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

REPORTS AND STATUTORY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
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REPORTS AND STATUTORY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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PERAK CORPORATION BERHAD
(Registration no.: 199101000605 (210915-U))
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DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 2025.

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

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
Mukhriz Bin Che Murad

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
Rosmin Bin Mohamed
Lee Kah Jin

Directors of Lumut Maritime Terminal Sdn. Bhd.
Dato' Azian Bin Osman
Dato' Mohd Azmi Bin Hj Othman
Datuk Mohd Hisham Bin Ab Halim
Datuk Redza Rafiq Bin Abdul Razak
Mohammad Zahir Bin Ismail
Dato' Dr Aminuddin Bin Md Hanfiah

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):

<u>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.</u>
Wan Mahathir Bin Mohamad Esa
Rosmin Bin Mohamed

<u>Directors of Casuarina Taiping Sdn. Bhd.</u>
Wan Mahathir Bin Mohamad Esa
Chew Jia Yieng

<u>Directors of Meru Raya Park Sdn. Bhd.</u>
Mat Radzi Bin Awang @ Hanafiah
Wan Mahathir Bin Mohamad Esa

<u>Directors of BioD Leisure & Recreation Sdn. Bhd.</u>
Rosmin Bin Mohamed
Mukhriz Bin Che Murad

<u>Directors of Rungkup Port Sdn. Bhd.</u>
Datuk Redza Rafiq Bin Abdul Razak
Rosmin Bin Mohamed

<u>Directors of LMT Capital Sdn. Bhd.</u>
Datuk Redza Rafiq Bin Abdul Razak
Abdul Halim Bin Abdullah Shukor (Appointed on 10 July 2025)
Tn Hj Zainal Abidin Shah Bin Mahamood @ Yahya (Resigned on 10 July 2025)

<u>Directors of Silveritage Corporation Sdn. Bhd. and Cash Complex Sdn. Bhd.</u>
Rosmin Bin Mohamed
Mukhriz Bin Che Murad

<u>Directors of PCB Land Sdn. Bhd.</u>
Datuk Redza Rafiq Bin Abdul Razak
Rosmin Bin Mohamed

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 ended 31 December 2025	15,830	(11,250)
Attributable to:		
Owners of the Company	1,023	(11,250)
Non-controlling interests	14,807	0
	15,830	(11,250)

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 2025.

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.

DIRECTORS' BENEFITS

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 27 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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	1,137	438
Salaries, bonuses and other benefits	702	158
	1,839	596

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 2025 amounted to approximately RM27,432.

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 2025 amounted to approximately RM54,166. 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.

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 making of allowance for doubtful debts and satisfied themselves 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 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 considering that the financial statements of the Group and of the Company are prepared on non-going concern.

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.

OTHER STATUTORY INFORMATION (CONTINUED)

In the opinion of the directors:

(a) except as disclosed in Note 33 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.

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 33 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 34 to the financial statements.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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	584	180
Non-audit fees	231	231
	815	411

This report was approved by the Board of Directors on 30 April 2026. Signed on behalf of the Board of Directors.

DATUK REDZA RAFIQ BIN ABDUL RAZAK
DIRECTOR

FAIZUL HILMY BIN AHMAD ZAMRI
DIRECTOR

PERAK CORPORATION BERHAD
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STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Redza Rafiq Bin Abdul Razak and Faizul Hilmy Bin Ahmad Zamri, 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 116 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 2025 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, IFRS Accounting 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 2026.

DATUK REDZA RAFIQ BIN ABDUL RAZAK
DIRECTOR

FAIZUL HILMY BIN AHMAD ZAMRI
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 116 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 2026.

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 of the Group and of the Company as at 31 December 2025, 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 116.

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 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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.

Key Audit Matters (Cont'd)

<table>
<tr><td colspan="2">1. The liquidity position and the implications to going concern
(Refer to Note 2 - Basis of preparation, Note 23 - Loans and borrowings, Note 29.2(d) - Liquidity risk, Note 33 - Significant events during the financial year and Note 34 - Material events subsequent to the end of the current financial year)</td></tr>
<tr><td>Key Audit Matter</td><td>How Our Audit Addressed the Key Audit Matter</td></tr>
<tr><td>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 in the previous financial year.

As at 31 December 2025, the total loans and borrowings of the Group and of the Company amounted to RM215.2 million (2024: RM144.0 million) and RM46.1 million (2024: RM44.4 million) respectively, constituted about 52.1% and 15.8% 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, RM56.1 million (2024: RM52.0 million) and RM45.0 million (2024: RM42.3 million) are due repayable on demand or within 1 year respectively.

As at 31 December 2025, the Group's and the Company's current liabilities exceeded their current assets by RM53.1 million (2024: RM40.2 million) and RM198.8 million (2024: RM187.5 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.

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.</td><td>We performed the following audit procedures:

• 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;

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.

No other material exception was noted.</td></tr>
</table>

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)

<table>
<tr><td colspan="2">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 29.2(d) - Liquidity risk, Note 33 - Significant events during the financial year and Note 34 - Material events subsequent to the end of the current financial year)</td></tr>
<tr><td>Key Audit Matter</td><td>How Our Audit Addressed the Key Audit Matter</td></tr>
<tr><td>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 2025. On 18 February 2025, the Company has made a requisite announcement to undertake the proposed regularisation plan to regularise its financial condition in accordance with Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Malaysia. The application in relation to the Proposed Regularisation Plan has been submitted to Bursa Malaysia on 9 May 2025 and subsequently approved by Bursa Malaysia on 19 January 2026. Shareholders' approval was obtained at the Extraordinary General Meeting held on 27 February 2026.

Notwithstanding the approvals obtained, the Group's ability to settle the loans and borrowings remains dependent on the successful and timely 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.

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.

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.</td><td></td></tr>
</table>

Key Audit Matters (Cont'd)

<table>
<tr><td colspan="2">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)</td></tr>
<tr><td>Key Audit Matter</td><td>How Our Audit Addressed the Key Audit Matter</td></tr>
<tr><td>As at 31 December 2025, the carrying amounts of non-financial assets are as follows:
- property, plant and equipment: RM73.8 million;
- right-of-use assets: RM86.8 million;
- port facilities: RM306.5 million;
- investment properties: RM6.5 million; and
- intangible assets: RM24.3 million

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.

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.</td><td>We performed the following audit procedures:
• 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.

Based on the work performed, no material exception noted.</td></tr>
</table>

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)

<table>
<tr><td colspan="2">3. Recoverable amounts for property development costs
(Refer to Note 19 - Inventories)</td></tr>
<tr><td>Key Audit Matter</td><td>How Our Audit Addressed the Key Audit Matter</td></tr>
<tr><td>As at 31 December 2025, the carrying amounts of property development costs of the Group and of the Company included as part of inventories amounted to RM110.9 million and RM92.2 million respectively.

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.

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.</td><td>We performed the following audit procedures:

• 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.

Based on the work performed, no material exception noted.</td></tr>
</table>

Key Audit Matters (Cont'd)

<table>
<tr><td colspan="2">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 32 - Financial guarantee contracts)</td></tr>
<tr><td>Key Audit Matter</td><td>How Our Audit Addressed the Key Audit Matter</td></tr>
<tr><td>As at 31 December 2025, third party trade receivables, other receivables and other related parties of the Group and of the Company amounted to approximately RM33.0 million and RM0.02 million respectively.

As at 31 December 2025, the values of corporate guarantees issued to associated companies and subsidiaries amounted to approximately RM23.8 million and RM72.8 million respectively.

The management applied the expected credit loss ("ECL") model to determine the extent of ECL allowance required as at 31 December 2025.

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.</td><td>We performed the following audit procedures:

• 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.

Based on the work performed, no material exception noted.</td></tr>
</table>

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

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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, IFRS Accounting 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.

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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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

Chan Kuan Chee
02271/10/2027 J
Chartered Accountant

Kuala Lumpur

30 April 2026

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	GROUP 2025 RM'000	GROUP 2024 RM'000	COMPANY 2025 RM'000	COMPANY 2024 RM'000
REVENUE	4	165,645	153,884	0	0
COST OF SALES		(73,320)	(69,798)	0	0
GROSS PROFIT		92,325	84,086	0	0
Administrative expenses		(65,560)	(60,784)	(14,977)	(13,048)
Other income		4,904	4,702	7	10
Other expenses		(29)	(9)	0	0
Net gain on disposal of a deemed acquired subsidiary	26	0	1,793	0	0
Reversal of impairment losses/(Net impairment losses) on:					
- receivables		542	1,767	(1,559)	(4,426)
- financial guarantee contracts		3,128	1,891	8,158	6,034
OPERATING PROFIT/(LOSS)	5	35,310	33,446	(8,371)	(11,430)
Finance costs	8	(5,769)	(5,786)	(2,879)	(2,413)
PROFIT/(LOSS) BEFORE TAX		29,541	27,660	(11,250)	(13,843)
Tax expense	9	(13,711)	(10,868)	0	0
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR		15,830	16,792	(11,250)	(13,843)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR, NET OF TAX		0	0	0	0
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		15,830	16,792	(11,250)	(13,843)
NET PROFIT/(LOSS)/TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:					
Owners of the Company		1,023	2,786	(11,250)	(13,843)
Non-controlling interests		14,807	14,006	0	0
		15,830	16,792	(11,250)	(13,843)
Profit per share attributable to equity holders of the parent (sen)					
Basic/Diluted	10	1.02	2.79		

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 2025

		GROUP		COMPANY	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	73,805	73,549	69	45
Right-of-use assets	12	86,843	87,826	1,886	2,828
Port facilities	13	306,463	213,151	0	0
Investment properties	14	6,457	6,740	0	0
Investments in subsidiaries	15	0	0	98,099	98,099
Other investments	17	25	25	0	0
Intangible assets	18	24,324	24,212	0	0
Inventories	19	10,428	10,428	0	0
		508,345	415,931	100,054	100,972
CURRENT ASSETS					
Inventories	19	114,225	105,977	92,236	83,253
Receivables, deposits and prepayments	20	41,222	33,525	508	458
Current tax assets		677	2,073	14	143
Other investments	17	134	129	48	46
Deposits, cash and bank balances	21	28,367	33,224	52	22
		184,625	174,928	92,858	83,922
TOTAL ASSETS		692,970	590,859	192,912	184,894
EQUITY					
Share capital	22	272,770	272,770	272,770	272,770
Accumulated losses		(173,894)	(174,917)	(372,633)	(361,383)
Equity attributable to owners of the Company		98,876	97,853	(99,863)	(88,613)
Non-controlling interests		180,925	171,118	0	0
TOTAL EQUITY		279,801	268,971	(99,863)	(88,613)
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans and borrowings	23	159,137	91,997	1,086	2,110
Deferred tax liabilities	25	16,297	14,760	7	7
		175,434	106,757	1,093	2,117
CURRENT LIABILITIES					
Loans and borrowings	23	56,067	52,030	45,040	42,258
Payables and accrued liabilities	24	179,279	161,204	246,642	229,132
Current tax liabilities		2,389	1,897	0	0
		237,735	215,131	291,682	271,390
TOTAL LIABILITIES		413,169	321,888	292,775	273,507
TOTAL EQUITY AND LIABILITIES		692,970	590,859	192,912	184,894

