing under the Facility Agreement to CIMB.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

32 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (h) On 27 September 2023, Casuarina Meru Sdn Bhd (“CMSB”), a 89.54% subsidiary of PCB Taipan, has entered into a novation agreement with PKNP, Ladang Lekir Sdn Bhd (“LLSB”), Perak Agro Management Services Sdn Bhd and Perak Agropreneur Sdn Bhd for the novation by way of transfer of all benefits, rights, interests and liabilities from PKNP, to CMSB in and under the sale and purchase agreement dated 16 December 2022 in relation to the disposal of a piece of land held under HSD 4844, PT 1003, Mukim Temelong, Daerah Hulu Perak, Negeri Perak (“Land”) from PKNP to LLSB for a total cash consideration of RM4,051,080. PKNP is the registered proprietor of the Land while CMSB is the beneficial owner of the Land.
- (i) On 9 August 2023, the Company submitted a further extension of time application to Bursa Malaysia for a period of ten (10) months up to 8 June 2024 to submit the Company’s regularisation plan to the relevant regulatory authorities.
- (j) On 6 November 2023, Bursa Malaysia has resolved to grant the Company a further extension of time of six (6) months up to 10 February 2024 to submit its regularisation plan to the relevant regulatory authorities for approval.

33 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL YEAR

- (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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

33 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL YEAR
(CONTINUED)

- (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.

34 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 April 2024.



PERAK CORPORATION BERHAD

Registration No.: 199101000605 (210915-U)
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing the form please refer to the notes below)

No. of ordinary shares held

I/We.....[NRIC/Passport/Company No.]
(FULL NAME IN BLOCK CAPITALS)

of.....Tel No.
(FULL ADDRESS)

being a member of **PERAK CORPORATION BERHAD**, hereby appoint:

Proxy 1 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Proxy 2 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

or failing him/her, the Chairman of the Meeting, as my/our proxy to attend, speak (posing questions to the Board via real time submission of typed texts) and vote (collectively, "**Participate**") remotely for me/us and on my/our behalf, at the **THIRTY-THIRD ANNUAL GENERAL MEETING ("AGM")** of the Company to be held fully virtual through an online meeting platform of TIIH Online via its website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on [Tuesday, 11 June 2024 at 10.00 a.m.] or at any adjournment thereof in the manner indicated below:

NO.	RESOLUTIONS	For	Against
1.	To approve the payment of Directors' fees and benefits up to an amount of RM_____ from the date of the conclusion of this AGM until the date of the next AGM to be paid on a monthly basis.		
2.	To re-elect Datuk Redza Rafiq bin Abdul Razak as Director of the Company.		
3.	To re-elect Encik Ahmad Yani bin Aminuddin as Director of the Company.		
4.	To re-elect Puan Noor Azlin binti Zainal Abidin as Director of the Company.		
5.	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company.		
6.	Authority to Issue and Allot Shares		
7.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with an "X" in the appropriate box above how you wish to cast your vote. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.)

Dated this _____ day of _____ in the year 2024.

Signature/Seal

Notes:

- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the AGM will be put to vote by way of poll.
- An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 if the online platform is located in Malaysia. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at this AGM via Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd's ("**Tricor**") through its TIIH Online website at <https://tiih.online>. Members are advised to follow the procedures provided in the Administrative Guide for this AGM in order to Participate remotely via the RPV.
- For the purpose of determining a member who shall be entitled to Participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a Record of Depositors as at **5 June 2024**. Only members whose names appear in the Record of Depositors as at 5 June 2024 will be entitled to Participate in this AGM via RPV.
- A member of the Company entitled to Participate at the meeting may appoint any person to be his/her proxy to Participate in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to Participate at the meeting.

- e. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- f. When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
- g. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- h. The Form of Proxy can be submitted through either one of the following avenues no later than **Sunday, 9 June 2024 at 10.00 a.m.** or at any adjournment thereof:
 - (i) Lodgement of Form of Proxy in hardcopy - To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
 - (ii) Electronic lodgement of Form of Proxy - The Form of Proxy can be lodged electronically via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Guide for this AGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online website.
- i. A member who has appointed a proxy to Participate in this AGM must request his/her proxy to register himself/herself for the RPV at Tricor's **TIIH Online** website at <https://tiih.online>. Please read and follow the procedures provided in the Administrative Guide for this AGM.

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AFFIX
STAMP

The Poll Administrator
PERAK CORPORATION BERHAD
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