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 2025

	Issued and fully paid share capital RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
GROUP					
At 1.1.2025	272,770	(174,917)	97,853	171,118	268,971
Total comprehensive income for the financial year					
Net profit for the financial year	0	1,023	1,023	14,807	15,830
Total transactions with owners, recognised directly in equity					
Dividends paid by a subsidiary to non-controlling interests	0	0	0	(5,000)	(5,000)
At 31.12.2025	272,770	(173,894)	98,876	180,925	279,801
At 1.1.2024	272,770	(177,703)	95,067	162,112	257,179
Total comprehensive income for the financial year					
Net profit for the financial year	0	2,786	2,786	14,006	16,792
Total transactions with owners, recognised directly in equity					
Dividends paid by a subsidiary to non-controlling interests	0	0	0	(5,000)	(5,000)
At 31.12.2024	272,770	(174,917)	97,853	171,118	268,971

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 2025 (CONTINUED)

	Issued and fully paid share capital RM'000	Accumulated losses RM'000	Total RM'000
COMPANY			
At 1.1.2025	272,770	(361,383)	(88,613)
Total comprehensive expenses for the financial year			
Net loss for the financial year	0	(11,250)	(11,250)
At 31.12.2025	272,770	(372,633)	(99,863)
At 1.1.2024	272,770	(347,540)	(74,770)
Total comprehensive expenses for the financial year			
Net loss for the financial year	0	(13,843)	(13,843)
At 31.12.2024	272,770	(361,383)	(88,613)

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 2025

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
OPERATING CASH FLOWS				
Net profit/(loss) for the financial year	15,830	16,792	(11,250)	(13,843)
Adjustments for:				
Amortisation of computer software	204	356	0	0
Depreciation				
- investment properties	283	282	0	0
- port facilities	7,892	7,049	0	0
- property, plant and equipment	3,426	3,799	16	17
- right-of-use assets	1,105	1,105	942	943
Deposits written off	4	0	0	0
Inventories written off	1	0	0	0
Port facilities written off	19	0	0	0
Property, plant and equipment written off	6	0	0	0
Impairment losses				
- property, plant and equipment	0	9	0	0
- amount due from ultimate holding corporation	977	1,523	0	0
- amount due from subsidiaries	0	0	1,914	4,856
- amount due from fellow subsidiaries	11	12	0	0
- other receivables	0	150	0	0
- trade receivables	93	320	0	0
Operating cash flows carried forward	29,851	31,397	(8,378)	(8,027)

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 2025 (CONTINUED)

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
OPERATING CASH FLOWS (CONTINUED)				
Operating cash flows brought forward	29,851	31,397	(8,378)	(8,027)
Adjustments for:				
Dividend income	(1)	(1)	0	0
Fair value gain on financial assets measured at fair value at profit or loss				
- other investment	(5)	(3)	(2)	(1)
Net gain on disposal of a deemed acquired subsidiary	0	(1,793)	0	0
Gain on disposal of property, plant and equipment	(172)	0	0	0
Gain on lease termination	(1,335)	0	0	0
Interest income	(203)	(462)	(5)	(9)
Reversal of allowance for impairment losses:				
- property, plant and equipment	(584)	(933)	0	0
- right-of-use assets	(122)	(160)	0	0
- amount due from ultimate holding corporation	(1,439)	(2,811)	0	0
- amount due from a subsidiary	0	0	(355)	0
- amount due from a former subsidiaries	0	(198)	0	(198)
- amount due from fellow subsidiaries	0	(415)	0	(232)
- amount due from an associate	(10)	0	0	0
- trade receivables	(174)	(148)	0	0
- other receivables	0	(200)	0	0
- financial guarantee contracts	(3,128)	(1,891)	(8,158)	(6,034)
Reversal of inventories previously written down	(6)	(1,192)	0	0
Waiver of debt	(360)	0	0	0
Waiver of penalty	(190)	0	0	0
Finance costs	5,769	5,786	2,879	2,413
Tax expense	13,711	10,868	0	0
	41,602	37,844	(14,019)	(12,088)
Changes in working capital:				
Inventories	(8,243)	(8,972)	(8,983)	(7,731)
Receivables	(5,189)	5,793	(50)	(90)
Related parties	(2,143)	2,870	0	0
Payables	20,832	21,117	22,618	22,218
	5,257	20,808	13,585	14,397
Cash flows generated from/(for) operation	46,859	58,652	(434)	2,309
Tax paid/(tax refund)	(10,286)	(12,333)	129	(14)
Net operating cash flow carried forward	36,573	46,319	(305)	2,295

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net operating cash flow carried forward	36,573	46,319	(305)	2,295
INVESTING CASH FLOWS				
Purchase of property, plant and equipment	(2,087)	(2,568)	(40)	(11)
Purchase of port facilities	(97,594)	(68,880)	0	0
Purchase of computer software	(214)	(135)	0	0
Proceeds from disposals of property, plant and equipment	302	0	0	0
Repayment from/(Advances) to related parties	173	6,693	(1,559)	(4,426)
Dividend income received	1	1	0	0
Interest received	203	462	5	9
Net cash outflow on disposal of a deemed acquired subsidiary	0	(461)	0	0
Net investing cash flow	(99,216)	(64,888)	(1,594)	(4,428)
FINANCING CASH FLOWS				
Dividends paid to non-controlling interests	(5,000)	(5,000)	0	0
(Placement)/Withdrawal of deposits with licensed banks with maturity of more than 3 months	(176)	14,035	0	0
Placement of pledged deposits with licensed banks	(3,037)	(6)	0	0
Drawdown of business financing-i and cash line-i	247	0	0	0
Repayment of hire purchase payables	(144)	0	0	0
Net drawdown of term financing	70,417	26,045	0	0
Repayment of revolving credits	(5,000)	(5,000)	0	0
Interest paid	(2,895)	(2,906)	0	(209)
Advances from/(Repayment to) related parties	154	(2,542)	1,929	2,222
Net financing cash flow	54,566	24,626	1,929	2,013
Net change in cash and cash equivalents	(8,077)	6,057	30	(120)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	20,715	14,658	16	136
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (Note 21)	12,638	20,715	46	16

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 2025 (CONTINUED)

Changes in liabilities arising from financing activities

	As at 1 January RM'000	Proceeds from drawdown RM'000	Repayments RM'000	Changes in overdraft RM'000	Non-cash changes RM'000	Interest expense RM'000	Interest paid RM'000	As at 31 December RM'000
2025								
GROUP								
Loans and borrowings	144,027	71,264	(5,144)	0	2,183	5,769	(2,895)	215,204
COMPANY								
Loans and borrowings	44,368	0	0	0	(1,121)	2,879	-	46,126
2024								
GROUP								
Loans and borrowings	119,593	26,045	(5,000)	0	213	6,082	(2,906)	144,027
COMPANY								
Loans and borrowings	43,313	0	0	0	(911)	2,175	(209)	44,368

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statement of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

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”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2 BASIS OF PREPARATION (CONTINUED)

The Group reported profit after tax of RM15.8 million (2024: RM16.8 million) for the financial year ended 31 December 2025 and as at that date, the Group's and the Company's current liabilities exceeded its current assets by RM53.1 million (2024: RM40.2 million) and RM198.8 million (2024: RM187.5 million) respectively. As at 31 December 2025, deposits, cash and bank balances of the Group and the Company totalled RM28.4 million and RM0.05 million respectively and borrowing due repayment over the next 12 months after reporting date totalled RM56.1 million and RM45.0 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 fulfilment.

On 18 February 2025, the Company has made a requisite announcement to undertake the proposed regularisation plan to regularise its financial condition in accordance with Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Malaysia. The application in relation to the Proposed Regularisation Plan was submitted to Bursa Malaysia on 9 May 2025. Subsequent to the financial year end, Bursa Malaysia has, vide its letter dated 19 January 2026, resolved to approve the Company's Proposed Regularisation Plan. Shareholders' approval was obtained at the Extraordinary General Meeting held on 27 February 2026.

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.

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 Main Market 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.

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.

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.

Prior to the mandatory full redemption on the third anniversary of the issuance of the RPS, CIMB, vide its letter dated 10 January 2025, approved the Company’s request to redeem the RPS-A1 together with all accrued and unpaid dividends by 30 September 2025. Similarly, AIB, through its letter dated 27 January 2025, agreed to grant an extension of time until 30 September 2025 for the Company to fully redeem the RPS-A2, inclusive of cumulative compounded gross preferential dividends accruing at 5% per annum up to 31 January 2025 and 8% per annum thereafter until the RPS-A2 maturity date.

Subsequently, CIMB, at the Company’s request, vide its letter dated 30 September 2025, granted a further extension of time up to 31 March 2026 for the full redemption of RPS-A1, together with cumulative gross preferential dividends at a rate of 8% per annum from 1 October 2025 until the maturity date of RPS-A1. Similarly, AIB, vide its letter dated 4 November 2025, granted an extension of time up to 31 March 2026 for the full redemption of RPS-A2.

2 BASIS OF PREPARATION (CONTINUED)

Key chronological events (continued)

Proposed Private Debt Settlements with Financial Institutions (continued)
The Company intends to utilise proceeds from land monetisation under the Proposed Regularisation Plan to fully redeem both RPS-A1 and RPS-A2. The timing of the receipt of these proceeds is contingent upon the fulfilment of the relevant conditions precedent, including approvals from Bursa Malaysia and shareholders, which were obtained on 19 January 2026 and 27 February 2026, respectively.

In view of the above, the Company had on 6 March 2026 requested for a further extension of time up to 30 June 2026 to facilitate the timing of receipt of the proceeds. CIMB has, vide its letter dated 17 March 2026, approved the said extension.

In respect of AIB, the Company's request for a further extension is under consideration. The Company remains in active engagement with the AIB to align the repayment timeline with the expected receipt of proceeds from the ongoing land monetisation which is progressing towards completion. The RPS-A2 remains in good standing, with no event of default triggered as at the date of this report.

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.

2 BASIS OF PREPARATION (CONTINUED)

Creditor's Voluntary Winding-Up of PCB Development Sdn. Bhd. (continued)

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.

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

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

Regularisation Plan

The submission of its regularisation plan to Bursa Malaysia was due on 10 February 2024. The Company had on 9 February 2024 submitted an application to Bursa Malaysia for an extension of time for a period of 12 months up to 9 February 2025. On 9 May 2024, Bursa Malaysia extended the regularisation plan submission dateline to 10 August 2024.

On 9 August 2024, the Company submitted a further extension of time application to Bursa Malaysia for a period of ten (10) months up to 10 June 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. On 17 September 2024, Bursa Malaysia has resolved to grant the Company a further extension of six (6) months up to 9 February 2025 to submit its regularisation plan to the relevant regulatory authorities.

On 7 February 2025, the Company submitted a further extension of time application to Bursa Malaysia for a period of six (6) months up to 9 August 2025 to submit the Company's regularisation plan to the relevant regulatory authorities. On 20 February 2025, Bursa Malaysia has resolved to grant the Company for a further extension of time of six (6) months up to 9 August 2025 to submit its regularisation plan to the relevant regulatory authorities for approval.

On 18 February 2025, the Company has made a requisite announcement to undertake the proposed regularisation plan ("Proposed Regularisation Plan") to regularise its financial condition in accordance with Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Malaysia.

The application in relation to the Proposed Regularisation Plan was submitted to Bursa Malaysia on 9 May 2025.

Subsequent to the financial year end, Bursa Malaysia has, vide its letter dated 19 January 2026, resolved to approve the Company's Proposed Regularisation Plan. At the Extraordinary General Meeting of the Company held on 27 February 2026, all the resolutions in respect of the Proposed Regularisation Plan were duly passed by the shareholders of the Company.

2 BASIS OF PREPARATION (CONTINUED)

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 2025, the total loans and borrowings of the Group and of the Company amounted to RM215.2 million (2024: RM144.0 million) and RM46.1 million (2024: RM44.4 million) respectively, constituted about 52.1% and 15.8% 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, RM56.1 million (2024: RM52.0 million) and RM45.0 million (2024: RM42.3 million) are due repayable on demand or within 1 year respectively.

The bank and cash position of the Group and of the Company as at 31 December 2025 of RM28.4 million and RM0.05 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. Separately, certain projects contemplated under the Proposed Regularisation Plan, which remain subject to approval by Bursa Malaysia and shareholders as at financial year end, have not been taken into account in this assessment and will be considered independently upon approval.

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 at financial year end, the Proposed Regularisation Plan submitted remains subject to regulatory and shareholders' approval. Pending such approval, material uncertainty exists as to the Group's and the Company's ability to realise their assets and discharge their liabilities 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 as at financial year end. 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 2025 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."*

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)

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. In respect of assets expected to be recovered in the normal course of business, for example, in operating subsidiaries within the hospitality and tourism and ports and logistics segments, such assets are presented as non-current when they are expected to be realised more than twelve months after the reporting period.
- 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.

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)

Amendments to MFRS 121: Lack of Exchangeability

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.

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 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 except as follows:-

MFRS 18 ‘Presentation and Disclosure in Financial Statements’ will replace MFRS 101 ‘Presentation of Financial Statements’ upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: ‘‘operating’’, ‘‘investing’’ and ‘‘financing’’ and introduces 2 new subtotals: ‘‘operating profit or loss’’ and ‘‘profit or loss before financing and income tax’’. In addition, MFRS 18 requires the disclosure of management-defined performance measures and set out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

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.

(d) Write-down of Inventories

Management periodically reviews damaged, obsolete, and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation inventories.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key Sources of Estimation Uncertainty (Continued)

(e) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops expected credit loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying value of trade receivables.

(f) 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.

(g) 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.

(h) 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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.

(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.

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.

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	10 - 20
Computers	20
Motor vehicles	20
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.

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.

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. 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	50

3.9 INTANGIBLE ASSETS

<u>Computer software license</u>

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.

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.

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 complete 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.

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.

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.

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.

4 REVENUE

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers:				
Sale of land	1,100	0	0	0
Hotel revenue - rooms and halls	9,285	10,344	0	0
Restaurants, food and beverages	12,124	11,865	0	0
Port services	142,322	129,605	0	0
Management services	459	436	0	0
	165,290	152,250	0	0
Revenue from other sources:				
Rental income - premises	355	1,634	0	0
Total revenue	165,645	153,884	0	0
Timing of revenue recognition:				
Goods sold at a point in time	133,209	119,842	0	0
Services rendered over time	32,436	34,042	0	0
	165,645	153,884	0	0

5 OPERATING PROFIT/(LOSS)

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) is stated after charging/(crediting):				
Auditors' remuneration paid/payable:				
- Statutory audit	584	624	180	180
- (over)/under provision in the previous financial year	(30)	0	0	0
- Non-audit fees	231	191	231	191
Amortisation of computer software	204	356	0	0
Depreciation:				
- Property, plant and equipment	3,426	3,799	16	17
- Port facilities	7,892	7,049	0	0
- Investment properties	283	282	0	0
- Right-of-use assets	1,105	1,105	942	943
Deposits written off	4	0	0	0
Directors' fees and remuneration (Note 7)	1,839	1,654	596	573
Employee benefits expense (Note 6)	52,124	48,138	9,619	8,615
Impairment losses:				
- Property, plant and equipment	0	9	0	0
Inventories written off	1	0	0	0
Lease expenses for short term leases and low value assets	241	126	4	11
Port facilities written off	19	0	0	0
Property, plant and equipment written off	6	0	0	0

5 OPERATING PROFIT/(LOSS) (CONTINUED)

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating profit/(loss) is stated after charging/(crediting): (continued)				
Interest income from:				
- Unwinding of interest on significant financing component	(9)	0	0	0
- Fixed deposits	(194)	(462)	(5)	(9)
Dividend income	(1)	(1)	0	0
Gain on disposal of property, plant and equipment	(172)	0	0	0
Gain on foreign exchange (realised)	(16)	(18)	0	0
Gain on lease termination	(1,335)	0	0	0
Fair value gain on financial assets measured at fair value through profit or loss	(5)	(3)	(2)	(1)
Rental income from leasing of buildings	(459)	(165)	0	0
Reversal of impairment loss on property, plant and equipment	(584)	(933)	0	0
Reversal of impairment loss on right-of-use assets	(122)	(160)	0	0
Reversal of inventories previously written down	(6)	(1,192)	0	0
Reversal of impairment loss on financial guarantee contracts	(3,128)	(1,891)	(8,158)	(6,034)
Waiver of debt	(360)	0	0	0
Waiver of penalty	(190)	0	0	0

5 OPERATING PROFIT/(LOSS) (CONTINUED)

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	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	93	320	0	0
- Other receivables	0	150	0	0
- Amount due from ultimate holding corporation	977	1,523	0	0
- Amount due from subsidiaries	0	0	1,914	4,856
- Amount due from fellow subsidiaries	11	12	0	0
Reversal of impairment losses:				
- Trade receivables	(174)	(148)	0	0
- Other receivables	0	(200)	0	0
- Amount due from ultimate holding corporation	(1,439)	(2,811)	0	0
- Amount due from subsidiaries	0	0	(355)	(232)
- Amount due from fellow subsidiaries	0	(415)	0	0
- Amount due from a former subsidiary	0	(198)	0	(198)
- Amount due from an associate	(10)	0	0	0

6 EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries and wages	38,930	36,351	7,427	6,672
Employees Provident Fund contributions	4,472	4,234	1,105	990
Social security contributions and employment insurance systems contributions	517	477	92	83
Other staff related expenses	8,205	7,076	995	870
	52,124	48,138	9,619	8,615

7 DIRECTORS' FEES AND REMUNERATION

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company:				
- salaries and other emoluments	158	137	158	135
- fees	438	438	438	438
	596	575	596	573
Directors of the subsidiaries:				
- salaries and other emoluments	544	512	0	0
- fees	699	567	0	0
	1,243	1,079	0	0
	1,839	1,654	596	573

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.

8 FINANCE COSTS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expenses				
- advances from ultimate holding corporation	0	238	0	238
- hire purchase and finance lease liabilities	294	273	155	209
- revolving credits	1,737	2,432	0	0
- term loans	4,829	979	0	0
- redeemable cumulative preference shares	2,724	1,966	2,724	1,966
- overdraft and other borrowings	398	432	0	0
- others	16	0	0	0
	9,998	6,320	2,879	2,413
Recognised in profit or loss	5,769	5,786	2,879	2,413
Capitalised in qualifying assets				
- property, plant and equipment	600	420	0	0
- port facilities	3,629	114	0	0
	9,998	6,320	2,879	2,413

The average capitalisation rate for borrowing costs of the Group is 5.20% to 6.72% (2024: 5.51% to 6.72%) per annum.

9 TAX EXPENSE

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense	12,001	9,693	0	0
Under/(Over)provision of Malaysian income tax in prior year	173	(374)	0	0
	12,174	9,319	0	0
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	8	1,549	0	0
Underprovision of deferred tax in prior year	1,529	0	0	0
	1,537	1,549	0	0
Tax expense	13,711	10,868	0	0

9 TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) before tax	29,541	27,660	(11,250)	(13,843)
Tax calculated at the Malaysian income tax rate of 24% (2024: 24%)	7,090	6,638	(2,700)	(3,322)
Tax effects of:				
- expenses not deductible for tax purposes	4,010	3,306	1,248	902
- income not subject to tax	(3,405)	(3,008)	(1,963)	(1,492)
- deferred tax assets not recognised	3,978	4,559	3,415	3,912
- utilisation of deferred tax assets previously not recognised	336	(253)	0	0
- under/(over)provision of Malaysian income tax in prior year	173	(374)	0	0
- underprovision of deferred tax in prior year	1,529	0	0	0
Tax expense	13,711	10,868	0	0

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

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	
	2025	2024
Net profit for the financial year attributable to owners of the Company (RM'000)	1,023	2,786
Weighted average number of ordinary shares in issue during the financial year ('000)	100,000	100,000
Basic profit per share (sen)	1.02	2.79

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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
COST							
At 1.1.2025	8,305	84,638	47,732	4,623	5,332	19,013	169,643
Additions	0	0	957	1,302	0	1,077	3,336
Disposal	0	0	0	(490)	0	0	(490)
Written off	0	0	(763)	(4)	0	(1)	(768)
Reclassification	0	0	0	0	0	(102)	(102)
At 31.12.2025	8,305	84,638	47,926	5,431	5,332	19,987	171,619
ACCUMULATED DEPRECIATION							
At 1.1.2025	0	14,156	37,561	3,265	4,927	0	59,909
Depreciation for the financial year	0	1,131	1,599	571	125	0	3,426
Disposal	0	0	0	(360)	0	0	(360)
Written off	0	0	(758)	(4)	0	0	(762)
At 31.12.2025	0	15,287	38,402	3,472	5,052	0	62,213

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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
ACCUMULATED IMPAIRMENT LOSSES							
At 1.1.2025	0	21,692	4,496	0	128	9,869	36,185
Reversal of impairment loss for the financial year	0	(514)	(70)	0	0	0	(584)
At 31.12.2025	0	21,178	4,426	0	128	9,869	35,601
CARRYING AMOUNT							
At 31.12.2025	8,305	48,173	5,098	1,959	152	10,118	73,805

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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
COST							
At 1.1.2024	8,305	84,638	45,767	4,612	5,332	20,948	169,602
Additions	0	0	1,604	11	0	1,491	3,106
Reclassification from port facilities	0	0	361	0	0	0	361
Written off	0	0	0	0	0	(3,426)	(3,426)
At 31.12.2024	8,305	84,638	47,732	4,623	5,332	19,013	169,643
ACCUMULATED DEPRECIATION							
At 1.1.2024	0	12,947	35,772	2,809	4,582	0	56,110
Depreciation for the financial year	0	1,209	1,789	456	345	0	3,799
At 31.12.2024	0	14,156	37,561	3,265	4,927	0	59,909

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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
ACCUMULATED IMPAIRMENT LOSSES							
At 1.1.2024	0	22,430	4,682	0	128	13,295	40,535
Impairment loss for the financial year	0	0	9	0	0	0	9
Reversal of impairment loss for the financial year	0	(738)	(195)	0	0	0	(933)
Written off	0	0	0	0	0	(3,426)	(3,426)
At 31.12.2024	0	21,692	4,496	0	128	9,869	36,185
CARRYING AMOUNT							
At 31.12.2024	8,305	48,790	5,675	1,358	277	9,144	73,549

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
COST			
At 1.1.2025	927	268	1,195
Additions for the financial year	40	0	40
At 31.12.2025	967	268	1,235
ACCUMULATED DEPRECIATION			
At 1.1.2025	882	268	1,150
Depreciation for the financial year	16	0	16
At 31.12.2025	898	268	1,166
CARRYING AMOUNT			
At 31.12.2025	69	0	69
COST			
At 1.1.2024	916	268	1,184
Additions for the financial year	11	0	11
At 31.12.2024	927	268	1,195
ACCUMULATED DEPRECIATION			
At 1.1.2024	865	268	1,133
Depreciation for the financial year	17	0	17
At 31.12.2024	882	268	1,150
CARRYING AMOUNT			
At 31.12.2024	45	0	45

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Addition of property, plant and equipment during the financial year	3,336	3,106	40	11
Less:				
Borrowing costs capitalised	(600)	(420)	0	0
Financed through hire purchase	(596)	(118)	0	0
Balance not paid	(53)	0	0	0
Cash payments	2,087	2,568	40	11

(b) At 31 December 2025, certain freehold land and buildings of the Group with a total carrying amounts of RM50,163,000 (2024: RM51,109,000) is charged to secure bank loans granted to the Group (see Note 23).

(c) Included in the property, plant and equipment of the Group were kitchen equipment, audio visual equipment and office equipment held under hire purchase arrangement with a carrying amount of RM654,000 (2024: RM134,000). This asset has been pledged as security for the hire purchase payables of the Group as disclosed in Note 23(a) to the financial statements.

12 RIGHT-OF-USE ASSETS

GROUP	Leasehold port land RM'000	Leasehold land RM'000	Buildings and improvement RM'000	Total RM'000
COST				
At 1.1.2025/ 31.12.2025	90,182	12,150	1,537	103,869
ACCUMULATED DEPRECIATION				
At 1.1.2025	9,142	1,098	141	10,381
Depreciation for the financial year	995	103	7	1,105
At 31.12.2025	10,137	1,201	148	11,486
ACCUMULATED IMPAIRMENT LOSSES				
At 1.1.2025	0	4,800	862	5,662
Reversal of impairment loss for the financial year	0	(85)	(37)	(122)
At 31.12.2025	0	4,715	825	5,540
CARRYING AMOUNT				
At 31.12.2025	80,045	6,234	564	86,843
COST				
At 1.1.2024	90,182	12,150	1,709	104,041
Derecognition due to lease modification	0	0	(172)	(172)
At 31.12.2024	90,182	12,150	1,537	103,869
ACCUMULATED DEPRECIATION				
At 1.1.2024	8,147	995	281	9,423
Depreciation for the financial year	995	103	7	1,105
Derecognition due to lease modification	0	0	(147)	(147)
At 31.12.2024	9,142	1,098	141	10,381
ACCUMULATED IMPAIRMENT LOSSES				
At 1.1.2024	0	4,911	936	5,847
Reversal of impairment loss for the financial year	0	(111)	(49)	(160)
Written off	0	0	(25)	(25)
At 31.12.2024	0	4,800	862	5,662
CARRYING AMOUNT				
At 31.12.2024	81,040	6,252	534	87,826

12 RIGHT-OF-USE ASSETS (CONTINUED)

COMPANY	Buildings RM'000
COST	
At 1.1.2025/31.12.2025	5,657
ACCUMULATED DEPRECIATION	
At 1.1.2025	2,829
Depreciation for the financial year	942
At 31.12.2025	3,771
CARRYING AMOUNT	
At 31.12.2025	1,886
COST	
At 1.1.2024/31.12.2024	5,657
ACCUMULATED DEPRECIATION	
At 1.1.2024	1,886
Depreciation for the financial year	943
At 31.12.2024	2,829
CARRYING AMOUNT	
At 31.12.2024	2,828

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 2025 and 31 December 2024. The plots of leasehold port land are amortised over the lease periods of 99 years.

At 31 December 2025, certain leasehold port land with a carrying amount RM53,393,000 (2024: RM53,997,000) and leasehold land of RM6,234,000 (2024: RM6,252,000) of the Group are charged to secured term loans granted to the subsidiaries (see Note 23(b) and (c)).

13 PORT FACILITIES

GROUP	Port structure RM'000	Port equipment RM'000	Capital work-in-progress RM'000	Total RM'000
COST				
At 1.1.2025	167,407	68,552	52,754	288,713
Additions	2,389	2,625	96,209	101,223
Written off	(20)	0	0	(20)
Transfer	1,663	1,155	(2,818)	0
At 31.12.2025	171,439	72,332	146,145	389,916
ACCUMULATED DEPRECIATION				
At 1.1.2025	44,684	30,878	0	75,562
Depreciation for the financial year	3,049	4,843	0	7,892
Written off	(1)	0	0	(1)
At 31.12.2025	47,732	35,721	0	83,453
CARRYING AMOUNT				
At 31.12.2025	123,707	36,611	146,145	306,463
COST				
At 1.1.2024	150,760	48,950	20,370	220,080
Additions	5,001	15,387	48,606	68,994
Reclassification	11,646	4,215	(15,861)	0
Reclassification to property, plant and equipment	0	0	(361)	(361)
At 31.12.2024	167,407	68,552	52,754	288,713
ACCUMULATED DEPRECIATION				
At 1.1.2024	41,781	26,732	0	68,513
Depreciation for the financial year	2,903	4,146	0	7,049
At 31.12.2024	44,684	30,878	0	75,562
CARRYING AMOUNT				
At 31.12.2024	122,723	37,674	52,754	213,151

(a) During the financial year, port facilities of the Group and of the Company were acquired by means of:

	GROUP 2025 RM'000	GROUP 2024 RM'000
Addition of port facilities during the financial year	101,223	68,994
Less:		
Borrowing costs capitalised	(3,629)	(114)
Cash payments	97,594	68,880

14 INVESTMENT PROPERTIES

GROUP	Freehold land RM'000	Buildings RM'000	Total RM'000
COST			
At 1.1.2025/31.12.2025	1,815	7,068	8,883
ACCUMULATED DEPRECIATION			
At 1.1.2025	0	2,143	2,143
Depreciation for the financial year	0	283	283
At 31.12.2025	0	2,426	2,426
CARRYING AMOUNT			
At 31.12.2025	1,815	4,642	6,457
COST			
At 1.1.2024/31.12.2024	1,815	7,068	8,883
ACCUMULATED DEPRECIATION			
At 1.1.2024	0	1,861	1,861
Depreciation for the financial year	0	282	282
At 31.12.2024	0	2,143	2,143
CARRYING AMOUNT			
At 31.12.2024	1,815	4,925	6,740

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 2025, the forced sale values of the properties of the Group was estimated at RM36,800,000 (2024: RM36,800,000) 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.

The investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 23 to the financial statements.

15 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	602	602
Equity loans to subsidiaries	97,997	97,997
	98,599	98,599
Less: Accumulated impairment losses	(500)	(500)
Carrying amount	98,099	98,099

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

Name of subsidiaries	Effective interest held by the Company 2025 %	Effective interest held by the Company 2024 %	Principal activities
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.
Held by PCB Leisure Sdn. Bhd.			
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.

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Effective interest held by the Company 2025 %	2024 %	Principal activities
Held by PCB Taipan Sdn. Bhd.			
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.
Held by Lumut Maritime Terminal Sdn. Bhd.			
LMT Capital Sdn. Bhd. *	50 plus 1 share	50 plus 1 share	Dormant.
Yayasan Lumut Port *	@	-	A company limited by guarantee, established to undertake and manage the corporate social responsibility initiatives of Lumut Maritime Terminal Sdn. Bhd.
Held by Casuarina Meru Sdn. Bhd.			
Silveritage Corporation Sdn. Bhd.	89.54	89.54	Development of tourism projects. Dormant.
Held by Silveritage Corporation Sdn. Bhd.			
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. and Yayasan Lumut Port as Lumut Maritime Terminal Sdn. Bhd. has 100% voting interest in LMT Capital Sdn. Bhd.

@ Yayasan Lumut Port is a company without share capital, limited by guarantee, incorporated on 30 December 2025.

All subsidiaries are incorporated in Malaysia. The principal place of business of these subsidiaries is in Malaysia.

As at 31 December 2025, the total non-controlling interests are RM180,925,000 (2024: RM171,118,000), mainly attributed by the 2 (2024: 2) subsidiaries listed below. The other non-controlling interests are individually insignificant.

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.	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current assets	402,563	310,085	57,878	58,710
Current assets	89,634	87,658	3,417	4,074
Total assets	492,197	397,743	61,295	62,784
Non-current liabilities	118,630	43,658	331	74
Current liabilities	15,712	16,304	11,216	11,260
Total liabilities	134,342	59,962	11,547	11,334
Net assets	357,855	337,781	49,748	51,450
Equity attributable to:				
Owners of the Company	178,928	168,891	44,544	46,068
Non-controlling interests	178,927	168,890	5,204	5,382
	357,855	337,781	49,748	51,450

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Summarised statements of comprehensive income

	Lumut Maritime Terminal Sdn. Bhd.		Casuarina Meru Sdn. Bhd.	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue	142,322	129,605	19,418	21,002
Profit/(loss) for the financial year	30,075	28,470	(1,707)	(2,133)
Total comprehensive income/(expenses)	30,075	28,470	(1,707)	(2,133)
Profit/(loss) attributable to:				
Owners of the Company	15,038	14,235	(1,481)	(1,907)
Non-controlling interests	15,037	14,235	(226)	(226)
	30,075	28,470	(1,707)	(2,133)
Total comprehensive Income/(expenses) attributable to:				
Owners of the Company	15,038	14,235	(1,481)	(1,907)
Non-controlling interests	15,037	14,235	(226)	(226)
	30,075	28,470	(1,707)	(2,133)
Dividend paid to non-controlling interests	5,000	5,000	0	0

(c) Summarised statements of cash flows

	Lumut Maritime Terminal Sdn. Bhd.		Casuarina Meru Sdn. Bhd.	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net cash flows generated from/(used in):				
Operating activities	33,480	47,836	967	(657)
Investing activities	(102,775)	(55,890)	(25)	(693)
Financing activities	60,970	15,932	(758)	(129)
Net increase/(decrease) in cash and cash equivalents	(8,325)	7,878	184	(1,479)
Cash and cash equivalents at:				
Beginning of the financial year	24,154	16,276	(3,632)	(2,153)
End of the financial year	15,829	24,154	(3,448)	(3,632)

16 INVESTMENTS IN ASSOCIATES

	GROUP	
	2025	2024
	RM'000	RM'000
Unquoted shares		
Ordinary shares, at cost	6,100	6,100
Less: Accumulated impairment losses	(6,100)	(6,100)
	0	0

Details of the associates are as follows:

Name of associates	Country of incorporation	Principal activity	Percentage of ownership held through subsidiary 2025 %	2024 %
Held by PCB Equity Sdn. Bhd.				
Suaconcept Pro Sdn. Bhd. (formerly known as 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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current				
Unquoted shares in Malaysia				
- Financial assets measured at fair value through profit or loss	25	25	0	0
Current				
Unit trust fund (quoted in Malaysia)				
- Financial assets measured at fair value through profit or loss	134	129	48	46
Market value of quoted investments	134	129	48	46

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18 INTANGIBLE ASSETS

	Goodwill RM'000	Computer software RM'000	Total RM'000
GROUP			
COST			
At 1.1.2025	24,746	6,008	30,754
Additions	0	214	214
Transfer from property, plant and equipment	0	102	102
At 31.12.2025	24,746	6,324	31,070
ACCUMULATED AMORTISATION			
At 1.1.2025	0	5,607	5,607
Amortisation	0	204	204
At 31.12.2025	0	5,811	5,811
ACCUMULATED IMPAIRMENT LOSSES			
At 1.1.2025/31.12.2025	935	0	935
CARRYING AMOUNT			
At 31.12.2025	23,811	513	24,324
COST			
At 1.1.2024	24,746	5,873	30,619
Additions	0	135	135
At 31.12.2024	24,746	6,008	30,754
ACCUMULATED AMORTISATION			
At 1.1.2024	0	5,251	5,251
Amortisation	0	356	356
At 31.12.2024	0	5,607	5,607
ACCUMULATED IMPAIRMENT LOSSES			
At 1.1.2024/31.12.2024	935	0	935
CARRYING AMOUNT			
At 31.12.2024	23,811	401	24,212

18 INTANGIBLE ASSETS (CONTINUED)

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 2025 (2024: 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 (2024: 5 years).
- Revenue was projected at anticipated annual growth of 2.0% (2024: 2.0%) per annum.
- A pre-tax discount rate for 6.4% (2024: 8.0%) 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% (2024: 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.

19 INVENTORIES

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Leasehold land held for development	10,428	10,428	0	0
Current				
Properties under development				
- Freehold land	24,895	24,854	24,290	24,249
- Leasehold land with unexpired lease period of more than 50 years	50,859	50,770	51,669	51,580
- Development costs	24,714	15,574	16,277	7,424
Property development costs	100,468	91,198	92,236	83,253
Food and beverages	67	88	0	0
Other supplies	128	182	0	0
Tools and spares	13,562	14,509	0	0
	114,225	105,977	92,236	83,253
	124,653	116,405	92,236	83,253
Recognised in profit or loss				
Inventories recognised as cost of sales	19,632	17,222	0	0
Inventories written off	1	0	0	0
Reversal of inventories previously written down	(6)	(1,192)	0	0

Freehold land under development and leasehold land with an unexpired lease period of more than 50 years with carrying amounts of RM4,782,000 and RM25,813,000 (2024: RM4,762,000 and RM25,813,000) respectively of the Group and of the Company have been pledged to financial institutions as security for banking facilities as disclosed in Note 23 to the financial statements.

The reversal of write-down was in respect of inventories sold above their carrying amounts during the previous financial year.

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables, gross	16,748	14,885	0	0
Less: Allowance for impairment loss	(1,973)	(2,054)	0	0
Trade receivables, net	14,775	12,831	0	0
Other receivables	2,627	1,752	20	16
Less: Allowance for impairment loss	(1,154)	(1,154)	0	0
	1,473	598	20	16
Deposits	2,082	1,704	117	117
Prepayments	6,050	3,981	321	275
Goods and Services Tax receivable	50	50	50	50
	24,430	19,164	508	458
Amounts due from related parties (trade):				
Ultimate holding corporation	934	1,963	0	0
Former subsidiaries	2,317	2,317	0	0
Associate	33	33	0	0
Fellow subsidiaries	1,366	1,342	0	0
Related parties	12,657	9,509	0	0
	17,307	15,164	0	0
Less: Allowance for impairment loss				
Ultimate holding corporation	(474)	(1,909)	0	0
Former subsidiaries	(2,317)	(2,317)	0	0
Associate	(33)	(33)	0	0
Fellow subsidiaries	(1,341)	(1,330)	0	0
	(4,165)	(5,589)	0	0
	13,142	9,575	0	0

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Amounts due from related parties (non-trade):				
Ultimate holding corporation	3,395	3,558	1,306	1,306
Subsidiaries	0	0	46,691	45,132
Former subsidiaries	202,395	202,395	159,027	159,027
Associates	8,576	8,586	8,500	8,500
Fellow subsidiaries	8,547	8,547	2,111	2,111
Related parties	4,295	4,295	0	0
	227,208	227,381	217,635	216,076
Less: Allowance for impairment losses				
Ultimate holding corporation	(3,395)	(2,422)	(1,306)	(1,306)
Subsidiaries	0	0	(46,691)	(45,132)
Former subsidiaries	(202,395)	(202,395)	(159,027)	(159,027)
Associates	(8,576)	(8,586)	(8,500)	(8,500)
Fellow subsidiaries	(8,547)	(8,547)	(2,111)	(2,111)
Related parties	(645)	(645)	0	0
	(223,558)	(222,595)	(217,635)	(216,076)
	3,650	4,786	0	0
Total amounts due from related parties	16,792	14,361	0	0
Total receivables, deposits and prepayments	41,222	33,525	508	458

(a) Trade receivables are non-interest bearing and are generally on 30 to 60 days (2024: 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	
	2025	2024
	RM'000	RM'000
Movements in allowance accounts		
At 1 January	2,054	1,882
Impairment charge for the financial year	93	320
Reversal of impairment losses for the financial year	(174)	(148)
At 31 December	1,973	2,054

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 (2024: 30 to 60 days) terms.

The non-trade amounts due from related parties are unsecured and interest-free as at 31 December 2025 and 31 December 2024.

The amount due from an associate are unsecured and interest-free as at 31 December 2025 and 31 December 2024.

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Movements in allowance accounts				
At 1 January	228,184	230,073	216,076	211,650
Impairment charge for the financial year	988	1,535	1,914	4,856
Reversal of impairment losses for the financial year	(1,449)	(3,424)	(355)	(430)
At 31 December	227,723	228,184	217,635	216,076

(c) Other receivables

	GROUP	
	2025	2024
	RM'000	RM'000
Movements in allowance accounts		
At 1 January	1,154	1,204
Impairment charge for the financial year	0	150
Reversal of impairment losses for the financial year	0	(200)
At 31 December	1,154	1,154

21 DEPOSITS, CASH AND BANK BALANCES

Cash and cash equivalents included in the statements of cash flows comprise the following:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits with licensed banks	11,762	8,548	6	6
Cash and bank balances	16,605	24,676	46	16
	28,367	33,224	52	22
Deposits, cash and bank balances	28,367	33,224	52	22
Less:				
Deposits pledged with banks	(5,378)	(2,341)	0	0
Fixed deposits with maturity of more than 3 months	(5,383)	(5,207)	(6)	(6)
Overdraft (Note 23)	(4,968)	(4,961)	0	0
Cash and cash equivalents	12,638	20,715	46	16
	%	%	%	%
Weighted average effective interest rate at the reporting date is as follows:				
Deposits with licensed banks	2.50 - 3.40	2.50 - 3.35	2.10	2.50
	Days	Days	Days	Days
The range of maturity periods of the deposits with licensed banks are as follows:				
- unencumbered	88 - 365	90 - 365	365	366
- encumbered	365	365 - 366	N/A	N/A

Included in the deposits with licensed banks of the Group are RM5,378,000 (2024: RM2,341,000) pledged as securities for bank facilities granted.

22 SHARE CAPITAL

	Number of Ordinary Shares		Share Capital	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Issued and fully paid ordinary shares				
At 1 January/31 December	100,000	100,000	272,770	272,770

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Secured				
Current				
Hire purchase and finance lease liabilities	759	634	1,024	966
Term financing-i	1,211	0	0	0
Revolving credits	5,113	5,143	0	0
Overdraft	4,968	4,961	0	0
Redeemable cumulative preference shares	44,016	41,292	44,016	41,292
	56,067	52,030	45,040	42,258
Non-current				
Hire purchase and finance lease liabilities	12,814	14,356	1,086	2,110
Term financing-i	102,340	28,905	0	0
Business financing-i and cash line-i	29,840	29,593	0	0
Revolving credits	14,143	19,143	0	0
	159,137	91,997	1,086	2,110
Total borrowings				
Hire purchase and finance lease liabilities	13,573	14,990	2,110	3,076
Term financing-i	103,551	28,905	0	0
Business financing-i and cash line-i	29,840	29,593	0	0
Revolving credits	19,256	24,286	0	0
Overdraft	4,968	4,961	0	0
Redeemable cumulative preference shares	44,016	41,292	44,016	41,292
	215,204	144,027	46,126	44,368

23 LOANS AND BORROWINGS (CONTINUED)

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Maturity of borrowings				
On demand or within one year	56,067	52,030	45,040	42,258
More than 1 year and less than 2 years	20,311	6,018	1,086	1,024
More than 2 years and less than 5 years	54,147	27,695	0	1,086
More than 5 years	84,679	58,284	0	0
	215,204	144,027	46,126	44,368

In previous financial years, the Group had defaulted on certain loan and borrowing obligations. As a result, borrowings with cross-default provisions under various financing facilities across the Group were classified as current liabilities, as they became repayable on demand.

Following the execution of debt settlement agreements between the Company and the affected subsidiary to restructure the outstanding debts as disclosed in Note 23(d) and (e) below, the defaults have been resolved, and the cross-default provisions are no longer triggered during the financial year ended 31 December 2025.

Accordingly, loans and borrowings have been reclassified into current and non-current liabilities in the statement of financial position, based on the respective contractual maturity profiles of the financing facilities.

(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% (2024: 3.78% to 4.19%) per annum. The hire purchases payables are secured by the kitchen equipment, audio visual equipment and office equipment as disclosed in Note 11 to the financial statements.

(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:

(i) Registered first party fixed legal charge in favour of the bank over 4 lots of leasehold land of the subsidiary;
(ii) Debenture by way of registered first fixed and floating charge over all the present and future assets of the subsidiary;
(iii) Deed of assignment of the subsidiary's rights, titles and benefits arising from all Takaful certificates/insurance policies taken by the subsidiary in relation to the Lumut Maritime Terminal 2;
(iv) First party assignment and charge over financing payment reserve account; and
(v) Irrevocable and unconditional letter of undertaking by the subsidiary to provide cash injection in the event of cost-overrun.

Item (i) and (ii) above are presently charged to the existing term financing-i granted to the subsidiary.

This term financing-i is repayable by 28 quarterly instalments commencing from the 25th month from date of first disbursement.

23 LOANS AND BORROWINGS (CONTINUED)

(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 6.47% (2024: 6.72%) per annum and are repayable by 180 monthly instalments starting from July 2019.

Post moratorium of Covid-19 pandemic, the term loans were initially rescheduled in 2020, resulting in a tenure extension of 34 months. During the current financial year, the term loans were further rescheduled, with an additional extension of the loan tenures by approximately 30 to 32 months.

(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.

The Company entered into a debt settlement agreement to restructure the outstanding defaulted debts via the issuance of redeemable cumulative preference shares as disclosed in Note 23(g) below.

(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 is secured by way of third party second fixed legal charged over a parcel of freehold commercial land of a former subsidiary.

23 LOANS AND BORROWINGS (CONTINUED)

(e) Revolving credits (continued)

The revolving credits of the Group are as follows: (continued)

(iii) Revolving credit (secured) granted to a subsidiary

The revolving credit of a subsidiary bears interest rates ranging from 6.95% to 7.47% (2024: 5.36% to 7.47%) 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.

The Company and the affected subsidiary have entered into a debt settlement agreement to restructure the outstanding defaulted debts through the issuance of redeemable cumulative preference shares as disclosed in Note 23(g) below.

(f) Overdraft

The overdraft of a subsidiary bears interest rate of 6.90% (2024: 7.15%) 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	
	2025	2024	2025	2024
	'000	'000	RM'000	RM'000
RPS classified as debt instruments:				
At 1 January	35,815	35,815	41,292	39,326
Issued during the financial year	0	0	0	0
Interest expenses charged during the financial year	0	0	2,724	1,966
At 31 December	35,815	35,815	44,016	41,292

The RPS comprised 35,814,980 shares issued by the Company as part settlement pursuant to the debt settlement agreement with the banks.

23 LOANS AND BORROWINGS (CONTINUED)

(g) Redeemable cumulative preference shares ("RPS") of the Group and of the Company (continued)

- 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;
- 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

23 LOANS AND BORROWINGS (CONTINUED)

(g) Redeemable cumulative preference shares ("RPS") of the Group and of the Company (continued)

- 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.

Prior to the mandatory full redemption on the third anniversary of the issuance of the RPS, CIMB, vide its letter dated 10 January 2025, approved the Company's request to redeem the RPS-A1 together with all accrued and unpaid dividends by 30 September 2025. Similarly, AIB, through its letter dated 27 January 2025, agreed to grant an extension of time until 30 September 2025 for the Company to fully redeem the RPS-A2, inclusive of cumulative compounded gross preferential dividends accruing at 5% per annum up to 31 January 2025 and 8% per annum thereafter until the RPS-A2 maturity date.

Subsequently, CIMB, at the Company's request, vide its letter dated 30 September 2025, granted a further extension of time up to 31 March 2026 for the full redemption of RPS-A1, together with cumulative gross preferential dividends at a rate of 8% per annum from 1 October 2025 until the maturity date of RPS-A1. Similarly, AIB, vide its letter dated 4 November 2025, granted an extension of time up to 31 March 2026 for the full redemption of RPS-A2.

The Company intends to utilise proceeds from land monetisation under the Proposed Regularisation Plan to fully redeem both RPS-A1 and RPS-A2. The timing of the receipt of these proceeds is contingent upon the fulfilment of the relevant conditions precedent, including approvals from Bursa Malaysia and shareholders, which were obtained on 19 January 2026 and 27 February 2026, respectively.

In view of the above, the Company had on 6 March 2026 requested for a further extension of time up to 30 June 2026 to facilitate the timing of receipt of the proceeds. CIMB has, vide its letter dated 17 March 2026, approved the said extension.

In respect of AIB, the Company's request for a further extension is under consideration. The Company remains in active engagement with the AIB to align the repayment timeline with the expected receipt of proceeds from the ongoing land monetisation which is progressing towards completion. The RPS-A2 remains in good standing, with no event of default triggered as at the date of this report.

24 PAYABLES AND ACCRUED LIABILITIES

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables	8,188	3,547	3,667	0
Other payables	34,037	29,296	21,969	17,661
Financial guarantee contracts	14,941	18,069	34,197	42,355
Deposits received	54,244	40,596	41,742	27,460
Accruals	25,931	28,368	716	201
	137,341	119,876	102,291	87,677
Amounts due to related parties (non-trade):				
Ultimate holding corporation	36,044	35,511	26,056	25,621
Fellow subsidiaries	1,850	1,787	1,476	1,413
A former subsidiary	3,498	3,498	231	231
Subsidiaries	0	0	116,574	114,190
An associate	546	532	14	0
Total amounts due to related parties	41,938	41,328	144,351	141,455
Total payables and accrued liabilities	179,279	161,204	246,642	229,132

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled within 7 to 90 days (2024: 7 to 90 days).

(b) Related parties balances

The amounts due to related parties are non-trade in nature, unsecured and interest free.

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities				
- subject to income tax	(16,297)	(14,760)	(7)	(7)

The movements in deferred tax assets/(liabilities) during the financial year comprise the following:

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At 1 January	(14,760)	(13,211)	(7)	(7)
Credited/(Charged) to profit or loss (Note 9)				
- property, plant and equipment and port facilities	(1,522)	(1,177)	0	0
- unabsorbed capital allowances	636	608	0	0
- provisions and allowances	(651)	(980)	0	0
	(1,537)	(1,549)	0	0
At 31 December	(16,297)	(14,760)	(7)	(7)
Subject to income tax:				
Deferred tax assets (before offsetting)				
- provisions and allowances	(5,022)	5,214	0	0
- unabsorbed capital allowances	2,128	0	0	0
- property, plant and equipment	0	(1,732)	0	0
	(2,894)	3,482	0	0
Offsetting	2,894	(3,482)	0	0
Deferred tax assets (after offsetting)	0	0	0	0
Deferred tax liabilities (before offsetting)				
- property, plant and equipment and port facilities	(13,403)	(18,242)	(7)	(7)
Offsetting	(2,894)	3,482	0	0
Deferred tax liabilities (after offsetting)	(16,297)	(14,760)	(7)	(7)

25 DEFERRED TAX LIABILITIES (CONTINUED)

The analysis of deferred tax assets/(liabilities) is as follows:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax liabilities				
- to be settled within 12 months	0	0	0	0
- to be settled after 12 months	(13,403)	(18,242)	(7)	(7)
	(13,403)	(18,242)	(7)	(7)
Deferred tax assets				
- to be settled within 12 months	0	0	0	0
- to be settled after 12 months	(2,894)	3,482	0	0
	(2,894)	3,482	0	0

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unused tax losses	95,205	82,719	73,599	60,945
Unabsorbed capital allowances	15,321	15,970	88	66

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unused tax losses	95,205	82,719	73,599	60,945
Unabsorbed capital allowances	15,321	15,970	88	66
Other deductible temporary differences	413,677	407,541	217,615	216,063
	524,203	506,230	291,302	277,074

26 NET GAIN ON DISPOSAL OF A DEEMED ACQUIRED SUBSIDIARY

(a) Deemed acquisition of a subsidiary

On 17 January 2024, the Creditors' Voluntary Winding Up of PCB Development has been set aside by the High Court of Kuala Lumpur ("the said Decision") via the Originating Summons No. WA-28PW-317-07/2022 dated 27 June 2022 by Affin Hwang Investment Bank Berhad, Affin Bank Berhad, Bank Pembangunan Malaysia Berhad and Malaysia Debt Ventures Berhad ("Applicants") against PCB Development and Liquidators ("Respondents"). On 27 February 2024, stay of the said Decision was refused by the High Court.

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

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

Financial Effect Arising from Deemed Acquisition

	RM'000	RM'000
Fair value of identifiable assets acquired and liabilities assumed		
Inventories	81,470	
Receivables, deposits and prepayments	19,306	
Deposits, bank and cash balances	5,983	
Payables and accrued liabilities	(594,806)	
Current tax payable	(31,587)	
Total net liabilities		(519,634)
Consideration		0
Goodwill on deemed acquisition		519,634*
Cash Flow Arising from Deemed Acquisition		
Purchase consideration		0
Less: Cash and cash equivalents of a subsidiary acquired		(5,983)
Net cash inflow on deemed acquisition of a subsidiary		(5,983)

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

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

26 NET GAIN ON DISPOSAL OF A DEEMED ACQUIRED SUBSIDIARY (CONTINUED)

(b) Disposal of a deemed acquired subsidiary

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

Financial Effect Arising from Disposal

	RM’000	RM’000
Consideration		0
Inventories	81,470	
Receivables, deposits and prepayments	18,845	
Deposits, bank and cash balances	6,444	
Payables and accrued liabilities	(596,599)	
Current tax payable	(31,587)	
Carrying amount of liabilities disposed		(521,427)
Gain on disposal of a deemed acquired subsidiary		521,427

Cash Flow Arising from Disposal	
Cash and cash equivalents of a subsidiary disposed	(6,444)
Less: Consideration	0
Net cash outflow on disposal of a deemed acquired subsidiary	(6,444)

27 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.

The Group is related to the Perak State Government as it is controlled by agency of the Perak State Government.

The Company's 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.

27 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Significant related party transactions

In addition to the related party transactions information disclosed in the statements of cash flows, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
PKNP - Holding corporation				
Recharge of admin expenses paid/payable	(435)	(184)	(435)	(184)
Rental income received/receivable	1,844	1,844	0	0
Interest expenses paid/payable	0	238	0	238
Waiver of debt	360	0	0	0
Sales income	469	161	0	0
Set off of debts	1	582	1	582
Lease rental paid/payable	(800)	(872)	0	0
Subsidiaries				
Advances paid	0	0	(2,283)	(4,804)
Advances received	0	0	2,640	1,788
Set off of debts	0	0	1	152
Rental services	0	0	(1,121)	(1,187)
Shared service charges	0	0	(388)	(411)
Former subsidiaries				
Set off of debts	0	(198)	0	198
Other related parties				
Sales	54	19	0	0
Purchase of goods	(4)	(11)	(4)	(1)
Rendering of services	(117)	(82)	(111)	(40)
Set off of debts	0	(372)	0	(231)
Associate				
Rendering of internet services	(81)	(81)	(81)	(81)
Government related entity - Lekir Bulk Terminal Sdn. Bhd.				
Revenue from operation and maintenance	52,050	44,664	0	0
Purchase of goods	(2,748)	(1,901)	0	0

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in Notes 20 and 24 to the financial statements.

27 RELATED PARTY DISCLOSURES (CONTINUED)

(d) Key management compensation

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries and other short term employee benefits	4,706	3,858	1,847	1,148
Post-employment benefits	559	450	188	98
	5,265	4,308	2,035	1,246
Included herein are directors' remuneration disclosed in Note 7 to the financial statements	1,839	1,654	596	573

28 CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Purchase of property, plant and equipment	11,529	11,906	0	0
Purchase of port facilities	26,856	117,861	0	0
	38,385	129,767	0	0

29 FINANCIAL INSTRUMENTS

29.1 Classification of financial instruments

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial asset measured at fair value through profit or loss:				
- Other investments	159	154	48	46
Financial assets at amortised cost:				
- Receivables and deposits	18,330	15,133	137	133
- Amount due from ultimate holding corporation	460	1,190	0	0
- Amount due from other related parties	16,332	13,171	0	0
- Deposits, cash and bank balances	28,367	33,224	52	22
Total	63,648	62,872	237	201
Financial liabilities				
Financial liabilities at amortised cost:				
- Payables and accrued liabilities	83,097	79,280	60,549	60,217
- Amount due to ultimate holding corporation	36,044	35,511	26,056	25,621
- Amount due to subsidiaries	0	0	116,574	114,190
- Amount due to a former subsidiary	3,498	3,498	231	231
- Amounts due to fellow subsidiaries	1,850	1,787	1,476	1,413
- Amounts due to an associate	546	532	14	0
- Loans and borrowings	215,204	144,027	46,126	44,368
Total	340,239	264,635	251,026	246,040

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 Financial risk management

Foreign currency risk

The Group and the Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

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.

<u>Sensitivity analysis for interest rate risk</u>

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

(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.

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 Financial risk management (continued)

(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), 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 and associates. The Company monitors the ability of the subsidiaries and associates to serve their loans on an individual basis.

The Group's major concentration credit risk relates to the amounts owing by 2 (2024: 2) customer which constituted approximately 59% (2024: 49%) 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).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries and associates which is disclosed in 29.2(d), representing the outstanding banking facilities of the subsidiaries and associates as at the end of the reporting period.

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, if any 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.

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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 difficulty 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 (2024 - 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.

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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.

GROUP	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
2025				
Trade receivables				
Gross carrying amount	11,899	3,582	1,267	16,748
Accumulated impairment loss	(536)	(170)	(1,267)	(1,973)
Net carrying amount	11,363	3,412	0	14,775

GROUP	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
2024				
Trade receivables				
Gross carrying amount	9,959	3,215	1,711	14,885
Accumulated impairment loss	(262)	(81)	(1,711)	(2,054)
Net carrying amount	9,697	3,134	0	12,831

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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).

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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

GROUP	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
2025				
Other receivables				
Gross carrying amount	1,473	0	1,154	2,627
Accumulated impairment loss	0	0	(1,154)	(1,154)
Net carrying amount	1,473	0	0	1,473
Amounts due from related parties				
Gross carrying amount	16,792	0	227,723	244,515
Accumulated impairment loss	0	0	(227,723)	(227,723)
Net carrying amount	16,792	0	0	16,792
Deposits and bank balances				
Gross/Net carrying amount	28,367	0	0	28,367

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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)

GROUP	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
2024				
Other receivables				
Gross carrying amount	598	0	1,154	1,752
Accumulated impairment loss	0	0	(1,154)	(1,154)
Net carrying amount	598	0	0	598
Amounts due from related parties				
Gross carrying amount	13,173	2,304	227,068	242,545
Accumulated impairment loss	0	(1,116)	(227,068)	(228,184)
Net carrying amount	13,173	1,188	0	14,361
Deposits and bank balances				
Gross/Net carrying amount	33,224	0	0	33,224

COMPANY	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
2025				
Other receivables				
Gross/Net carrying amount	20	0	0	20
Amounts due from related parties				
Gross carrying amount	0	195,415	22,220	217,635
Accumulated impairment loss	0	(195,415)	(22,220)	(217,635)
Net carrying amount	0	0	0	0
Deposits and bank balances				
Gross/Net carrying amount	52	0	0	52

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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)

COMPANY	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
2024				
Other receivables				
Gross/Net carrying amount	16	0	0	16
Amounts due from related parties				
Gross carrying amount	0	193,870	22,206	216,076
Accumulated impairment loss	0	(193,870)	(22,206)	(216,076)
Net carrying amount	0	0	0	0
Deposits and bank balances				
Gross/Net carrying amount	22	0	0	22

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.

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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.

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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.

	2025				
GROUP	On demand	Within one year	Two to five years	More than five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities:					
Payables and accrued liabilities	0	68,156	0	0	68,156
Amounts due to related parties	0	41,938	0	0	41,938
Loans and borrowings	0	56,176	72,263	117,765	246,204
Hire purchase and finance lease liabilities	0	1,081	3,300	67,750	72,131
Financial guarantee contracts	24,253	0	0	0	24,253
Total undiscounted financial obligations	24,253	167,351	75,563	185,515	452,682

	2024				
GROUP	On demand	Within one year	Two to five years	More than five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities:					
Payables and accrued liabilities	0	61,211	0	0	61,211
Amounts due to related parties	0	41,328	0	0	41,328
Loans and borrowings	0	53,292	48,048	74,745	176,085
Hire purchase and finance lease liabilities	0	930	3,561	73,870	78,361
Financial guarantee contracts	18,969	0	0	0	18,969
Total undiscounted financial obligations	18,969	156,761	51,609	148,615	375,954

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 Financial risk management (continued)

(d) Liquidity risk (continued)

	2025				
COMPANY	On demand	Within one year	Two to five years	More than five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities:					
Payables and accrued liabilities	0	26,352	0	0	26,352
Amounts due to related parties	0	144,351	0	0	144,351
Loans and borrowings	0	44,884	0	0	44,884
Hire purchase and finance lease liabilities	0	1,121	1,121	0	2,242
Financial guarantee contracts	68,349	0	0	0	68,349
Total undiscounted financial obligations	68,349	216,708	1,121	0	286,178

	2024				
COMPANY	On demand	Within one year	Two to five years	More than five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities:					
Payables and accrued liabilities	0	17,862	0	0	17,862
Amounts due to related parties	0	141,455	0	0	141,455
Loans and borrowings	0	43,188	0	0	43,188
Hire purchase and finance lease liabilities	0	1,121	2,241	0	3,362
Financial guarantee contracts	72,848	0	0	0	72,848
Total undiscounted financial obligations	72,848	203,626	2,241	0	278,715

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries and associates at the end of the reporting period.

29 FINANCIAL INSTRUMENTS (CONTINUED)

29.2 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. The original objective of safeguard the Group and the Company to continue as a going concern could not be met. On 18 February 2025, the Company has made a requisite announcement to undertake the proposed regularisation plan to regularise its financial condition in accordance with Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Malaysia.

	GROUP	
	2025 RM'000	2024 RM'000
Loans and borrowings	215,204	144,027
Payables and accrued liabilities	179,279	161,204
Less: Deposits, cash and bank balances	(28,367)	(33,224)
Net debt	366,116	272,007
Equity attributable to the owners of the Company	98,876	97,853
Capital and net debt	464,992	369,860
Gearing ratio	79%	74%

There were no changes in the approach to capital management during the financial year.

29 FINANCIAL INSTRUMENTS (CONTINUED)

GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	5	3	2	1
Amortised Cost				
Net gains/(losses) recognised in profit or loss	737	2,230	(1,553)	(4,417)
Financial liabilities				
Amortised Cost				
Net gains/(losses) recognised in profit or loss	(3,225)	(3,895)	5,279	3,621

30 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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).

30 FAIR VALUE INFORMATION (CONTINUED)

The following table sets out the fair value profile of financial assets that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2025				
GROUP				
Asset				
Other investments	134	0	25	159
COMPANY				
Asset				
Other investments	48	0	0	48
At 31 December 2024				
GROUP				
Asset				
Other investments	129	0	25	154
COMPANY				
Asset				
Other investments	46	0	0	46

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.

The fair value of hire purchase and redeemable cumulative preference shares that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period and the fair value is within Level 2 of the fair value hierarchy.

The fair value of the borrowings that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

There were no transfers between level 1 and 2 during the current financial year and previous financial year.

31 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 (2024: 2) customers contributed more than 10% of the total revenue of the Group amounted to RM52,050,000 and RM20,411,000 (2024: RM44,664,000 and RM16,262,000) 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 2025 and the statements of financial position as at 31 December 2025. The components of the segment assets and liabilities include classes of assets and liabilities disclosed in the statements of financial position.

31 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position

2025	Ports and logistics RM'000	Property development RM'000	Hospitality and tourism RM'000	Management services and others RM'000	Total RM'000
Revenue:					
Total revenue	142,322	1,100	22,585	8,572	174,579
Less: Inter-segment revenue	0	0	(2,426)	(6,508)	(8,934)
Revenue from external customers	142,322	1,100	20,159	2,064	165,645
Revenue from contracts with customers:					
Timing of revenue recognition					
- At a point in time	119,985	1,100	12,124	0	133,209
- Over time	22,337	0	8,035	2,064	32,436
Results:					
Profit/(Loss) from operations	43,056	(1,242)	(863)	(5,641)	35,310
Finance costs	(50)	0	(1,242)	(4,477)	(5,769)
Profit/(Loss) before tax	43,006	(1,242)	(2,105)	(10,118)	29,541
Tax expense	(12,886)	(198)	(423)	(204)	(13,711)
Net profit/(loss) for the financial year	30,120	(1,440)	(2,528)	(10,322)	15,830

31 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

2025	Ports and logistics RM'000	Property development RM'000	Hospitality and tourism RM'000	Management services and others RM'000	Total RM'000
Included in profit/(loss) from operations are:					
- interest income	(186)	0	0	(17)	(203)
- dividend income	0	0	0	(1)	(1)
- fair value gain on other investments	0	0	0	(5)	(5)
- reversal of impairment losses on trade and other receivables	0	0	(174)	0	(174)
- reversal of impairment losses on amount due from related parties	0	0	0	(1,449)	(1,449)
- reversal of impairment losses on property, plant and equipment	0	0	(584)	0	(584)
- reversal of impairment loss on right-of-use assets	0	0	(122)	0	(122)
- reversal of inventories previously written down	(6)	0	0	0	(6)
- reversal of impairment losses on financial guarantee contracts	0	0	0	(3,128)	(3,128)
- gain on disposal of property, plant and equipment	(172)	0	0	0	(172)
- gain on lease termination	0	0	(1,335)	0	(1,335)
- gain on foreign exchange (realised)	(16)	0	0	0	(16)
- waiver of penalty	0	0	(190)	0	(190)
- waiver of debt	0	0	(360)	0	(360)
- amortisation of intangible assets	204	0	0	0	204
- depreciation of property, plant and equipment, port facilities, investment properties and right-of-use assets	10,414	0	2,199	93	12,706
- impairment losses on trade and other receivables	0	0	93	0	93

31 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

2025	Ports and logistics RM'000	Property development RM'000	Hospitality and tourism RM'000	Management services and others RM'000	Total RM'000
Included in profit/(loss) from operations are: (continued)					
- impairment losses on amounts due from related parties	0	0	988	0	988
- deposits written off	0	0	4	0	4
- inventories written off	0	0	0	1	1
- port facilities written off	19	0	0	0	19
- property, plant and equipment written off	6	0	0	0	6

2025	Ports and logistics RM'000	Property development RM'000	Hospitality and tourism RM'000	Management services and others RM'000	Total RM'000
Segment assets	513,159	91,426	86,014	1,694	692,293
Unallocated assets	663	0	0	14	677
Total assets	513,822	91,426	86,014	1,708	692,970
Segment liabilities	118,085	44,169	71,662	160,567	394,483
Unallocated liabilities	16,290	0	572	1,824	18,686
Total liabilities	134,375	44,169	72,234	162,391	413,169
Capital expenditure	103,251	0	1,478	44	104,773

31 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

2024	Ports and logistics RM'000	Property development RM'000	Hospitality and tourism RM'000	Management services and others RM'000	Total RM'000
Revenue:					
Total revenue	129,605	0	24,849	8,570	163,024
Less: Inter-segment revenue	0	0	(2,542)	(6,598)	(9,140)
Revenue from external customers	129,605	0	22,307	1,972	153,884
Revenue from contracts with customers:					
Timing of revenue recognition					
- At a point in time	107,977	0	11,865	0	119,842
- Over time	21,628	0	10,442	1,972	34,042
Results:					
Profit/(Loss) from operations	38,937	(4,077)	(1,050)	(364)	33,446
Finance costs	(140)	0	(1,010)	(4,636)	(5,786)
Profit/(Loss) before tax	38,797	(4,077)	(2,060)	(5,000)	27,660
Tax expense	(10,260)	0	(501)	(107)	(10,868)
Net profit/(loss) for the financial year	28,537	(4,077)	(2,561)	(5,107)	16,792

31 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

2024	Ports and logistics RM'000	Property development RM'000	Hospitality and tourism RM'000	Management services and others RM'000	Total RM'000
Included in profit/(loss) from operations are:					
- interest income	(442)	0	(9)	(11)	(462)
- fair value gain on other investments	0	0	0	(3)	(3)
- reversal of impairment losses on trade and other receivables	(136)	0	(212)	0	(348)
- reversal of impairment losses on amount due from related parties	0	0	0	(3,424)	(3,424)
- reversal of impairment losses on property, plant and equipment	0	0	(933)	0	(933)
- reversal of impairment losses on right-of-use assets	0	0	(160)	0	(160)
- reversal of inventories previously written down	(1,192)	0	0	0	(1,192)
- reversal of impairment losses on financial guarantee contracts	0	0	0	(1,891)	(1,891)
- net gain on disposal of a deemed acquired subsidiary	0	0	0	(1,793)	(1,793)
- amortisation of intangible assets	356	0	0	0	356
- depreciation of property, plant and equipment, port facilities, investment properties and right-of-use assets	9,358	0	2,564	313	12,235
- impairment losses on trade and other receivables	0	0	320	150	470
- impairment losses on amounts due from related parties	0	0	1,127	408	1,535
- impairment losses of property, plant and equipment	0	0	9	0	9

31 SEGMENT REPORTING (CONTINUED)

(a) Analysis of results and financial position (continued)

2024	Ports and logistics RM'000	Property development RM'000	Hospitality and tourism RM'000	Management services and others RM'000	Total RM'000
Segment assets	417,851	82,443	86,802	1,690	588,786
Unallocated assets	1,928	0	3	142	2,073
Total assets	419,779	82,443	86,805	1,832	590,859
Segment assets					
Segment liabilities	45,246	26	73,994	185,965	305,231
Unallocated liabilities	14,753	0	469	1,435	16,657
Total liabilities	59,999	26	74,463	187,400	321,888
Capital expenditure	70,475	0	1,749	11	72,235

32 FINANCIAL GUARANTEE CONTRACTS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Corporate guarantees given to banks for credit facilities granted to:				
Amount guaranteed				
Subsidiaries	0	0	72,766	72,766
Associates	23,759	24,697	23,759	24,697
A former subsidiary	963	963	963	963
	24,722	25,660	97,488	98,426

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.

33 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 6 January 2025, an originating summons (Ipoh High Court Originating Summons No. AA-24NCC-1-01/2025) was filed by the plaintiffs, namely Paramount Grace Sdn Bhd, Avaiden Secure System, Blueblack Production Sdn Bhd, SJEE Engineering Sdn Bhd, Gai Leong Engineering Sdn Bhd, Arrowmedia Sdn Bhd, LCT System Sdn Bhd, AV Audio Video, iCloud System Sdn Bhd, Pesive Engineering and GS Pave & Scape Sdn Bhd (collectively, the "Plaintiffs"), against the Company and PCB Development (collectively, the "Defendants"). The Plaintiffs were seeking, among others, (i) a variation of the court order dated 23 July 2020 which granted leave for a court-convened meeting under Originating Summons No. AA-24NCC-3-09-07/2020, to exclude the Plaintiffs as scheme creditors; (ii) an order to set aside the Sanction Order dated 7 May 2021, which approved the Scheme of Arrangement dated 21 March 2020; and (iii) declarations that the Company has breached the terms of the Scheme of Arrangement and that the Plaintiffs are no longer bound by it.

On 9 October 2025, the Plaintiffs filed a notice of appeal to the Court of Appeal against the decision of the High Court Ipoh, which had dismissed their originating summons with costs.

(b) On 7 February 2025, the Company submitted a further extension of time application to Bursa Malaysia of six (6) months, up to 9 August 2025, to submit the Company's regularisation plan to the relevant regulatory authorities. On 20 February 2025, Bursa Malaysia has resolved to grant the Company a further extension of time of six (6) months up to 9 August 2025 to submit its regularisation plan to the relevant regulatory authorities for approval.

(c) On 7 February 2025, the Company entered into a Collaboration Agreement with Spectrum Asets Sdn Bhd to collaborate and combine resources and expertise to implement and execute the proposed joint development of land held under Geran 154028, Lot 517373 measuring approximately 50.014 acres and PN 1068933, Lot No. 559634 measuring approximately 4.57 acres, both situated in Mukim Hulu Kinta, District of Kinta, Perak into a proposed mix development project.

(d) On 13 February 2025, the Company entered into a Sale and Purchase Agreement with Lumut Maritime Terminal Sdn Bhd to dispose of three (3) plots of state lands located in Wilayah Batu Undan, Mukim Lumut, District of Manjung, Perak, measuring approximately 17.35 acres in total area, for total a cash consideration of RM8.53 million.

(e) On 13 February 2025, the Company entered into a supplemental agreement with PKNP and Uni-poh Construction Works Sdn Bhd to modify, vary and supplement the terms of the joint venture agreement dated 8 March 2024 in respect of a parcel of state land located in Mukim Hulu Kinta, District of Kinta, Negeri Perak ("Zone 1 Bandar Meru Raya"). The supplemental agreement provides, inter alia, for the agreed liquidated value of the Company's entitlement and the revised mode of payment thereof, for a total cash consideration of RM40.38 million.

(f) On 14 February 2025, the Company entered into a supplemental agreement with Urbax Properties Sdn Bhd to modify, vary and supplement the terms of the joint development agreement dated 7 June 2024 in relation to a housing development project on lands held under Geran 178753, Lot No. 516682, Geran 178754, Lot No. 516683 and Geran 151067, Lot No. 516687, all situated in Mukim Hulu Kinta, District of Kinta, Perak, measuring approximately 24.807 acres in total. The supplemental agreement revises, among others, the conditions precedent and development approvals, and sets out the gross development value, gross development cost and the mode of settlement of the Company's entitlement.

33 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(a) On 18 February 2025, the Company has made a requisite announcement to undertake the Proposed Regularisation Plan to regularise its financial condition in accordance with Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Malaysia.

(b) On 9 May 2025, the application in relation to the Proposed Regularisation Plan has been submitted to Bursa Malaysia for approval.

(c) On 13 November 2025, the Company entered into a Collaboration Agreement with Cahya Netin Sdn Bhd (formerly known as Bond Eco Farms Sdn Bhd) to identify potentially commercially viable land, measuring approximately 2,000 acres in total, in the state of Perak belonging to state agencies, for the purpose of constructing and operating a solar energy generation farm project.

(d) On 13 November 2025 entered into a Collaboration Agreement with Megaconn Technologies Sdn Bhd (formerly known as Bond Resorts Management Sdn Bhd) to jointly procure and secure a concession award for the development and implementation of a smart water meter initiative in the state of Perak.

34 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL YEAR

(a) Further to the litigation disclosed under Significant Events During the Financial Year, item (a) in relation to the Plaintiffs' appeal to the Court of Appeal, on 6 January 2026, the Defendants filed a notice of motion to strike out the appeal on the grounds that the record of appeal was filed out of time.

Subsequently, on 20 January 2026, the Defendants received the notice of discontinuance from the Plaintiffs. The Defendants agreed to the notice of discontinuance with no liberty to file afresh, and the hearing date fixed on 4 February 2026 was vacated.

On 4 February 2026, the Court of Appeal confirmed that the notices of discontinuance in respect of the appeal and related applications were in order. Consequently, the Court of Appeal confirmed that the case has been closed.

(b) Bursa Malaysia has, vide its letter dated 19 January 2026, resolved to approve the Company's Proposed Regularisation Plan, subject to the following conditions:

(i) the Company and M&A Securities Sdn Bhd ("M&A Securities"), being the Principal Adviser, must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Regularisation Plan;
(ii) the Company and M&A Securities to confirm all approvals of relevant authorities have been obtained for the implementation of the Proposed Regularisation Plan and furnish a copy of all approval letters from the relevant authorities;
(iii) the Company and M&A Securities to furnish Bursa Malaysia with a certified true copy of the resolution passed by the shareholders at the general meeting for the Proposed Regularisation Plan;
(iv) the Company and M&A Securities to inform Bursa Malaysia upon the completion of the Proposed Regularisation Plan and furnish Bursa Malaysia with a written confirmation of its compliance with the terms and conditions of Bursa Malaysia's approval; and
(v) to incorporate the comments made in the circular to shareholders.

34 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL YEAR (CONTINUED)

(c) On 27 February 2026, the Company convened an Extraordinary General Meeting ("EGM"), at which all resolutions as set out in the notice of the EGM dated 5 February 2026 in respect of the Proposed Regularisation Plan were duly passed by the shareholders of the Company by way of poll.

(d) On 3 March 2026, the Company's solicitors, vide its letter of the same date, confirmed that all conditions precedent set out in supplemental agreement dated 13 February 2025 to the joint venture agreement with PKNP and Uni-poh Construction Works Sdn Bhd had been fulfilled. Accordingly, the supplemental agreement has become unconditional, marking the deemed completion of Zone 1 Bandar Meru Raya for the purpose of the Proposed Regularisation Plan.

(e) On 2 April 2026, the Company's solicitors, vide its letters all dated 2 April 2026, confirmed that all conditions precedent set out in the following agreements had been fulfilled, and accordingly, the agreements have become unconditional, marking the deemed completion of the disposals of Hulu Bernam lands for the purpose of the Proposed Regularisation Plan:

(i) The second supplemental agreement with Makmur Impian Property Sdn Bhd dated 13 November 2024 to the principal agreement dated 10 September 2019 and the first supplemental agreement dated 17 August 2023 for the disposal of 73.14 acres of land held under PN394964, Lot 20570 and PN394965, Lot 20571, both located at Mukim Hulu Bernam Timor, Daerah Muallim, Perak;
(ii) the Sale and Purchase agreement with Tg Malim Hi-tech Park Sdn Bhd (formerly known as ARX-YSC Sdn Bhd) ("TMHTP") dated 13 November 2024 for the disposal of a 247.85 acres of land held under PN394961, Lot 20402, located at Mukim Hulu Bernam Timor, Daerah Muallim, Perak; and
(iii) the Sale and Purchase agreement with TMHTP dated 13 November 2024 for the disposal of a 103.71 acres of land held under PN394962, Lot 20403, located at Mukim Hulu Bernam Timor, Daerah Muallim, Perak.

35 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 2026.

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. o.	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 and vote (collectively, "**Participate**") for me/us and on my/our behalf, at the **THIRTY-FIFTH ANNUAL GENERAL MEETING** ("**AGM**") of the Company to be held at Casuarina Convention Centre 1, Hotel Casuarina @ Meru, No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak Darul Ridzuan on Thursday, 4 June 2026 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 RM662,000.00 from the date of the conclusion of this AGM until the date of the next AGM to be paid on a monthly basis.		
2.	To re-elect Datuk Redza Rafiq bin Abdul Razak as Director of the Company.		
3.	To re-elect Andy Liew Hock Sim as Director of the Company.		
4.	To re-elect Tan Chee Hau 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 2026.

____
Signature/Seal

Notes:

a. *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.*
b. *For the purpose of determining a member who shall be entitled to attend, speak and vote (collectively, "**Participate**") in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a Record of Depositors as at 26 May 2026. Only members whose names appear in the Record of Depositors as at 26 May 2026 will be entitled to Participate in this AGM.*
c. *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.*
d. *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.*
e. *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.*
f. *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.*
g. *The Form of Proxy can be submitted through either one of the following avenues no later than Tuesday, 2 June 2026 at 10.00 a.m. or at any adjournment thereof:*
   (i) *Lodgement of Form of Proxy in hardcopy - To be deposited at the Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd'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 the drop box located 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 Vistra Share Registry and IPO (MY) Portal ("the Portal") at https://srmy.vistra.com. Kindly refer to the Administrative Guide for this AGM on the procedures for electronic lodgement of Form of Proxy via the Portal.*
h. *The registration for the AGM will commence on Thursday, 4 June 2026 at 9.00 a.m.*

CONTACT

PERAK CORPORATION BERHAD
[199101000605 (210915-U)]

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